As Filed with the Securities and Exchange Commission on June 21, 2021

File No. 001-

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

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

Victoria's Secret & Co.

(Exact name of Registrant as specified in its charter)

Delaware	**86-3167653**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
4 Limited Parkway East Reynoldsburg, Ohio	**43068**
(Address of Principal Executive Offices)	(Zip Code)

(614) 577-7000
(Registrant's telephone number, including area code)

Copies to:

Deanna L. Kirkpatrick
Roshni Banker Cariello
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017

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

Title of each class to be so registered	**Name of each exchange on which each class is to be registered**
Common Stock, par value $0.01 per share	New York Stock Exchange

Securities to be registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

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

Victoria's Secret & Co.

INFORMATION REQUIRED IN REGISTRATION STATEMENT

CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Certain information required to be included herein is incorporated by reference to specifically identified portions of the body of the information statement filed herewith as Exhibit 99.1 (the "information statement"). None of the information contained in the information statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference.

Item 1. Business.

The information required by this item is contained in the sections "Summary," "Risk Factors," "Special Note Regarding Forward-Looking Statements," "The Separation," "Capitalization," "Unaudited Pro Forma Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Compensation Discussion and Analysis," "Management," "Certain Relationships and Related Party Transactions," "Where You Can Find More Information" and "Index to Combined Financial Statements" (and the statements referenced therein) of the information statement. Those sections are incorporated herein by reference.

Item 1A. Risk Factors.

The information required by this item is contained in the sections "Risk Factors" and "Special Note Regarding Forward-Looking Statements" of the information statement. Those sections are incorporated herein by reference.

Item 2. Financial Information.

The information required by this item is contained in the sections "Summary," "Risk Factors," "Capitalization," "Unaudited Pro Forma Combined Financial Statements," "Selected Historical Combined Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Index to Combined Financial Statements" (and the statements referenced therein) of the information statement. Those sections are incorporated herein by reference.

Item 3. Properties.

The information required by this item is contained in the section "Business—Properties" of the information statement. That section is incorporated herein by reference.

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The information required by this item is contained in the section "Ownership of Common Stock by Certain Beneficial Owners and Management" of the information statement. That section is incorporated herein by reference.

Item 5. Directors and Executive Officers.

The information required by this item is contained in the section "Management" of the information statement. That section is incorporated herein by reference.

Item 6. Executive Compensation.

The information required by this item is contained in the sections "Compensation Discussion and Analysis" and "Management" of the information statement. Those sections are incorporated herein by reference.

Item 7. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is contained in the sections "The Separation—Agreements with LB," "Certain Relationships and Related Party Transactions," "Management," "Compensation Discussion and Analysis" and "Ownership of Common Stock by Certain Beneficial Owners and Management" of the information statement. Those sections are incorporated herein by reference.

Item 8. Legal Proceedings.

The information required by this item is contained in the section "Business—Legal Proceedings" of the information statement. That section is incorporated herein by reference.

Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.

The information required by this item is contained in the sections "Summary," "Risk Factors," "The Separation," "Dividend Policy," "Capitalization" and "Description of Capital Stock" of the information statement. Those sections are incorporated herein by reference.

Item 10. Recent Sales of Unregistered Securities.

The information required by this item is contained in the section "Description of Capital Stock—Distributions of Securities" of the information statement. That section is incorporated herein by reference.

Item 11. Description of Registrant's Securities to Be Registered.

The information required by this item is contained in the section "Description of Capital Stock" of the information statement. That section is incorporated herein by reference.

Item 12. Indemnification of Directors and Officers.

The information required by this item is contained in the section "Description of Capital Stock" of the information statement. That section is incorporated herein by reference.

Item 13. Financial Statements and Supplementary Data.

The information required by this item is contained in the section "Index to Combined Financial Statements" (and the statements referenced therein) of the information statement. That section is incorporated herein by reference.

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 15. Financial Statements and Exhibits.

(a) Financial Statements

The information required by this item is contained in the sections "Index to Combined Financial Statements" (and the statements referenced therein) of the information statement. That section is incorporated herein by reference.

(b) Exhibits

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Title
2.1	Form of Separation and Distribution Agreement between L Brands, Inc. and Victoria's Secret & Co.
3.1	Form of Amended and Restated Articles of Incorporation of Victoria's Secret & Co.
3.2	Form of Amended and Restated Bylaws of Victoria's Secret & Co.
10.1	Form of L Brands to VS Transition Services Agreement between L Brands, Inc. and Victoria's Secret & Co.
10.2	Form of VS to L Brands Transition Services Agreement between L Brands, Inc. and Victoria's Secret & Co.
10.3	Form of Tax Matters Agreement between L Brands, Inc. and Victoria's Secret & Co.
10.4	Form of Employee Matters Agreement between L Brands, Inc. and Victoria's Secret & Co.
10.5	Form of Domestic Transportation Services Agreement between Mast Logistics Services, LLC and Victoria's Secret & Co.
10.6	Form of Victoria's Secret & Co. 2021 Stock Option and Performance Incentive Plan*
10.7	Form of Victoria's Secret & Co. 2021 Stock Option and Performance Incentive Plan Restricted Share Unit Award Agreement*
10.8	Form of Victoria's Secret & Co. 2021 Stock Option and Performance Incentive Plan Stock Option Award Agreement*
10.9	Form of Victoria's Secret & Co. 2021 Cash Incentive Compensation Performance Plan*
10.10	Form of Indemnification Agreement for Non-Employee Directors
10.11	Form of Victoria's Secret & Co. 2021 Associate Stock Purchase Plan*
10.12	Form of Victoria's Secret & Co. 2021 Stock Option and Performance Incentive Plan Performance Share Unit Award Agreement*
10.13	Form of Registration Rights Agreement by and among Victoria's Secret & Co., Leslie H. Wexner and Abigail S. Wexner*
21.1	Subsidiaries of the Registrant
99.1	Preliminary Information Statement dated June 21, 2021
99.2	Form of Notice of Internet Availability of Information Statement Materials*

* **To be filed by amendment.**

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Victoria's Secret & Co.

By: /s/ Martin Waters

Name: Martin Waters

Title: Chief Executive Officer

Date: June 21, 2021

Exhibit 2.1

FORM OF

SEPARATION AND DISTRIBUTION AGREEMENT

by and between

L BRANDS, INC.

and

VICTORIA'S SECRET & CO.

Dated as of [—]

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EXHIBITS

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SEPARATION AND DISTRIBUTION AGREEMENT

SEPARATION AND DISTRIBUTION AGREEMENT dated as of [—] (as the same may be amended from time to time in accordance with its terms and together with the schedules and exhibits hereto, this "**Agreement**") between L Brands, Inc., a Delaware corporation ("**L Brands**"), and Victoria's Secret & Co., a Delaware corporation ("**VS**") (each, a "**Party**" and together, the "**Parties**").

W I T N E S S E T H:

WHEREAS, the Board of Directors of L Brands has determined that it is in the best interests of L Brands and its stockholders to separate the VS Business from the L Brands Business;

WHEREAS, VS is a wholly owned Subsidiary of L Brands that has been incorporated for the sole purpose of, and has not engaged in activities except in preparation for, the Distribution and the transactions contemplated by this Agreement;

WHEREAS, in furtherance of the foregoing, the Board of Directors of L Brands has determined that it is in the best interests of L Brands and its stockholders to distribute to the holders of the issued and outstanding shares of common stock, par value $0.50 per share, of L Brands (the "**L Brands Common Stock**") as of the Record Date, by means of a *pro rata* dividend, 100% of the issued and outstanding shares of common stock, par value $0.01 per share, of VS (the "**VS Common Stock**"), on the basis of one share of VS Common Stock for every [—] then issued and outstanding shares of L Brands Common Stock (the "**Distribution**");

WHEREAS, L Brands and VS have prepared, and VS has filed with the Commission, the Form 10, which includes the Information Statement, and which sets forth appropriate disclosure concerning VS and the Distribution, and the Form 10 has become effective under the Exchange Act;

WHEREAS, the Distribution will be preceded by, among other things, (i) the Restructuring, pursuant to which, among other things, all of the equity interests of the VS First-Tier Subsidiaries will be contributed to VS (the "**Contribution**"), (ii) the entry by VS into the VS Financing Arrangements and (iii) the payment of the Special Cash Payment;

WHEREAS, for United States federal and state income tax purposes, it is intended that (i) the Contribution, the Special Cash Payment and the Distribution, taken together, will qualify as a "reorganization" within the meaning of Section 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "**Code**") and each of L Brands and VS will be a "party to the reorganization" within the meaning of Section 368(b) of the Code, (ii) the Distribution will qualify as a tax-free transaction under Sections 355(a) and 361(c) of the Code, and (iii) the L Brands Cash Distribution should qualify as money distributed to L Brands creditors or stockholders in connection with the reorganization for purposes of Section 361(b) of the Code (in each case, qualifying for such treatment under the corresponding provisions of state law), and it is a condition to the Distribution that L Brands will have obtained the Tax Opinion to such effect as contemplated by Section 3.01(a)(ix);

WHEREAS, this Agreement, together with the Ancillary Agreements and other documents implementing the Contribution and the Distribution, is intended to be, and is hereby adopted as, a "plan of reorganization" within the meaning of Treas. Reg. Section 1.368-2(g);

WHEREAS, the Parties have determined to set forth the principal actions required to effect the Distribution and to set forth certain agreements that will govern the relationship between the Parties following the Distribution; and

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

ACCORDINGLY, in consideration of the mutual covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions.* (a) As used in this Agreement, the following terms have the following meanings:

"**Action**" means any demand, claim, suit, action, arbitration, inquiry, investigation or other proceeding by or before any Governmental Authority or any arbitration or mediation tribunal.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purposes of this definition, "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by Contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing. Notwithstanding any provision of this Agreement to the contrary (except where the relevant provision states explicitly to the contrary), no member of the L Brands Group, on the one hand, and no member of the VS Group, on the other hand, shall be deemed to be an Affiliate of the other.

"**Ancillary Agreement**" means each of the Aviation Agreement, the Campus Security and Emergency Operations Services Agreement, the DC2 Lease, the Domestic Transportation Services Agreement, the Employee Matters Agreement, the L Brands to VS Transition Services Agreement, the Restructuring Agreements, the Tax Matters Agreement, the VS to L Brands Transition Services Agreement and any other agreements, instruments, or certificates related thereto or to the transactions contemplated by this Agreement (in each case, together with the schedules, exhibits, annexes and other attachments thereto).

"**Applicable Law**" means, with respect to any Person, any federal, state, local or foreign law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, directive, guidance, instruction, direction, permission, waiver, notice, condition, limitation, restriction or prohibition or other similar requirement enacted, adopted, promulgated, imposed, issued or applied by a Governmental Authority that is binding upon or applicable to such Person, its properties or assets or its business or operations.

"**Aviation Agreement**" means the Aviation Agreement dated as of the date hereof between the parties thereto substantially in the form of Exhibit A, as such agreement may be amended from time to time in accordance with its terms.

"**Business**" means, with respect to the L Brands Group, the L Brands Business and, with respect to the VS Group, the VS Business.

"**Business Day**" means any day, other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by Applicable Law to close.

"**Campus Security and Emergency Operations Services Agreement**" means the Campus Security and Emergency Operations Services Agreement dated as of the date hereof between L Brands and VS substantially in the form of Exhibit B, as such agreement may be amended from time to time in accordance with its terms.

"**Cash and Cash Equivalents**" of any Person means all cash (including cash in store registers and store bank accounts of stores owned or leased by such Person), cash equivalents, certificates of deposit, time deposits, marketable securities, negotiable instruments, short-term investments and credit card receivables of such Person.

"**Commercial Data**" means any and all data and information relating to an identified or identifiable Person (whether the information is accurate or not), alone or in combination with other information, which Person is or was an actual or prospective customer of, or consumer of products offered by, the VS Business or L Brands Business, as applicable.

"**Commission**" means the Securities and Exchange Commission.

"**Confidential Information**" means, with respect to a Group, (i) any proprietary information that is competitively sensitive, material or otherwise of value to the members of such Group and not generally known to the public, including product planning information, marketing strategies, financial information, information regarding operations, consumer and customer relationships, consumer and customer profiles, sales estimates, business plans and internal performance results relating to the past, present or future business activities of the members of such Group and the consumers, customers, clients and suppliers of the members of such Group, (ii) any proprietary scientific or technical information, design, invention, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords any member of such Group a competitive advantage over its competitors and (iii) all confidential or proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, databases, inventions, information, and trade secrets, in the case of each of clauses (i), (ii) and (iii) of this definition, that are related primarily to such Group's Business; *provided* that to the extent both the L Brands Business and the VS Business use or rely upon any of the information described in any of the foregoing clauses (i), (ii) or (iii), subject to Section 4.07, such information shall be deemed the Confidential Information of both the L Brands Group and the VS Group.

"**Contract**" means any written or oral commitment, contract, subcontract, agreement, lease, sublease, license, sublicense, understanding, sales order, purchase order, instrument, indenture, note or any other legally binding commitment or undertaking.

"**DC2 Lease**" means the DC2 Lease dated as of the date hereof between the parties thereto substantially in the form of Exhibit C, as such agreement may be amended from time to time in accordance with its terms.

"**Distribution Agent**" means American Stock Transfer & Trust Company, LLC.

"**Distribution Date**" means [—], 2021.

"**Distribution Documents**" means this Agreement and the Ancillary Agreements.

"**Distribution Time**" means the time at which the Distribution is effective on the Distribution Date, which shall be deemed to be [—], Eastern Time, on the Distribution Date.

"**Domestic Transportation Services Agreement**" means the Domestic Transportation Services Agreement dated as of the date hereof between Mast Logistics Services, LLC and VS substantially in the form of Exhibit D, as such agreement may be amended from time to time in accordance with its terms.

"**Employee Matters Agreement**" means the Employee Matters Agreement dated as of the date hereof between L Brands and VS substantially in the form of Exhibit E, as such agreement may be amended from time to time in accordance with its terms.

"**Environmental Law**" means any Applicable Law relating to (i) human or occupational health and safety; (ii) pollution or protection of the environment (including ambient air, indoor air, water vapor, surface water, groundwater, wetlands, drinking water supply, land surface or subsurface strata, biota and other natural resources); or (iii) Hazardous Materials including any Applicable Law relating to exposure to, or use, generation, manufacture, processing, management, treatment, recycling, storage, disposal, emission, discharge, transport, distribution, labeling, presence, possession, handling, Release or threatened Release of, any Hazardous Material and any Applicable Law relating to recordkeeping, notification, disclosure, registration and reporting requirements respecting Hazardous Materials.

"**Environmental Liabilities**" means all Liabilities (including all removal, remediation, reclamation, cleanup or monitoring costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith) relating to, arising out of or resulting from any (i) (A) Environmental Law, (B) actual or alleged generation, use, storage, manufacture, processing, recycling, labeling, handling, possession, management, treatment, transportation, distribution, emission, discharge or disposal, or arrangement for the transportation or disposal, of any Hazardous Material, or (C) actual or alleged presence of, Release or threatened Release of, or exposure to, any Hazardous Material (including to the extent relating to the actual or alleged exposure to Hazardous Material, any claims that arise under, or are covered by, workers' compensation laws or workers' compensation, disability or other insurance providing medical care or compensation to injured workers) or (ii) Contract or other consensual arrangement pursuant to which Liability is assumed or imposed with respect to any of the foregoing, and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

"**Equity Compensation Registration Statement**" means the Registration Statement on Form S-8 or such other form or forms as may be appropriate, as amended and supplemented, including all documents incorporated by reference therein, to effect the registration under the Securities Act of VS Common Stock subject to certain equity awards granted to current and former officers, employees, directors and consultants of the L Brands Group to be assumed or replaced by VS pursuant to the Employee Matters Agreement.

"**Escheat Payment**" means any payment required to be made to a Governmental Authority pursuant to an abandoned property, escheat or similar law.

"**Exchange Act**" means the Securities Exchange Act of 1934.

"**Form 10**" means the registration statement on Form 10 filed by VS with the Commission to effect the registration of VS Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time.

"**Governmental Authority**" means any multinational, foreign, federal, state, local or other governmental, statutory or administrative authority, regulatory body or commission or any court, tribunal or judicial or arbitral authority which has any jurisdiction or control over either Party (or any of their Affiliates).

"**Group**" means, as the context requires, the VS Group, the L Brands Group or either or both of them.

"**Hazardous Material**" means (i) any petroleum or petroleum products, radioactive materials, toxic mold, radon, asbestos or asbestos-containing materials in any form, lead-based paint, urea formaldehyde foam insulation, Per- and Polyfluoroalkyl Substances (PFAs) or polychlorinated biphenyls (PCBs); and (ii) any chemicals, materials, substances, compounds, mixtures, products or byproducts, biological agents, or living or genetically modified materials, pollutants, contaminants or wastes that are now or hereafter become defined or characterized as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "special waste," "toxic substances," "pollutants," "contaminants," "toxic," "dangerous," "corrosive," "flammable," "reactive," "radioactive," or words of similar import, under any Applicable Law pertaining to the environment.

"**Indebtedness**" of any Person means (i) indebtedness of such Person for borrowed money, (ii) indebtedness of such Person evidenced by notes, debentures, bonds or other similar instruments, (iii) indebtedness of such Person evidenced by letters of credit, banker's acceptances, bank guarantees, performance and surety bonds or similar credit instruments, (iv) all capitalized lease obligations, and (v) the obligations of such Person for the deferred purchase price of businesses, properties, securities, goods or services (including any "earn-outs").

"**Indemnitees**" means, as the context requires, the L Brands Indemnitees or the VS Indemnitees.

"**Information Statement**" means the Information Statement to be sent to each holder of L Brands Common Stock in connection with the Distribution.

"**Intellectual Property Right**" means any Trademark, mask work, invention, patent, copyright, work of authorship, trade secret and know-how (such as formulas, manufacturing or production processes and techniques, methods, schematics, technical data and designs, customer and supplier lists, financial and marketing plans, pricing and cost information) or rights in software, data, databases, and any other similar or other type of proprietary or intellectual property right worldwide, including any registrations or applications for registration of any of the foregoing, any right to sue or recover or retain damages and costs and attorneys' fees for the past, present or future infringement, misappropriation or other violation of any of the foregoing and any right to claim priority with respect to the foregoing.

"**IT Assets**" means information technology equipment and hardware, including desktop computers, desktop phones, printers, servers, workstations, routers, hubs, switches, data communications lines, and all associated documentation owned, used, licensed or leased by L Brands or any of its Subsidiaries (excluding any public networks). For clarity, "IT Assets" do not include software, personal laptops, personal mobile devices or cellular phones.

"**L Brands Assets**" means all assets, properties and businesses, of whatever sort, nature or description, of L Brands or any of its Subsidiaries (including any member of the VS Group), or that are used or held for use in the L Brands Business, other than the VS Assets, including, for the avoidance of doubt:

(a) all of the interests in any capital stock or other equity securities or interest of or in any Person, other than the VS Equity Interests;

(b) except as set forth in clause (c) of the definition of "VS Assets," all Cash and Cash Equivalents of L Brands and its Subsidiaries as of the Distribution Time;

(c) all distribution centers (and offices therein) of L Brands and its Subsidiaries and all leases of, and other interest in, real property, in each case together with all buildings, fixtures and improvements erected thereon, other than the VS Real Property;

(d) all insurance policies of L Brands and its Subsidiaries;

(e) the L Brands Records;

(f) the L Brands Commercial Data;

(g) all rights of L Brands arising under this Agreement or any of the Ancillary Agreements or any of the transactions contemplated hereby or thereby;

(h) the Intellectual Property Rights owned by L Brands or any of its Subsidiaries that are not included in the VS IP, including all L Brands Names and Marks;

(i) all furniture and equipment (excluding IT Assets, personal laptops, personal mobile devices and cellular phones) located on any real property not included in the VS Assets;

(j) all personal laptops, personal mobile device and cellular phones other than those described in clause (e) of the definition of "VS Assets";

(k) (i) IT Assets (other than VS IT Assets), including, for the avoidance of doubt, the Specified L Brands IT Assets;

(l) all accounts receivable other than those described in clause (i) of the definition of "VS Assets";

(m) all recovery, rights, causes of action and awards, in each case, with respect to any Actions and claims that are or relate to L Brands Liabilities;

(n) all right, title and interest in, to or under the aircraft set forth on Schedule 1.01(a) other than the right, title and interest described in clause (j) of the definition of "VS Assets";

(o) all Contracts other than the VS Contracts, those set forth in clause (m)(i) of the definition of "VS Assets" and those included in the VS IP; and

(p) the assets, properties and businesses set forth on Schedule 1.01(b);

provided that, notwithstanding the foregoing, the allocation of assets relating to Taxes shall be governed by the Tax Matters Agreement.

If any asset, property or business is identified as both an L Brands Asset and a VS Asset, it will be treated as an L Brands Asset and not a VS Asset.

"**L Brands Business**" means all of the businesses conducted by L Brands and its Subsidiaries from time to time, whether before, on or after the Distribution, other than the VS Business. For the avoidance of doubt, the VS Assets will not be considered part of the L Brands Business.

"**L Brands Commercial Data**" means any and all Commercial Data owned, used or held for use by L Brands or any of its Subsidiaries that is not included in the VS Commercial Data.

"**L Brands Group**" means L Brands and its Subsidiaries (other than any member of the VS Group).

"**L Brands Liabilities**" means (without duplication) all of the following (as determined by L Brands in its reasonable discretion):

(a) all Liabilities of L Brands and its Subsidiaries that are not VS Liabilities and all such other Liabilities set forth on Schedule 1.01(c); and

(b) all Liabilities that are expressly contemplated by this Agreement or any other Ancillary Agreement as Liabilities to be retained or assumed by L Brands or any other member of the L Brands Group, and all agreements, obligations and other Liabilities of L Brands or any member of the L Brands Group under this Agreement or any of the other Ancillary Agreements;

provided that, notwithstanding the foregoing, (i) the allocation of Liabilities relating to Taxes shall be governed by the Tax Matters Agreement and (ii) the allocation of Liabilities relating to the employment, employee benefits and employee compensation matters expressly covered by the Employee Matters Agreement shall be governed by the Employee Matters Agreement.

"**L Brands Names and Marks**" means any and all Trademarks and other source or business identifiers incorporating any Trademark owned by L Brands and its Subsidiaries that are not included in the VS Trademarks, along with any variations or derivatives thereof and any name, marks, logos or other identifiers similar to any of the foregoing.

"**L Brands Records**" means all books, records, files and papers, whether in hard copy or computer format, prepared in connection with this Agreement or the transactions contemplated hereby, all books, records, files and papers of the VS Business to the extent required to be retained by L Brands or any of its Subsidiaries under Applicable Law, and all minute books and corporate records of L Brands and its Subsidiaries.

"**L Brands to VS Transition Services Agreement**" means the L Brands to VS Transition Services Agreement dated as of the date hereof between L Brands and VS substantially in the form of Exhibit F, as such agreement may be amended from time to time in accordance with its terms.

"**Liabilities**" means any and all claims, debts, liabilities, damages and obligations (including any Escheat Payment) of any kind, character or description, whether absolute or contingent, matured or not matured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, including all costs and expenses (including attorneys' fees and expenses and associated investigation costs) relating thereto, and including those claims, debts, liabilities, damages and obligations arising under this Agreement, any Applicable Law, any Action or threatened Action, any order or consent decree of any Governmental Authority or any award of any arbitrator of any kind, and those arising under any agreement, commitment or undertaking, including in connection with the enforcement of rights hereunder or thereunder.

"**NYSE**" means the New York Stock Exchange.

"**Permit**" means any license, permit, approval, consent, certification, franchise, registration or authorization which has been issued by or obtained from any Governmental Authority.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

"**Personal Information**" means "personal information," "personally identifiable information," "personal data" or any term of similar intent, in each case as defined under Applicable Law pertaining to data privacy.

"**Record Date**" means the close of business on [—], 2021.

"**Registration Rights Agreement**" means the Registration Rights Agreement dated as of the date hereof among VS, Leslie H. Wexner and Abigail S. Wexner in the form of Exhibit G.

"**Release**" means any release, spill, emission, leaking, dumping, pumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into, onto, within or through the indoor or outdoor environment (including ambient air, surface water, groundwater, land surface or subsurface strata, soil and sediments) or into, through, or within any property, building, structure, fixture or equipment.

"**Restructuring**" means the reorganization of certain businesses, assets and liabilities of the L Brands Group and the VS Group to be completed before the Distribution Time in accordance with the Restructuring Plan.

"**Restructuring Plan**" means that certain L Brands, Inc. Project 2021 (Spin) Step Plan, attached hereto as Annex A.

"**Securities Act**" means the Securities Act of 1933.

"**Special Cash Payment**" means a cash payment from VS in an amount of $[—], payable to L Brands prior to the Distribution.

"**Specified L Brands IT Assets**" means the IT Assets set forth on Schedule 1.01(d).

"**Specified VS IT Assets**" means the IT Assets set forth on Schedule 1.01(e).

"**Subsidiary**" means, with respect to any Person, any other entity of which (i) a majority of the voting securities or (ii) securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions, are at the time directly or indirectly owned by such Person.

"**Tax**" or "**Taxes**" has the meaning set forth in the Tax Matters Agreement.

"**Tax Benefit**" has the meaning set forth in the Tax Matters Agreement.

"**Tax Matters Agreement**" means the Tax Matters Agreement dated as of the date hereof between L Brands and VS substantially in the form of Exhibit H, as such agreement may be amended from time to time in accordance with its terms.

"**Tax Opinion**" has the meaning set forth in the Tax Matters Agreement.

"**Third Party**" means any Person that is not a member or an Affiliate of the VS Group or the L Brands Group.

"**Trademark**" means trademarks, service marks, trade names, service names, domain names, social media identifiers and accounts, trade dress, logos, slogans and other identifiers of same, including all goodwill associated therewith, and all common law rights, and registrations and applications for registration thereof, all rights therein provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing.

"**VS Active Employee**" has the meaning set forth in the Employee Matters Agreement.

"**VS Assets**" means, except as expressly otherwise contemplated in this Agreement or any Ancillary Agreement, the following assets of L Brands and its Subsidiaries (as determined by L Brands in its reasonable discretion):

(a) all of L Brands' and its Subsidiaries' right, title and interest in, to and under the VS Equity Interests;

(b) (i) all Trademarks owned by L Brands or any of its Subsidiaries and used or held for use, in each case, exclusively in the conduct of the VS Business by L Brands and its Subsidiaries as the same shall exist on the Distribution Date and (ii) the Trademarks set forth on Schedule 1.01(f), in each case, together with all corresponding rights that may be secured throughout the world with respect to any of the foregoing (clauses (i) and (ii) collectively, the "**VS Trademarks**");

(c) Cash and Cash Equivalents of each member of the VS Group as of the Distribution Time;

(d) all of L Brands' and its Subsidiaries' right, title and interest in and to the fee or leasehold interests, as the case may be, in, to and under the VS Distribution Centers, together with all buildings, fixtures and improvements erected thereon, and all L Brands' and its Subsidiaries' right, title and interest in and to any furniture and equipment (excluding IT Assets, personal laptops, personal mobile devices and cellular phones) located at the VS Distribution Centers;

(e) all of L Brands' and its Subsidiaries' right, title and interest in and to any personal laptops, personal mobile devices and cellular phones assigned to any VS Active Employee as of immediately prior to the Distribution;

(f) all Intellectual Property Rights (excluding all (A) Trademarks and (B) Commercial Data) that are owned by L Brands and its Subsidiaries and used or held for use, in each case, exclusively in the conduct of the VS Business by L Brands and its Subsidiaries as the same shall exist on the Distribution Date and (ii) the Intellectual Property Rights set forth on Schedule 1.01(g), in each case, together with all corresponding rights that may be secured throughout the world with respect to any of the foregoing;

(g) to the extent not prohibited under Applicable Law or any privacy policies of L Brands and its Subsidiaries, all of L Brands' and its Subsidiaries' right, title and interest in and to the VS Commercial Data;

(h) all of L Brands' and its Subsidiaries' rights to any recovery, rights, causes of action and awards, in each case, with respect to the Actions and claims that are VS Liabilities;

(i) accounts receivable of each member of the VS Group;

(j) the percentage of L Brands' and its Subsidiaries' right, title and interest in the aircraft in each case as set forth on Schedule 1.01(a);

(k) all of L Brands' and its Subsidiaries' right, title and interest in, to and under the VS Contracts;

(l) (i) all IT Assets located in any VS Real Property (other than the Specified L Brands IT Assets) and (ii) the Specified VS IT Assets (collectively, the "**VS IT Assets**"); and

(m) all right, title and interest of L Brands and its Subsidiaries in, to and under the following assets, properties, rights and businesses (other than such right, title and interest in any equity interests in any Person, Intellectual Property Rights, Commercial Data, Cash and Cash Equivalents, distribution centers (and offices located therein), personal laptops, personal mobile devices, cellular phones, IT Assets, Actions, accounts receivable and aircraft) of L Brands and its Subsidiaries to the extent owned, held or used in each case primarily in the conduct of the VS Business by L Brands and its Subsidiaries as the same shall exist on the Distribution Date:

(i) all leases of, and other interest in, real property, in each case together with all buildings, fixtures and improvements erected thereon and all furniture and equipment located thereon, including the leases set forth on Schedule 1.01(h);

(ii) all raw materials, work-in-process, finished goods, supplies and other inventories;

(iii) all prepaid expenses, including *ad valorem* taxes, leases and rentals;

(iv) all transferable Permits;

(v) all books, records, files and papers, including Personal Information, other than the L Brands Records; and

(vi) all rights under warranties, indemnitees, guarantees, refunds and similar rights of L Brands and its Subsidiaries against Third Parties;

provided that, notwithstanding the foregoing, the allocation of assets relating to Taxes shall be governed by the Tax Matters Agreement (other than the allocation of prepaid *ad valorem* Taxes, which shall be governed by clause (m)(iii) above).

"**VS Business**" means the specialty retail business of L Brands and its Subsidiaries with respect to women's intimate and other apparel, accessories, beauty care products and fragrances that is conducted under the Victoria's Secret or PINK brands.

"**VS Commercial Data**" means any and all Commercial Data used or held for use, in each case, exclusively in the conduct of the VS Business by L Brands and its Subsidiaries as the same shall exist on the Distribution Date.

"**VS Contracts**" means the Contracts (i) used or held for use, in each case, exclusively in the conduct of the VS Business by L Brands and its Subsidiaries as the same shall exist on the Distribution Date or (ii) set forth on Schedule 1.01(i).

"**VS Distribution Centers**" means the following distribution centers and offices of L Brands and its Subsidiaries: (i) Distribution Center 4 located at Four Limited Parkway, Reynoldsburg, Ohio, 43068, (ii) Distribution Center 5 located at Five Limited Parkway, Reynoldsburg, Ohio 43068 and (iii) the real property commonly known as DC6, located at 3425 Morse Crossing, Columbus, Ohio, 43219.

"**VS Equity Interests**" means (i) the equity interests of each member of the VS Group and (ii) the equity interests of the entities set forth on Schedule 1.01(j).

"**VS Financing Arrangements**" means [—].

"**VS First-Tier Subsidiaries**" means each of [—].

"**VS Group**" means VS and its Subsidiaries set forth on Schedule 1.01(k).

"**VS IP**" means all Intellectual Property Rights owned by L Brands and its Subsidiaries and included in the VS Assets.

"**VS IT Assets**" has the meaning set forth in the definition of "VS Assets."

"**VS Liabilities**" means, as determined by L Brands in its reasonable discretion, all Liabilities (including Environmental Liabilities) to the extent arising out of the VS Assets or to the extent relating to or to the extent arising out of the conduct of the VS Business, as currently or formerly operated (including as conducted or operated by any predecessor of any member of the L Brands Group or the VS Group), in each case, whether incurred, accruing or arising on, prior to or after the Distribution, including:

(a) all Indebtedness of each member of the VS Group;

(b) all Liabilities relating to, arising out of or in connection with or resulting from the VS Financing Arrangements;

(c) all Liabilities of L Brands and its Subsidiaries arising under the VS Contracts and the Contracts set forth in clause (m)(i) of the definition of "VS Assets";

(d) all Liabilities relating to any products manufactured or sold by the VS Business;

(e) the Actions set forth on Schedule 1.01(l);

(f) all Liabilities that are expressly contemplated by this Agreement or any other Ancillary Agreement as Liabilities to be retained or assumed by VS or any other member of the VS Group, and all agreements, obligations and other Liabilities of VS or any member of the VS Group under this Agreement or any of the other Ancillary Agreements; and

(g) all Liabilities set forth on Schedule 1.01(m);

provided that, notwithstanding the foregoing, (i) the allocation of Liabilities relating to Taxes shall be governed by the Tax Matters Agreement and (ii) the allocation of Liabilities relating to the employment, employee benefits and employee compensation matters expressly covered by the Employee Matters Agreement shall be governed by the Employee Matters Agreement.

"**VS Real Property**" means all (i) VS Distribution Centers and (ii) other real property (other than distribution centers and offices therein) to the extent included in the VS Assets.

"**VS to L Brands Transition Services Agreement**" means the VS to L Brands Transition Services Agreement dated as of the date hereof between L Brands and VS substantially in the form of Exhibit I, as such agreement may be amended from time to time in accordance with its terms.

"**VS Trademarks**" has the meaning set forth in the definition of "VS Assets."

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	**Section**
Agreement	Preamble
Amended and Restated Bylaws	2.02(c)
Amended and Restated Certificate of Incorporation	2.02(c)
Arbitration Association	6.09(c)
Claim	5.04(a)
Code	Recitals
Contribution	Recitals
Disposing Party	4.05
Dispute	6.09(a)
Distribution	Recitals
Guarantee	2.09
Indemnified Party	5.04(a)
Indemnifying Party	5.04(a)
Intercompany Accounts	2.06
L Brands	Preamble
L Brands Cash Distribution	2.02(b)
L Brands Common Stock	Recitals
L Brands Designee	2.03(a)
L Brands Indemnitees	5.02(a)
L Brands Insurance Claims	4.10(b)
L Brands Insurance Policies	4.10(a)
L Brands Temporary Facilities	4.14
Mediation Notice	6.09(b)
Mediation Period	6.09(c)
Party	Preamble
Pre-Distribution Occurrences	4.10(b)
Prior Company Counsel	4.07(e)
Privilege	4.07(a)
Privileged Information	4.07(a)
Receiving Party	4.05
Released Parties	5.01(a)

Term	Section
Representatives	4.06
Restructuring Agreements	2.04
Segregated Account	2.02(b)
Shared Contract	2.05
Specified Guarantee	2.10(b)
Temporary Facilities	4.14
Third Party Claim	5.04(b)
VS	Preamble
VS Common Stock	Recitals
VS Designee	2.03(a)
VS Financing Transactions	2.02(b)
VS Indemnitees	5.03
VS Temporary Facilities	4.14

Section 1.02. *Interpretation.* In this Agreement, unless the context clearly indicates otherwise:

(a) words used in the singular include the plural and words used in the plural include the singular;

(b) references to any Person include such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;

(c) except as otherwise clearly indicated, reference to any gender includes the other gender;

(d) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation";

(e) reference to any Article, Section, Exhibit or Schedule means such Article or Section of, or such Exhibit or Schedule to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition;

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

(g) reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement;

(h) reference to any law (including statutes and ordinances) means such law (including all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(i) relative to the determination of any period of time, “from” means “from and including,” “to” means “to and including” and “through” means “through and including”;

(j) the titles to Articles and headings of Sections contained in this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement;

(k) unless otherwise specified in this Agreement, all references to dollar amounts herein shall be in respect of lawful currency of the United States;

(l) any capitalized term used in an Exhibit or Schedule but not otherwise defined therein shall have the meaning set forth in this Agreement; and

(m) the word “or” means “and/or” unless the context requires otherwise.

ARTICLE 2
PRIOR TO THE DISTRIBUTION

Section 2.01. *Information Statement; Listing.* Prior to the Distribution Time, L Brands shall mail (or shall have mailed) the Information Statement to the holders of L Brands Common Stock as of the Record Date. At or prior to the Distribution Time, L Brands and VS shall take (or shall have taken), all such actions as may be necessary or appropriate under the securities or blue sky laws of states or other political subdivisions of the United States and shall use commercially reasonable efforts to comply with all applicable foreign securities laws in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Prior to the Distribution Time, VS shall prepare, file and pursue (or shall have prepared, filed and pursued) an application to permit listing of the VS Common Stock on the NYSE and shall give the NYSE advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

Section 2.02. *Restructuring and Other Actions prior to the Distribution Time*.

(a) Restructuring. The Restructuring shall have been consummated on or prior to the Distribution Time.

(b) VS Financing Arrangements and Payments. Between the date of this Agreement and the Distribution, VS shall enter into (or shall have entered into) the VS Financing Arrangements and related financing transactions described in the Information Statement as occurring prior to the Distribution Date (the "**VS Financing Transactions**"), and receive the proceeds thereof. Immediately thereafter and prior to the Distribution, L Brands shall effect the Contribution. As consideration for the Contribution, VS shall (i) issue to L Brands [—] shares of VS Common Stock and (ii) pay to L Brands the Special Cash Payment in immediately available funds to one or more accounts designated in writing by L Brands. L Brands will maintain the funds received from the Special Cash Payment in a non-interest bearing segregated bank account (a "**Segregated Account**") and will take into account for Tax purposes all items of income, gain, deduction or loss associated with the funds while maintained in this segregated account. Within [—] months following the Distribution, L Brands will distribute the cash held in the Segregated Account to (i) L Brands' creditors in retirement of outstanding L Brands indebtedness or (ii) to L Brands' stockholders in repurchase of, or distribution with respect to, shares of L Brands common stock (together, the "**L Brands Cash Distribution**").

(c) Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. At or prior to the Distribution Time, (i) L Brands and VS shall each take (or shall have taken) all necessary action that may be required to provide for the adoption by VS of an amended and restated certificate of incorporation of VS, substantially in the form of Exhibit J (the "**Amended and Restated Certificate of Incorporation**"), and amended and restated bylaws of VS, substantially in the form of Exhibit K (the "**Amended and Restated Bylaws**"), and (ii) VS shall file (or shall have filed) the Amended and Restated Certificate of Incorporation of VS with the Secretary of State of the State of Delaware.

(d) The Distribution Agent. At or prior to the Distribution Time, L Brands shall enter (or shall have entered) into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

(e) Directors and Officers. L Brands and VS shall take all necessary actions so that as of the Distribution Time: (i) the directors and executive officers of VS shall be those set forth in the Information Statement made available to the holders of L Brands Common Stock as of the Record Date prior to the Distribution Date, unless otherwise agreed by the Parties; (ii) each individual referred to in clause (i) shall have resigned from his or her position, if any, as a member of the Board of Directors of L Brands or as an executive officer of L Brands; and (iii) VS shall have such other officers as VS shall appoint.

(f) Satisfying Conditions to the Distribution. L Brands and VS shall cooperate (or shall have cooperated) to cause the conditions to the Distribution set forth in Section 3.01 to be satisfied (or waived by L Brands) and to effect the Distribution at the Distribution Time upon such satisfaction (or waiver by L Brands).

Section 2.03. *Transfers of Certain Other Assets and Liabilities*. Unless otherwise provided in this Agreement or in any Ancillary Agreement and to the extent not previously effected pursuant to Section 2.02(a), effective as of the Distribution Time:

(a) L Brands hereby agrees, and hereby causes the relevant member of the L Brands Group, to assign, contribute, convey, transfer and deliver (or shall have assigned, contributed, conveyed, transferred and delivered) to VS or any member of the VS Group as of the Distribution Time designated by VS (a "**VS Designee**") all of the right, title and interest of L Brands or such member of the L Brands Group in and to all of the VS Assets, if any, held by any member of the L Brands Group, and L Brands and VS hereby agree, and hereby cause the relevant member of the VS Group, to assign, contribute, convey, transfer and deliver to L Brands or any member of the L Brands Group as of the Distribution Time designated by L Brands (a "**L Brands Designee**") all of the right, title and interest of VS or such member of the VS Group in and to all of the L Brands Assets, if any, held by any member of the VS Group; and

(b) L Brands hereby agrees, and hereby causes the relevant member of the L Brands Group, to assign, contribute, convey, transfer and deliver (or shall have assigned, contributed, conveyed, transferred and delivered) to VS, and VS, on behalf of itself or such VS Designee, hereby accepts, assumes and agrees to perform, discharge and fulfill, all of the VS Liabilities, if any, and L Brands and VS hereby agree, and hereby cause the relevant member of the VS Group, to assign, contribute, convey, transfer and deliver (or shall have assigned, contributed, conveyed, transferred and delivered) to L Brands, and L Brands, on behalf of itself or such L Brands Designee, hereby accepts, assumes and agrees to perform, discharge and fulfill, all of the L Brands Liabilities, if any.

(c) To the extent any assignment, contribution, conveyance, transfer, delivery or assumption of any asset or Liability of either Group as of the Distribution Time is not effected in accordance with this Section 2.03 as of the Distribution Time for any reason (including as a result of the failure of the Parties to identify it as being required to be transferred pursuant to this Section 2.03, but subject to Section 2.04 and Section 2.06), the relevant Party shall transfer such asset or Liability as promptly thereafter as practicable.

Section 2.04. *Restructuring Agreements*. The transfers of the various entities and the contribution, assignment, transfer, conveyance and delivery of the assets and the acceptance and assumption of the Liabilities contemplated by Section 2.03 and the Restructuring Plan will be effected, in certain cases, pursuant to one or more asset transfer agreements, share transfer agreements, business transfer agreements, certificates of demerger and merger and other agreements and instruments (the "**Restructuring Agreements**"); *provided* that, in each case, it is intended that the Restructuring Agreements shall serve purely to effect (i) the legal transfer of the VS Assets or L Brands Assets to the VS Group or the L Brands Group, as applicable, in accordance with the Restructuring Plan or as contemplated pursuant to Section 2.03 and (ii) the acceptance and assumption of the VS Liabilities or the L Brands Liabilities by a member of the VS Group or the L Brands Group, as applicable, in each case, in accordance with the Restructuring Plan or as contemplated pursuant to Section 2.03. Notwithstanding anything in any Restructuring Agreement to the contrary, neither L Brands nor any member of the L Brands Group, on the one hand, nor VS nor any member of the VS Group, on the other hand, shall commence, bring or otherwise initiate any Action under any Restructuring Agreement challenging the legal sufficiency of such Restructuring Agreement.

Section 2.05. *Shared Contracts*. (a) Any Contract to be assigned, contributed, conveyed, transferred and delivered to VS in accordance with the Restructuring Plan or as contemplated pursuant to Section 2.03 that does not exclusively relate to the VS Business (each, a "**Shared Contract**") shall be assigned, contributed, conveyed, transferred and delivered only with respect to (and preserving the meaning of) those parts that relate to the VS Business, to a member of the VS Group, if so assignable, conveyable or transferrable, or appropriately amended (including by entering into a new agreement) prior to, on or after the Distribution Date, so that a member of the VS Group shall be entitled to the rights and benefit of those parts of such Shared Contract that relate to the VS Business and shall assume the related Liabilities with respect to such Shared Contract, as contemplated by Section 2.03; *provided* that (i) in no event shall any Person be required to assign, contribute, convey, transfer or deliver (or so amend), either in whole or in part, any Shared Contract that is not assignable (or cannot be amended) by its terms without the consent or approval of any other Person and (ii) if any Shared Contract cannot be so partially assigned by its terms or otherwise, or cannot be so amended, without such consent or approval, until such time that such consent or approval is obtained, L Brands will cooperate with VS to establish an agency type or other similar arrangement reasonably satisfactory to L Brands and VS intended to both (A) provide a member of the VS Group, to the fullest extent practicable under such Shared Contract, the claims, rights and benefits of those parts that relate to the VS Business and (B) cause such member of the VS Group to bear the related Liabilities thereunder from and after the Distribution in accordance with this Agreement (including by means of any subcontracting, sublicensing or subleasing arrangement) and in furtherance of the foregoing, VS shall, or shall cause another member of the VS Group to, promptly pay, perform or discharge when due any such Liability arising after the Distribution Time, which shall constitute VS Liabilities for purposes of this Agreement. Nothing in this Section 2.05 shall require any member of the L Brands Group or the VS Group to incur any non-*de minimis* obligation or grant any non-*de minimis* concession in order to effect any transaction contemplated by this Section 2.05.

(b) For so long as any member of the L Brands Group is party to any Shared Contract and provides any member of the VS Group any claims, rights and benefits of any such Shared Contract pursuant to an arrangement described in Section 2.05(a), such member of the VS Group shall indemnify the L Brands Indemnitees against and shall hold each of them harmless from any and all Liabilities incurred or suffered by any of the L Brands Indemnitees arising out of or in connection with such member of the L Brands Group's post-Distribution direct or indirect ownership, management or operation of any such Shared Contract (to the extent that such Liabilities relate to the VS Business).

Section 2.06. *Agreement Relating To Consents Necessary To Transfer Assets and Liabilities.* Notwithstanding any provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to transfer or assign any asset (including any Contract) or any claim or right or any benefit arising thereunder or resulting therefrom, or to assume any Liability, if such transfer, assignment, or assumption without the consent of a Third Party or a Governmental Authority, would result in a breach, or constitute a default (or an event which, with the giving of notice or lapse of time, or both, would become a default), under any Contract, would otherwise adversely affect the rights of a member of the L Brands Group or the VS Group thereunder or would violate any Applicable Law. L Brands and VS will use their respective commercially reasonable efforts to obtain the consent of any Third Party (including any Governmental Authority), if any, required in connection with the transfer, assignment or assumption pursuant to Section 2.03 of any such asset or any such claim or right or benefit arising thereunder or to the assumption of any Liability; *provided* that in no event shall any member of a Group have any Liability whatsoever to any member of the other Group for any failure to obtain any such consent. If and when such consent is obtained, such transfer, assignment and assumption shall be effected in accordance with the terms of this Agreement and the applicable Ancillary Agreement. During the period in which any transfer, assignment or assumption is delayed pursuant to this Section 2.06 as a result of the absence of a required consent, the Party (or relevant member in its Group) retaining such asset, claim or right shall thereafter hold (or shall cause such member in its Group to hold) such asset, claim or right for the use and benefit of the Party (or relevant member in its Group) entitled thereto (at the expense of the Person entitled thereto) and the Party intended to assume such Liability shall, or shall cause the applicable member of its Group to, pay, hold harmless or reimburse the Party (or the relevant member of its Group) retaining such Liability for all amounts paid, incurred in connection with or arising out of the retention of such Liability. In addition, the Party retaining such asset, claim or right, or such Liability (or relevant member of its Group) shall (or shall cause such member in its Group to), insofar as reasonably possible and to the extent permitted by Applicable Law, take such actions as may be reasonably requested by the Party to which such asset, claim or right, or such Liability, is to be transferred or assumed in order to place such Party, insofar as reasonably possible, in the same position as if such asset, claim or right, or such Liability, had been transferred or assumed on or prior to the Distribution Time as contemplated hereby and so that all the benefits and burdens relating to such asset, claim or right, or such Liability, including possession, use, risk of loss, potential for gain, and dominion, control and command over such asset, claim or right, or such Liability, are to inure from and after the Distribution Time to the relevant member of the L Brands Group or the VS Group, as the case may be, entitled to the receipt of such asset, claim or right, or required to assume such Liability. Nothing in this Section 2.06 shall require any member of the L Brands Group or the VS Group to incur any non-*de minimis* obligation or grant any non-*de minimis* concession in order to effect any transaction contemplated by this Section 2.06.

Section 2.07. *Intercompany Accounts.* The Parties shall settle or extinguish on or prior to the Distribution Date all intercompany receivables, payables and other balances, in each case, that arise prior to the Distribution Time between members of the L Brands Group, on the one hand, and members of the VS Group, on the other hand ("**Intercompany Accounts**"), in each case without any further Liability of any member of the L Brands Group to any member of the VS Group thereunder, or any further Liability of any member of the VS Group to any member of the L Brands Group thereunder.

Section 2.08. *Intercompany Agreements.* (a) Except as set forth in Section 2.08(b), all Contracts between members of the L Brands Group, on the one hand, and members of the VS Group, on the other hand, in effect immediately prior to the Distribution are hereby agreed by L Brands (on behalf of itself and each member of the L Brands Group) and by VS (on behalf of itself and each member of the VS Group) to be terminated, cancelled and of no further force and effect from and after the Distribution Time (including any provision thereof that purports to survive termination) without any further Liability to any party thereto. Each Party shall, 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 2.08(a) shall not apply to any of the following Contracts: (i) this Agreement and the Ancillary Agreements (and each other Contract expressly contemplated by this Agreement or any Ancillary Agreement (A) to be entered into by any of the Parties or any of the members of their respective Groups or (B) to survive after the Distribution Time); (ii) any Contract to which any Person, other than solely the Parties and the members of their respective Groups is a party; (iii) the Contracts set forth on Schedule 2.08(b); (iv) any Shared Contracts; and (v) the Intercompany Accounts, which shall be settled in the manner contemplated by Section 2.07.

Section 2.09. *Bank Accounts; Cash Balances.* (a) L Brands and VS shall, and shall cause the members of their respective Groups to, use reasonable best efforts such that, on or prior to the Distribution Time, the L Brands Group and the VS Group maintain separate bank accounts and separate cash management processes. Without limiting the generality of the foregoing, L Brands and VS shall use reasonable best efforts to, and shall cause the members of their respective Groups to use reasonable best efforts to, effective prior to the Distribution Time, (i) remove and replace the signatories of any bank or brokerage account owned by VS or any other member of the VS Group as of the Distribution Time with individuals designated by VS and (ii) if requested by L Brands, remove and replace the signatories of any bank or brokerage account owned by L Brands or any other member of the L Brands Group as of the Distribution Time with individuals designated by L Brands

(b) With respect to any outstanding checks issued or payments initiated by L Brands, VS, or any of their respective Subsidiaries prior to the Distribution Time, such outstanding checks and payments shall be honored following the Distribution by the Person or Group owning the account from which the payment was initiated, and such Person or Group owning such account shall not have any claim with respect to such check or payment from the members of the other Group.

(c) As between L Brands and VS (and the members of their respective Groups) all payments received after the Distribution Time by either Party (or member of its Group) that relate to a business, asset or Liability of the other Party (or member of its Group), shall be held by such Party for the use and benefit and at the expense of the Party entitled thereto. Each Party shall maintain an accounting of any such payments, and the Parties shall have a monthly reconciliation, whereby all such payments received by each Party are calculated and the net amount owed to L Brands or VS, as applicable, shall be paid over with a mutual right of set-off. If at any time the net amount owed to either Party exceeds $500,000, an interim payment of such net amount owed shall be made to the Party entitled thereto within five (5) Business Days of such amount exceeding $500,000. Notwithstanding the foregoing, neither L Brands nor VS shall act as collection agent for the other Party, nor shall either Party act as surety or endorser with respect to non-sufficient funds checks or funds to be returned in a bankruptcy or fraudulent conveyance action.

Section 2.10. *Replacement of Guarantees*. (a) L Brands and VS shall each use commercially reasonable efforts to, and shall cause the members of their respective Groups to use commercially reasonable efforts to, effective as of the Distribution Time, terminate or cause a member of the VS Group to be substituted in all respects for a member of the L Brands Group with respect to, and for the members of the L Brands Group, as applicable, to be otherwise removed or released from, all obligations under the agreements set forth on Schedule 2.10(a) and under any guarantee, customs, workers compensation, performance or surety bond, letter of credit, letter of comfort or similar credit or performance support arrangement (each of the foregoing agreements, guarantees, bonds, letters and arrangements, a "**Guarantee**"), given or obtained by any member of the L Brands Group for the benefit of any member of the VS Group or the VS Business. To the extent required to obtain such a substitution, release or removal, VS shall execute a guarantee or other agreement in the form of the existing Guarantee or such other form as is agreed to by the relevant parties to such guarantee or other agreement, which agreement shall include the removal of any security interest on or in any asset of L Brands that may serve as collateral or security for any VS Liability. If L Brands and VS have been unable to effect any such substitution, removal, release and termination with respect to any such Guarantee as of the Distribution Time, then, following the Distribution Time, (i) the Parties shall cooperate to effect such substitution, removal, release and termination as soon as reasonably practicable after the Distribution Time, (ii) VS shall and shall cause the members of the VS Group to, from and after the Distribution Time, indemnify against, hold harmless and promptly reimburse the members of the L Brands Group for any payments made by members of the L Brands Group and for any and all Liabilities of the members of the L Brands Group arising out of, or in performing, in whole or in part, any obligation under any such Guarantee, and (iii) without the prior written consent of L Brands, no member of the VS Group may renew, extend the term of, increase any obligations under, or transfer to a Third Party, any Liability for which any member of the L Brands Group is or might be liable pursuant to an applicable Guarantee unless such Guarantee, and all applicable obligations of the members of the L Brands Group with respect thereto, are thereupon terminated pursuant to documentation in form and substance reasonably acceptable to L Brands.

(b) With respect to the obligations of any member of the L Brands Group under the guarantee identified as the "Specified Guarantee" set forth on Schedule 2.10(b) (the "**Specified Guarantee**"), and without limiting VS's obligations under Section 2.10(a), (i) VS shall cause the members of the VS Group not to (A) amend or modify the agreement (as amended) that is the subject of the Specified Guarantee in a manner that would adversely affect the release of the Specified Guarantee or (B) cause or create any breach or default under such agreement during the thirty (30)-day period from and after the Distribution Time, and (ii) VS shall cause the members of the VS Group to take all actions reasonably requested by L Brands to cause the conditions for the release of the Specified Guarantee to be satisfied, and will not take any action from and after the Distribution Time that may reasonably be expected to cause the conditions for the release of the Specified Guarantee not to be satisfied, or that would reasonably be expected to cause the release of the Specified Guarantee to be invalid after the Distribution Time.

Section 2.11. *Further Assurances and Consents.* In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its reasonable best efforts 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 Law or applicable agreements or otherwise to consummate and make effective any transfers of assets, assignments and assumptions of Liabilities and any other transactions contemplated hereby, including using its reasonable best efforts to obtain any consents and approvals and to make any filings and applications necessary or desirable in order to consummate the transactions contemplated by this Agreement; *provided* that in no event shall any member of a Group have any Liability whatsoever to any member of the other Group for any failure to obtain any such consent or approval. Nothing in this Section 2.11 shall require any member of the L Brands Group or the VS Group to incur any non-*de minimis* obligation or grant any non-*de minimis* concession in order to effect any transaction contemplated by this Section 2.11.

ARTICLE 3
DISTRIBUTION

Section 3.01. *Conditions Precedent to Distribution.* (a) In no event shall the Distribution occur unless each of the following conditions shall have been satisfied (or waived by L Brands in its sole discretion):

(i) the Restructuring, including the Contribution and the Special Cash Payment, shall have been completed;

(ii) the VS Financing Transactions shall have been consummated and L Brands shall be satisfied in its sole and absolute discretion that, as of the Distribution Time, it shall have no Liability whatsoever under the VS Financing Transactions;

(iii) the Board of Directors of L Brands shall have approved the Distribution and shall not have abandoned the Distribution or terminated this Agreement at any time prior to the Distribution;

(iv) the Form 10 shall have been filed with the Commission and declared effective by the Commission, no stop order suspending the effectiveness of the Form 10 shall be in effect, no proceedings for such purpose shall be pending before or threatened by the Commission, and the Information Statement, or a notice of Internet availability thereof, shall have been mailed to holders of the L Brands Common Stock as of the Record Date;

(v) all actions and filings necessary or appropriate under applicable federal, state or foreign securities or "blue sky" laws and the rules and regulations thereunder shall have been taken or made and, where applicable, become effective or been accepted;

(vi) the VS Common Stock to be delivered in the Distribution shall have been approved for listing on the NYSE, subject to official notice of issuance;

(vii) the Board of Directors of VS, as named in the Information Statement, shall have been duly elected, and the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws, each in substantially the form filed as an exhibit to the Form 10, shall be in effect;

(viii) each of the Ancillary Agreements shall have been duly executed and delivered by the parties thereto;

(ix) L Brands shall have received the Tax Opinion (which shall not have been revoked or modified in any material respect) that is reasonably satisfactory to L Brands confirming that (A) the Contribution, the Special Cash Payment and the Distribution, taken together, will qualify as a "reorganization" within the meaning of Section 368(a)(1)(D) of the Code, (B) the Distribution will qualify as a tax-free transaction under Sections 355(a) and 361(c) of the Code and (C) the L Brands Cash Distribution should qualify as money distributed to L Brands creditors or stockholders in connection with the reorganization for purposes of Section 361(b) of the Code;

(x) an independent nationally recognized valuation advisory firm acceptable to L Brands shall have delivered one or more opinions to the Board of Directors of L Brands concerning the solvency and capital adequacy matters relating to each of (A) L Brands and its Group prior to the consummation of the Distribution and (B) L Brands and its Group and VS and its Group after consummation of the Distribution, and such opinions shall be acceptable in form and substance to the Board of Directors of L Brands in its sole and absolute discretion and such opinions shall not have been withdrawn or rescinded;

(xi) no Applicable Law shall have been adopted, promulgated or issued, and be in effect, that prohibits the consummation of the Distribution or any of the other transactions contemplated hereby or in an Ancillary Agreement;

(xii) any material governmental approvals and consents and any material permits, registrations and consents from Third Parties, in each case, necessary to effect the Distribution shall have been obtained;

(xiii) VS shall have entered into the Registration Rights Agreement with the other parties thereto; and

(xiv) no event or development shall have occurred or exist that, in the judgment of the Board of Directors of L Brands, in its sole discretion, makes it inadvisable to effect the Distribution or the other transactions contemplated hereby or in an Ancillary Agreement.

(b) Each of the conditions set forth in Section 3.01(a) is for the sole benefit of L Brands and shall not give rise to or create any duty on the part of L Brands or its Board of Directors to waive or not to waive any such condition or to effect the Distribution, or in any way limit L Brands' rights of termination as set forth in Section 6.12 or alter the consequences of any termination from those specified in Section 6.12. Any determination made by L Brands on or prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.01 shall be conclusive and binding on the Parties and all other affected Persons.

Section 3.02. *The Distribution*. (a) L Brands shall, in its sole discretion, determine the Distribution Date and all terms of the Distribution, including the timing of the consummation of all or part of the Distribution. L Brands 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. For the avoidance of doubt, nothing in this Agreement shall in any way limit L Brands' right to terminate this Agreement or the Distribution as set forth in Section 6.12 or alter the consequences of any such termination from those specified in Section 6.12.

(b) Subject to the terms and conditions set forth in this Agreement, (i) on or prior to the Distribution Date, L Brands shall take such steps as are reasonably necessary or appropriate to permit the Distribution by the Distribution Agent of validly issued, fully paid and non-assessable shares of VS Common Stock, registered in book-entry form through the registration system, (ii) the Distribution shall be effective at the Distribution Time, and (iii) subject to Section 3.03, L Brands shall instruct the Distribution Agent to distribute, on or as soon as practicable after the Distribution Date, to each holder of record of L Brands Common Stock as of the Record Date, by means of a *pro rata* dividend, one share of VS Common Stock for every [—] shares of L Brands Common Stock so held. VS will not issue paper stock certificates in respect of the VS Common Stock. Following the Distribution Date, VS agrees to provide all book-entry transfer authorizations for shares of VS Common Stock that L Brands or the Distribution Agent shall require (after giving effect to Section 3.03) in order to effect the Distribution.

(c) Until the VS Common Stock is duly transferred in accordance with this Article 3 and Applicable Law, from and after the Distribution Time, VS will regard the Persons entitled to receive such VS Common Stock as record holders of VS Common Stock in accordance with the terms of the Distribution without requiring any action on the part of such Persons. VS agrees that, subject to any transfers of such shares, from and after the Distribution Time (i) each such holder will be entitled to receive all dividends, if any, payable on, and exercise voting rights and all other rights and privileges with respect to, the shares of VS Common Stock then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive evidence of ownership of the shares of VS Common Stock then held by such holder.

Section 3.03. *Fractional Shares*. No fractional shares of VS Common Stock will be distributed in the Distribution. The Distribution Agent will be directed to determine (based on the aggregate number of shares held by each holder) the number of whole shares and the fractional share of VS Common Stock allocable to each holder of L Brands Common Stock as of the Record Date. Upon the determination by the Distribution Agent of such numbers of whole shares and fractional shares, as soon as practicable on or after the Distribution Date, the Distribution Agent, acting on behalf of the holders thereof, shall aggregate the fractional shares into whole shares and shall sell the whole shares obtained thereby for cash on the open market (with the Distribution Agent, in its sole discretion, determining when, how and through which broker-dealer(s) and at which price(s) to make such sales) and shall thereafter promptly distribute to each such holder entitled thereto (*pro rata* based on the fractional share such holder would have been entitled to receive in the Distribution) the resulting aggregate cash proceeds, after making appropriate deductions of the amounts required to be withheld for United States federal income tax purposes, if any, and after deducting an amount equal to all brokerage fees and commissions, transfer taxes and other costs attributed to the sale of shares pursuant to this Section 3.03. Neither L Brands nor VS will be required to guarantee any minimum sale price for the fractional shares. Neither the Distribution Agent nor the broker-dealers through which the aggregated fractional shares are sold shall be Affiliates of L Brands or VS. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payments made in lieu of fractional shares.

Section 3.04. *NO REPRESENTATIONS OR WARRANTIES.* EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER DISTRIBUTION DOCUMENT, NO MEMBER OF EITHER GROUP MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, TO ANY MEMBER OF THE OTHER GROUP OR ANY OTHER PERSON WITH RESPECT TO ANY OF THE TRANSACTIONS OR MATTERS CONTEMPLATED HEREBY OR IN ANY OTHER DISTRIBUTION DOCUMENT (INCLUDING WITH RESPECT TO THE BUSINESS, ASSETS, LIABILITIES, CONDITION OR PROSPECTS (FINANCIAL OR OTHERWISE) OF, OR ANY OTHER MATTER INVOLVING, EITHER BUSINESS, OR THE SUFFICIENCY OF ANY ASSETS TRANSFERRED OR LICENSED TO THE APPLICABLE GROUP, OR ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION WITH SUCH TRANSFER OR LICENSE OR THE TITLE TO ANY SUCH ASSETS, OR THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY SUCH ASSETS, OR THAT ANY REQUIREMENTS OF APPLICABLE LAW ARE COMPLIED WITH WITH RESPECT TO THE RESTRUCTURING OR THE DISTRIBUTION, OR THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY). EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER DISTRIBUTION DOCUMENT, EACH MEMBER OF EACH GROUP SHALL TAKE ALL OF THE BUSINESS, ASSETS AND LIABILITIES TRANSFERRED OR LICENSED TO OR ASSUMED BY IT PURSUANT TO THIS AGREEMENT OR ANY DISTRIBUTION DOCUMENT ON AN “AS IS, WHERE IS” BASIS, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A SPECIFIC PURPOSE OR OTHERWISE ARE HEREBY EXPRESSLY DISCLAIMED AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE 4
COVENANTS

Section 4.01. *Access to Information*. (a) For a period of seven (7) years after the Distribution Date, each Group shall afford promptly the other Group and its agents and, to the extent required by Applicable Law, authorized representatives of any Governmental Authority of competent jurisdiction, reasonable access (which shall include, to the extent reasonably requested, the right to make copies) during normal business hours to its books of account, financial and other records (including accountant's work papers, to the extent any required consents have been obtained), information (excluding any Commercial Data), employees and auditors to the extent necessary or useful for such other Group in connection with any audit, investigation, dispute or litigation, complying with their obligations under this Agreement or any Ancillary Agreement, any regulatory proceeding, any regulatory filings, complying with reporting disclosure requirements or any other requirements imposed by any Governmental Authority or any other reasonable business purpose of the Group requesting such access that relates to such Group's assets or Liabilities; *provided* that (i) any such access shall not unreasonably interfere with the conduct of the business of the Group providing such access and (ii) if any Party reasonably determines that affording any such access to the other Party would be commercially detrimental in any material respect or violate any Applicable Law or agreement to which such Party or member of its Group is a party, or waive any Privilege applicable to such Party or any member of its Group, the Parties shall use commercially reasonable efforts to permit the compliance with such request in a manner that avoids any such harm or consequence. The Party providing information pursuant to this Section 4.01 shall only be obligated to provide such information in the form, condition and format in which it then exists, and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such information.

(b) Without limiting the generality of the foregoing, until the end of the first full VS fiscal year occurring after the Distribution Date (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 during which the Distribution Date occurs), each Party shall use its commercially reasonable efforts to cooperate with the other Party's information requests (other than with respect to any Commercial Data) to enable (i) the other Party to meet its timetable for dissemination of its earnings releases, financial statements and management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated under the Exchange Act; and (ii) the other Party's auditors 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 of 2002, the Commission's and the Public Company Accounting Oversight Board's rules and auditing standards thereunder and any other Applicable Law.

Section 4.02. *Litigation Cooperation*. (a) After the Distribution Time (except in the case of a dispute between L Brands and VS, or any members of their respective Groups), each Group shall use commercially reasonable efforts to make available to the other Group and its attorneys, accountants, consultants and other designated representatives, upon written request, its directors, officers, employees and representatives as witnesses and any books, records or other documents within its control or which it 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 and representatives) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of its 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.

(b) Notwithstanding the foregoing, this Section 4.02 shall not require the Party to whom any request pursuant to Section 4.02(a) has been made to make available Persons or information if such party determines that doing so would, in the reasonable good faith judgment of such party, reasonably be expected to result in any violation of any Applicable Law or agreement or adversely affect its ability to successfully assert a claim of Privilege under Applicable Law; *provided* that the Parties shall use commercially reasonable efforts to cooperate in seeking to find a way to permit compliance with such obligations to the extent and in a manner that avoids such consequence.

Section 4.03. *Reimbursement*. Each Group providing information or witnesses to the other Group or otherwise incurring any out-of-pocket expense in connection with cooperating under Section 4.01 or Section 4.02 shall be entitled to receive from the recipient thereof, upon the presentation of invoices therefor, payment for all reasonable and documented out-of-pocket costs and expenses (including outside attorney's fees but excluding reimbursement for general overhead, salary and employee benefits) actually incurred in providing such access, information, witnesses or cooperation.

Section 4.04. *Ownership of Information*. All information owned by one Party (or a member of its Group) that is provided to the other Party (or a member of its Group) under Section 4.01 or Section 4.02 shall be deemed to remain the property of the providing Party. Unless specifically set forth herein or in any Ancillary Agreement, nothing contained in this Agreement shall be construed to grant or confer rights of license or otherwise in any such information.

Section 4.05. *Retention of Records*. Except as otherwise required by Applicable Law or agreed to in writing, for a period of two (2) years following the Distribution Date, each Party shall, and shall cause the members of its Group to, retain any and all information in its possession or control relating to the other Group's Business in accordance with the document retention practices of L Brands as in effect as of the date hereof. Neither Party shall destroy, or permit the destruction, or otherwise dispose, or permit the disposal, of any such information, subject to such retention practice, unless, prior to such destruction or disposal, the Party proposing (or whose Group member is proposing) such destruction or disposal (the "**Disposing Party**") provides not less than thirty (30) days' prior written notice to the other Party (the "**Receiving Party**"), specifying the information proposed to be destroyed or disposed of and the scheduled date for such destruction or disposal. If the Receiving Party shall request in writing prior to the scheduled date for such destruction or disposal that any of the information proposed to be destroyed or disposed of be delivered to the Receiving Party, the Disposing Party shall promptly arrange for the delivery of such of the information as was requested at the expense of the Receiving Party; *provided* that, if the Disposing Party reasonably determines that any such provision of information would violate any Applicable Law or agreement to which such Party or member of its Group is a party, or waive any Privilege applicable to such Party or any member of its Group, the Parties shall use commercially reasonable efforts to permit the prompt compliance with such request in a manner that avoids any such harm or consequence. Any records or documents that were subject to a litigation hold prior to the Distribution Date must be retained by the applicable Party until such Party or member of its Group is notified by the other Party that the litigation hold is no longer in effect.

Section 4.06. *Confidentiality*. Each Party acknowledges that it or a member of its Group may have in its possession, and, in connection with this Agreement and the Ancillary Agreements, may receive, Confidential Information of the other Party or any member of its Group (including information in the possession of such other Party relating to its clients or customers). Each Party shall hold and shall cause its directors, officers, employees, agents, consultants and advisors ("**Representatives**") and the members of its Group and their Representatives to hold in strict confidence and not to use, with at least the same degree of care that applies to L Brands' confidential and proprietary information pursuant to policies in effect as of the Distribution Time, except as permitted by this Agreement or any Ancillary Agreement, all such Confidential Information concerning the other Group except to the extent (i) such Party or any of the members of its Group or its or their Representatives is compelled to disclose such Confidential Information by judicial or administrative process or by other requirements of Applicable Law, subject to the remainder of this Section 4.06 or (ii) such Confidential Information can be shown to have been (A) in the public domain through no fault of such Party or any of the members of its Group or its or their Representatives, (B) lawfully acquired after the Distribution Date on a non-confidential basis from other sources not known by such Party or any of the members of its Group to be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such information or (C) independently developed by such Party or any of the members of its Group or its or their Representatives without reference to or the use of any Confidential Information of the other Group. Notwithstanding the foregoing, such Party or member of its Group or its or their Representatives may disclose such Confidential Information to the members of its Group and its or their Representatives who need to know such information in their capacities as such so long as such Persons are informed by such Party of the confidential nature of such Confidential Information and are directed by such Party to treat such information confidentially. The obligation of each Party and the members of its Group and its and their Representatives to hold any such Confidential Information in confidence shall be satisfied if they exercise the same level of care with respect to such Confidential Information as they would with respect to their own proprietary information. If such Party or any of a member of its Group or any of its or their Representatives becomes legally compelled to disclose any documents or information subject to this Section 4.06, such Party will promptly notify the other Party and, upon request, use commercially reasonable efforts to cooperate with the other Party's efforts to seek a protective order or other remedy. If no such protective order or other remedy is obtained or if the other Party waives in writing such Party's compliance with this Section 4.06, such Party or the member of its Group or its or their Representatives may furnish only that portion of the information which it concludes, after consultation with counsel, is legally required to be disclosed and will exercise its commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information. Each Party agrees to be responsible for any breach of this Section 4.06 by it, the members of its Group and its and their Representatives.

Section 4.07. *Privileged Information.* (a) The Parties recognize that legal and other professional services that have been provided prior to the Distribution (whether by outside counsel, in-house counsel or other legal professionals) have been and will be rendered for the collective benefit of each of the members of the L Brands Group and the VS Group, and that, except as set forth in Section 4.07(f), each of the members of the L Brands Group and the VS Group shall be deemed to be the client with respect to such services for the purposes of asserting all attorney-client privilege, the work product doctrine or common interest privilege (collectively, "**Privileges**") which may be asserted under Applicable Law in connection therewith. Except as set forth in Section 4.07(f), the Parties agree that they shall have a shared privilege or immunity with respect to all Privileges. The Parties hereto acknowledge that members of the L Brands Group, on the one hand, and members of the VS Group, on the other hand, may possess documents or other information regarding the other Group that is or may be subject to Privileges (such documents and other information collectively, the "**Privileged Information**"). Each Party agrees to use commercially reasonable efforts to protect and maintain, and to cause their respective Affiliates to protect and maintain, any applicable claim to Privilege in order to prevent any of the other Group's Privileged Information from being disclosed or used in a manner inconsistent with such Privilege without the other Party's consent, including by executing joint defense or common interest agreements where necessary or useful for this purpose. Without limiting the generality of the foregoing, a Party and its Affiliates shall not, without the other Party's prior written consent, (i) waive any Privilege with respect to any of the other Party's or any member of its Group's Privileged Information, (ii) fail to defend any Privilege with respect to any such Privileged Information, or (iii) fail to take any other actions reasonably necessary to preserve any Privilege with respect to any such Privileged Information.

(b) Upon receipt by a Party or any member of such Party's Group of any subpoena, discovery or other request that calls for the production or disclosure of Privileged Information of the other Party or a member of its Group, or if a Party has knowledge that its or a member of its Group's directors, officers, employees or representatives have received such a subpoena, discovery or other request, such Party shall promptly notify the other Party of the existence of the request and shall provide the other Party a reasonable opportunity to review the information and to assert any rights it or a member of its Group may have under this Section 4.07 or otherwise to prevent the production or disclosure of such Privileged Information. Each Party agrees that neither it nor any member of its Group will produce or disclose any information that may be covered by a Privilege of the other Party or a member of its Group under this Section 4.07 unless (i) the other Party has provided its written consent to such production or disclosure (which consent shall not be unreasonably withheld) or (ii) a court of competent jurisdiction has entered an order finding that the information is not entitled to protection under any applicable Privilege or otherwise requires disclosure of such information, in each case except as set forth in Section 4.07(f).

(c) Any furnishing of, or access or transfer of, any information pursuant to this Agreement is made in reliance on the agreement of L Brands and VS set forth in this Section 4.07 and in Section 4.06 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 as needed pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(d) In the event that any member of the L Brands Group and any member of the VS Group cooperate in the mutual defense of any Third Party Claim, such cooperation shall not constitute a waiver or qualification of such Party's right to assert and defend any applicable claim to Privilege.

(e) Each of the L Brands Group and the VS Group covenants and agrees that, following the Distribution Time, Davis Polk & Wardwell LLP or any other internal or external legal counsel currently representing the VS Group or any directors of the L Brands Group (each a "**Prior Company Counsel**") may serve as counsel to the L Brands Group and its Affiliates, or, with the prior written consent of L Brands (not to be unreasonably withheld, conditioned or delayed), the VS Group and its Affiliates, in connection with any matters arising under or related to this Agreement or the transactions contemplated by this Agreement or any Ancillary Agreement, including with respect to any Action, claim or obligation arising out of or related to this Agreement or any Ancillary Agreement or the transactions contemplated by this Agreement or any Ancillary Agreement, notwithstanding any representation by the Prior Company Counsel prior to the Distribution Time. The VS Group hereby irrevocably (i) waives any claim the VS Group has or may have that a Prior Company Counsel has a conflict of interest or is otherwise prohibited from engaging in such representation and (ii) covenants and agrees that, in the event that a dispute arises after the Distribution Time between the VS Group (or any of its Affiliates) and the L Brands Group (or any of its Affiliates), Prior Company Counsel may represent any member of the L Brands Group and any Affiliates thereof in such dispute even though the interests of such Person(s) may be directly adverse to the VS Group and even though Prior Company Counsel may have represented the VS Group in a matter substantially related to such dispute.

(f) Notwithstanding anything to the contrary in this Section 4.07, in the event of any adversarial Action between any member of the L Brands Group, on the one hand, and any member of the VS Group on the other hand, related to the transactions contemplated by this Agreement or any Ancillary Agreement, L Brands shall be entitled to control the assertion or waiver of all Privileges in connection with such matter and shall have the sole right to waive any Privilege in connection with such matter, without obtaining VS's consent pursuant to Section 4.07(a); *provided* that such waiver of Privilege shall be effective only as to the use of information with respect to the Action between the Parties or the applicable members of their respective Groups related to the transactions contemplated by this Agreement or any Ancillary Agreement, and shall not operate as a waiver of the Privilege with respect to any Third Party.

(g) Each of the VS Group and the L Brands Group hereby acknowledges and confirms that it has had the opportunity to review and obtain adequate information regarding the significance and risks of the waivers and other terms and conditions of this Section 4.07, including the opportunity to discuss with counsel such matters and reasonable alternatives to such terms. This Section 4.07 is for the benefit of the L Brands Group, the VS Group and Prior Company Counsel, and the L Brands Group, VS Group and Prior Company Counsel are intended third party beneficiaries of this Section 4.07. This Section 4.07 shall be irrevocable, and no term of this Section 4.07 may be amended, waived or modified, without the prior written consent of L Brands, VS and Prior Company Counsel. The covenants and obligations set forth in this Section 4.07 shall survive the Distribution Time indefinitely.

Section 4.08. *Limitation of Liability*. Except as otherwise provided in this Agreement, no Party shall have any liability to any other party in the event that any information, books or records exchanged or provided pursuant to this Agreement is found to be inaccurate or the requested information, books or records is not provided, in the absence of willful misconduct by the party requested to provide such information, books or records. No Party shall have any liability to any other party if any information, books or records is destroyed after commercially reasonable efforts by such Party to comply with the provisions of Section 4.05.

Section 4.09. *Other Agreements Providing for Exchange of Information*. The rights and obligations granted under this Article 4 are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention, rights to use, or confidential treatment of information set forth in any Ancillary Agreement. Notwithstanding anything in this Agreement to the contrary, (i) the Tax Matters Agreement shall govern the retention of Tax related records and the exchange of Tax related information and (ii) the Employee Matters Agreement shall govern the retention of employment and benefits related records. Any Party that receives, pursuant to a request for information in accordance with this Article 4, information that is not relevant to its request shall, at the request of the providing Party, (i) return it to the providing Party or, at the providing Party's request, destroy such information; and (ii) deliver to the providing Party written confirmation that such information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

Section 4.10. *L Brands Insurance*. (a) From and after the Distribution Time, the members of the VS Group shall cease to be insured by the current and historical insurance policies or programs of L Brands or any of its Subsidiaries, whether provided by a third-party insurer, "captive insurer," self-insurance or a co-insurance program (the "**L Brands Insurance Policies**"). From and after the Distribution Time, no member of the VS Group shall have any access, right, title or interest to or in any L Brands Insurance Policy (including to any claims or rights to make claims or any rights to proceeds).

(b) After the Distribution, VS shall promptly notify L Brands about any events, acts, errors, accidents, omissions, incidents, injuries or other forms of occurrences to the extent relating to any member of the VS Group or the properties, assets, business, operations, employees, officers or directors of any member of the VS Group that, in each case, occur prior to the Distribution (collectively, the "**Pre-Distribution Occurrences**") and that could potentially be covered by a L Brands Insurance Policy that is an occurrence-based policy (which, for the avoidance of doubt, includes any claim relating to a Pre-Distribution Occurrence that is below the deductible or retention for such policy but could potentially be covered if it were above such deductible or retention), and L Brands shall use commercially reasonable efforts to (i) report such Pre-Distribution Occurrences to the applicable third-party insurance provider of such L Brands Insurance Policy, and (ii) to the extent such Pre-Distribution Occurrence is covered by such L Brands Insurance Policy, file a claim for such Pre-Distribution Occurrence under such L Brands Insurance Policy. All (i) insurance claims relating to Pre-Distribution Occurrences that have been filed by L Brands or any of its Subsidiaries prior to the Distribution under a L Brands Insurance Policy (including those filed under L Brands Insurance Policies that are claims-made policies), and (ii) insurance claims relating to Pre-Distribution Occurrences that are filed by L Brands or any or its Subsidiaries after the Distribution under a L Brands Insurance Policy that is an occurrence-based policy (the filed insurance claims in clauses (i) and (ii) collectively, the "**L Brands Insurance Claims**"), shall be retained by L Brands and shall be L Brands Liabilities; *provided* that in no event shall, pursuant to this Section 4.10(b), the L Brands Liabilities include any underlying fact, circumstance or event related to a L Brands Insurance Claim, or any Liability relating to such underlying fact, circumstance, event or Liability (unless such underlying fact, circumstance or event is otherwise an L Brands Liability). After the Distribution, L Brands and its Subsidiaries shall have the sole responsibility for, and the sole right to, handle the claims administration for each L Brands Insurance Claim, including claims handling and resolution, defense costs, payments to claimants, deductibles and retentions, as applicable, under the terms and conditions of each L Brands Insurance Policy, discussions or negotiations with insurers and the control of any Action relating to any L Brands Insurance Claim. All proceeds paid or payable under a L Brands Insurance Policy shall be L Brands Assets. VS shall and shall cause the members of the VS Group to cooperate with L Brands with respect to the L Brands Insurance Claims, including in the investigation and pursuit of any L Brands Insurance Claim, comply with the terms of the L Brands Insurance Policies with respect to the L Brands Insurance Claims, provide such information as is reasonably requested by L Brands in connection with the L Brands Insurance Claims and, upon L Brands' request, assign the L Brands Insurance Claims to L Brands or its Subsidiary.

Section 4.11. *Intellectual Property License*. (a) Effective from and after the Distribution Time, L Brands (on behalf of itself and its Subsidiaries) hereby grants the VS Group a non-exclusive, worldwide, perpetual, irrevocable, fully paid-up, royalty-free, non-transferable, non-sublicensable (except as set forth in Section 4.11(d)) license under the Intellectual Property Rights (other than any and all Trademarks, formulas, Commercial Data and Personal Information) (i) that are owned by the L Brands Group as of the Distribution Time and (ii) that have been used or held for use in the VS Business on or prior to the Distribution Time but are not included in the VS Assets, in each case, to use, reproduce, create derivative works of, modify, distribute, make, have made, sell, offer for sale, import or otherwise commercially exploit products and services solely in connection with the operation of the VS Business.

(b) Effective from and after the Distribution Time, VS (on behalf of itself and its Subsidiaries) hereby grants the L Brands Group a non-exclusive, worldwide, perpetual, irrevocable, fully paid-up, royalty-free, non-transferable, non-sublicensable (except as set forth in Section 4.11(d)) license under the VS IP (other than any and all Trademarks, formulas, Commercial Data and Personal Information) that has been used or held for use by the L Brands Group in the operation of the L Brands Business on or prior to the Distribution Time but are not included in the L Brands Assets, in each case, to use, reproduce, create derivative works of, modify, distribute, make, have made, sell, offer for sale, import or otherwise commercially exploit products and services solely in connection with the operation of the L Brands Business.

(c) Notwithstanding the assignment provision in Section 6.04, L Brands and VS may assign their respective licenses set forth in this Section 4.11, in whole or in part, in connection with a merger, consolidation or sale of all or substantially all of, or any portion of the assets of, their respective Businesses to which the licenses relate.

(d) L Brands and VS may sublicense their respective licenses set forth in this Section 4.11 to (i) their vendors, consultants, contractors and suppliers, in connection with the provision of services to their respective Businesses to which the licenses relate and (ii) their distributors, customers and end-users, in connection with the distribution, licensing, offering and sale of the current and future products and services of their respective Businesses to which the licenses relate.

(e) Each license granted in this Section 4.11 is, and will otherwise be deemed to be, for purposes of Section 355(n) of the Bankruptcy Code, a license of rights to “intellectual property” (as defined under Section 101 of the Bankruptcy Code), and L Brands and VS will retain and may fully exercise all of their respective rights and elections under the Bankruptcy Code (or any similar foreign law) with respect thereto.

(f) For the avoidance of doubt, this Section 4.11 shall survive in perpetuity.

Section 4.12. *Trademark Phase Out*. (a) As soon as reasonably practicable after the Distribution, but in no event later than twelve (12) months after the Distribution Time, VS shall and shall cause its Subsidiaries to (i) cease any and all use of the L Brands Names and Marks and (ii) destroy, conceal, cover, redact, replace or remove the L Brands Names and Marks from any and all VS Assets and any other assets and materials under their possession or control bearing such L Brands Names and Marks. VS acknowledges and agrees that, during the 12-month period set forth in this Section 4.12(a), VS shall only use the L Brands Names and Marks in substantially the same manner as such L Brands Names and Marks were used by L Brands and its Subsidiaries prior to the Distribution Time. Any and all goodwill resulting from the VS Group’s use of the L Brands Names and Marks shall inure solely to the benefit of L Brands.

(b) As soon as reasonably practicable after the Distribution, but in no event later than six (6) months after the Distribution Time, VS shall and shall cause its Subsidiaries to take any and all actions necessary (including the filing of amended organizational documents and any other required documentation with the relevant Governmental Authorities) to initiate a change to the corporate name, "doing business as" name, trade name and any other similar corporate identifier of VS and its Subsidiaries to a corporate name, "doing business as" name, trade name or any other similar corporate identifier that does not contain any L Brands Names and Marks or any name confusingly similar to any L Brands Names and Marks, including "Limited," "Limited Brands," "LB," "Bath & Body Works" or "BBW."

(c) VS agrees that (i) the L Brands Name and Marks are, as of the date of this Agreement, and shall continue to be following the Distribution Time, owned by L Brands or a Subsidiary of L Brands, as applicable, (ii) no member of the VS Group has any rights in, and shall not use in any manner, any of the L Brands Names and Marks following the twelve (12)-month period set forth in Section 4.12(a) and (iii) no member of the VS Group shall contest the ownership, enforceability or validity of any rights of L Brands and its Subsidiaries in or to any of the L Brands Names and Marks.

(d) As soon as reasonably practicable after the Distribution, but in no event later than twelve (12) months after the Distribution Time, L Brands shall and shall cause its Subsidiaries to (i) cease any and all use of the VS Trademarks and (ii) destroy, conceal, cover, redact, replace or remove any and all VS Trademarks from any and all L Brands Assets and any other assets and materials under their possession or control bearing such VS Trademarks. L Brands acknowledges and agrees that, during the 12-month period set forth in this Section 4.12(d), L Brands shall only use the VS Trademarks in substantially the same manner as such VS Trademarks were used by L Brands and its Subsidiaries prior to the Distribution Time. Any and all goodwill resulting from the L Brands Group's use of the VS Trademarks shall inure solely to the benefit of VS.

(e) As soon as reasonably practicable after the Distribution, but in no event later than six (6) months after the Distribution Time, L Brands shall and shall cause its Subsidiaries to take any and all actions necessary (including the filing of amended organizational documents and any other required documentation with the relevant Governmental Authorities) to initiate a change to the corporate name, "doing business as" name, trade name or any other similar corporate identifier of each Subsidiary of L Brands to a corporate name, "doing business as" name, trade name or any other similar corporate identifier that does not contain any VS Trademarks.

(f) L Brands agrees that (i) the VS Trademarks are, as of the date of this Agreement, and shall continue to be following the Distribution Time, owned by VS or a Subsidiary of VS, as applicable, (ii) no member of the L Brands Group has any rights in, and shall not use in any manner, any of the VS Trademarks following the twelve (12)-month period set forth in Section 4.12(d) and (iii) no member of the L Brands Group shall contest the ownership, enforceability or validity of any rights of VS and its Subsidiaries in or to any of the VS Trademarks.

(g) Notwithstanding the foregoing, nothing in this Section 4.12 shall be construed as prohibiting either Party from making any use of the other Party's Trademarks to the extent such use constitutes "fair use" under Applicable Law.

Section 4.13. *Commercial Data.* VS shall not, and shall cause its Subsidiaries not to, following the Distribution Time, without the consent of the individuals to whom the VS Commercial Data relates, use or disclose VS Commercial Data for purposes other than those for which such VS Commercial Data was collected by L Brands or its Subsidiaries prior to the Distribution Time (unless (i) such consent is obtained by VS or (ii) otherwise permitted or required by Applicable Law), and shall give effect to any withdrawal of consent made in accordance with Applicable Law. VS shall, and shall cause its Subsidiaries to, protect and safeguard the VS Commercial Data against unauthorized collection, use or disclosure, as provided by Applicable Law. To the extent required by Applicable Law, within a reasonable time after the Distribution Time, VS shall notify the individuals to whom the VS Commercial Data relates that the transactions contemplated by this Agreement have been completed and that their VS Commercial Data has been transferred to VS.

Section 4.14. *Limited License*. L Brands hereby grants to VS a limited license to use (and reasonable access to) space at certain facilities and to continue to use certain equipment located at such facilities (including the use of office security and badge services) (the "**VS Temporary Facilities**"), for substantially the same purposes as used in the operation of the VS Business immediately prior to the Distribution. VS's rights to the Temporary Facilities shall include reasonable access and a limited license to use ancillary services to the same extent as such services are provided as of the Distribution Date to its own employees at such facility. VS hereby grants to L Brands a limited license to use (and reasonable access to) space at certain facilities and to continue to use certain equipment located at such facilities (including the use of office security and badge services) (the "**L Brands Temporary Facilities**" and together with the VS Temporary Facilities, collectively, the "**Temporary Facilities**"), for substantially the same purposes as used in the operation of the L Brands Business immediately prior to the Distribution. L Brands' rights to the Temporary Facilities shall include reasonable access and a limited license to use ancillary services to the same extent as such services are provided as of the Distribution Date to its own employees at such facility. VS and L Brands shall each (i) vacate the VS Temporary Facilities, in the case of VS, and the L Brands Temporary Facilities, in the case of L Brands, on or prior to the date that is three (3) months following the Distribution Date, and (ii) vacate or deliver back, as applicable, the VS Temporary Facilities, in the case of VS, and the L Brands Temporary Facilities, in the case of L Brands, in substantially the same repair and condition at that date as on the Distribution Date, ordinary wear and tear excepted. The rights granted with respect to the Temporary Facilities shall be in the nature of a license and shall not create a leasehold or other estate or possessory rights therein and shall not include any right of sub-license or sub-leasehold to any Third Party. The covenants set forth in this Section 4.14 shall survive for six (6) months following the Distribution Date.

Section 4.15. *Other Matters*. Each of L Brands and VS agrees to the covenants, agreements and undertakings set forth on Schedule 4.15.

Section 4.16. *Inducement*. VS acknowledges and agrees that L Brands' willingness to cause, effect and consummate the Distribution has been conditioned upon and induced by VS's covenants and agreements in this Agreement and the Ancillary Agreements, including VS's assumption of the VS Liabilities. The Parties acknowledge that, after the Distribution Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Distribution Time, except as may otherwise be provided in this Agreement or in any Ancillary Agreement, and each Party shall (except as otherwise provided in this Agreement) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

ARTICLE 5
RELEASE; INDEMNIFICATION

Section 5.01. *Release of Pre-Distribution Claims.* (a) Except (i) as provided in Section 5.01(b) and (ii) as otherwise expressly provided in this Agreement or any Ancillary Agreement, each Party does hereby, on behalf of itself and each member of its Group, and each of their successors and assigns, and to the extent permitted by Applicable Law, all Persons who at any time prior to the Distribution Time have been directors, officers, employees or agents serving as independent contractors of such Party or any member of its Group (in each case, in their respective capacities as such), release and forever discharge the other Party and the other members of such Party's Group, and their respective successors and assigns, and all Persons who at any time prior to the Distribution Time have been directors, officers, employees or agents serving as independent contractors of such other Party or any member of its Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns (collectively, the "**Released Parties**"), from any and all demands, claims, Actions and Liabilities whatsoever, whether at law or in equity (including any right of contribution or any right pursuant to any Environmental Law whether now or hereinafter in effect), whether arising under any Contract, by operation of law or otherwise (and including for the avoidance of doubt, those arising as a result of the negligence, strict liability or any other liability under any theory of law or equity of, or any violation of law by any Released Party), existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution Date, in the case of the release by L Brands, to the extent relating to, arising out of or resulting from the L Brands Business, the L Brands Assets or the L Brands Liabilities, and in the case of the release by VS, to the extent relating to, arising out of or resulting from the VS Business, the VS Assets or the VS Liabilities. In furtherance of the foregoing, each Party shall cause each of the members of its respective Group to, effective as of the Distribution Time, release and forever discharge each of the Released Parties of the other Group as and to the same extent as the release and discharge provided by such Party pursuant to the foregoing provisions of this Section 5.01(a).

(b) Nothing contained in Section 5.01(a) shall impair any right of any Person identified in Section 5.01(a) to enforce this Agreement or any Ancillary Agreement. Nothing contained in Section 5.01(a) shall release or discharge any Person from:

(i) any Liability assumed, transferred, assigned, retained or allocated to that Person in accordance with, or any other Liability of that Person under, this Agreement or any of the Ancillary Agreements;

(ii) any Liability that is expressly specified in this Agreement (including Section 2.08) or any Ancillary Agreement to continue after the Distribution Time, but subject to any limitation set forth in this Agreement (including Section 2.08) or any Ancillary Agreement relating specifically to such Liability;

(iii) any Liability that the Parties may have with respect to claims for indemnification, recovery or contribution brought pursuant to this Agreement or any Ancillary Agreement, which Liability shall be governed by the provisions of this Article 5, or, if applicable, the appropriate provisions of the Ancillary Agreements; or

(iv) any Liability the release of which would result in the release of any Person, other than a member of the L Brands Group, the VS Group or any related Released Party; *provided*, *however*, that the Parties agree not to bring or allow their respective Subsidiaries to bring suit against the other party or any related Released Party with respect to any such Liability.

In addition, nothing contained in Section 5.01(a) shall release any Party or any member of its Group from honoring its existing obligations to indemnify, or advance expenses to, any Person who was a director, officer or employee of such Party or any member of its Group, at or prior to the Distribution Time, to the extent such Person was entitled to such indemnification or advancement of expenses pursuant to then-existing obligations and remains so entitled; *provided*, *however*, that to the extent applicable, Section 5.02 hereof shall determine whether any Party shall be required to indemnify the other Party or a member of its Group in respect of such Liability.

(c) No Party shall make, nor permit any member of its Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or indemnification, against the other Party, or any related Released Party, with respect to any Liability released pursuant to Section 5.01(a).

(d) It is the intent of each of the Parties by virtue of the provisions of this Section 5.01 to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Distribution Date between members of the L Brands Group, on the one hand, and members of the VS Group, on the other hand (including any Contract existing or alleged to exist between the Parties on or before the Distribution Date), except as expressly set forth in Section 5.01(b) or as expressly provided in this Agreement or any Ancillary Agreement. At any time, at the reasonable request of either L Brands or VS, the other Party shall execute and deliver (and cause its respective Subsidiaries to execute and deliver) releases reflecting the provisions hereof.

Section 5.02. *VS Indemnification of the L Brands Group.* (a) Effective as of and after the Distribution Time, VS shall, and shall cause the other members of the VS Group to, indemnify, defend and hold harmless each member of the L Brands Group, each Affiliate thereof and each of their respective past, present and future directors, officers, employees and agents and the respective heirs, executors, administrators, successors and assigns of any of the foregoing (the "**L Brands Indemnitees**") from and against any and all Liabilities incurred or suffered by any of the L Brands Indemnitees arising out of or in connection with (i) any of the VS Liabilities, or the failure of any member of the VS Group or any other Person to pay, perform or otherwise discharge any of the VS Liabilities, whether prior to, at or after the Distribution Time, (ii) any breach by VS or any member of the VS Group of this Agreement or any Ancillary Agreement, (iii) the ownership or operation of the VS Business, the businesses conducted by the VS Group or the VS Assets on or after the Distribution Date, (iv) any payments made by L Brands or any member of the L Brands Group in respect of any Guarantee given or obtained by any member of the L Brands Group for the benefit of any member of the VS Group or the VS Business, or any Liability of any member of the L Brands Group in respect thereof, and (v) any use of any L Brands Names and Marks by VS.

(b) Except to the extent set forth in Section 5.03(b), effective as of and after the Distribution Time, VS shall indemnify, defend and hold harmless each of the L Brands Indemnitees and each Person, if any, who controls any L Brands Indemnitee within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Form 10 or any amendment thereof, the Information Statement (as amended or supplemented), the Equity Compensation Registration Statement or any offering or marketing materials prepared in connection with the VS Financing Arrangements or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 5.03. *L Brands Indemnification of the VS Group.* (a) Effective as of and after the Distribution Time, L Brands shall, and shall cause the other members of the L Brands Group to, indemnify, defend and hold harmless each member of the VS Group, each Affiliate thereof and each of their respective past, present and future directors, officers, employees and agents and the respective heirs, executors, administrators, successors and assigns of any of the foregoing (the "**VS Indemnitees**") from and against any and all Liabilities incurred or suffered by any of the VS Indemnitees and arising out of or in connection with (i) any of the L Brands Liabilities, or the failure of any member of the L Brands Group or any other Person to pay, perform or otherwise discharge any of the L Brands Liabilities, whether prior to, at or after the Distribution Time, (ii) the ownership or operation of the L Brands Business or the L Brands Assets on or after the Distribution Date, and (iii) any breach by L Brands or any member of the L Brands Group of this Agreement or any Ancillary Agreement.

(b) Effective as of and after the Distribution Time, L Brands shall indemnify, defend and hold harmless each of the VS Indemnitees and each Person, if any, who controls any VS Indemnitee within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Form 10 or any amendment thereof, the Information Statement (as amended or supplemented), the Equity Compensation Registration Statement or any offering or marketing materials prepared in connection with the VS Financing Arrangements or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such Liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based on information furnished by L Brands solely in respect of the L Brands Group and which information is set forth on Schedule 5.03(b), it being agreed that the statements set forth on Schedule 5.03(b) shall be the only information furnished by L Brands in respect of the L Brands Group in the Form 10, the Information Statement, the Equity Compensation Registration Statement or any offering or marketing materials prepared in connection with the VS Financing Arrangements, and all other information contained in the Form 10, the Information Statement, the Equity Compensation Registration Statement or any offering or marketing materials prepared in connection with the VS Financing Arrangements shall be deemed to be information supplied by VS.

Section 5.04. *Procedures*. (a) The Party seeking indemnification under Section 5.02 or Section 5.03 (the "**Indemnified Party**") agrees to give prompt notice to the Party against whom indemnity is sought (the "**Indemnifying Party**") of the assertion of any claim, or the commencement of any suit, action or proceeding (each, a "**Claim**") in respect of which indemnity may be sought hereunder and will provide the Indemnifying Party such information with respect thereto that the Indemnifying Party may reasonably request. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Claim (other than any criminal Action or Action brought by a Governmental Authority) asserted by any Third Party ("**Third Party Claim**") and, subject to the limitations set forth in this Section 5.04, if it so notifies the Indemnified Party no later than thirty (30) days after receipt of the notice described in Section 5.04(a), shall be entitled to control and appoint lead counsel for such defense (other than any criminal Action or Action brought by a Governmental Authority), in each case at its expense; *provided* that, prior to the Indemnifying Party controlling the defense of such Third Party Claim, it shall first confirm to the Indemnified Party in writing that, assuming the facts presented to the Indemnifying Party by the Indemnified Party are true, the Indemnifying Party shall indemnify the Indemnified Party for any such damages to the extent resulting from, or arising out of, such Third Party Claim. If the Indemnifying Party does not so notify the Indemnified Party, the Indemnified Party shall have the right to defend or contest such Third Party Claim through counsel chosen by the Indemnified Party that is reasonably acceptable to the Indemnifying Party, subject to the provisions of this Section 5.04, and if the Indemnifying Party has an indemnification obligation with respect to such Third Party Claim, then the Indemnifying Party shall be liable for all reasonable and documented fees and expenses incurred by the Indemnified Party in connection with the defense of such Third Party Claim. If an Indemnifying Party has elected to control the defense of a Third Party Claim, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnified Party 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.

(c) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of Section 5.04(b), (i) the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of such Third Party Claim, if the settlement does not release the Indemnified Party from all Liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its related Indemnitees or is otherwise materially prejudicial to any such Person and (ii) the Indemnified Party shall be entitled to participate in (but not control) the defense of such Third Party Claim and, at its own expense, to employ separate counsel (including local counsel as necessary) of its choice for such purpose; *provided* that (A) in the event of a conflict of interest between the Indemnifying Party and the applicable Indemnified Party, the reasonable and documented fees and expenses of such separate counsel (including local counsel as necessary) shall be at the Indemnifying Party's expense, and (B) the members of the VS Group shall not be entitled to participate in the defense of any Third Party Claim to the extent relating to the matters set forth on Schedule 5.04(c).

(d) Each Party shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Third Party Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

(e) Each Indemnified Party shall use commercially reasonable efforts to collect any amounts available under insurance coverage, or from any other Person alleged to be responsible, for any Liabilities payable under Section 5.02 or Section 5.03 and the reasonable expenses incurred in connection therewith will be treated as Liabilities subject to indemnification hereunder. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover any amounts available under insurance coverage, and an Indemnified Party need not attempt to collect any such amounts prior to making a claim for indemnification or contribution or receiving any payment otherwise owed to it under this Agreement or any Ancillary Agreement.

(f) In the event of any Action in which the Indemnifying Party is not also named defendant, at the request of either the Indemnified Party or the Indemnifying Party, the Parties will use commercially reasonable efforts to substitute the Indemnifying Party or its applicable Affiliate for the named defendant in the Action.

Section 5.05. *Calculation of Indemnification Amount.* Any indemnification amount pursuant to Section 5.02 or Section 5.03 shall be paid (i) net of any amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) by the Indemnified Party under applicable Third Party insurance policies or from any other Third Party alleged to be responsible therefor, and (ii) taking into account any Tax Benefit allowable to the Indemnified Party (using the methodology set forth in Section 11(d) of the Tax Matters Agreement to determine the amount of any such Tax Benefit) and any Tax cost incurred by the Indemnified Party arising from the incurrence or payment of the relevant Liabilities. L Brands and VS agree that, for United States federal income tax purposes, any payment made pursuant to this Article 5 will be treated as provided under Section 12(b) of the Tax Matters Agreement. If the Indemnified Party receives any amounts under applicable Third Party insurance policies, or from any other Third Party alleged to be responsible for any Liabilities, subsequent to an indemnification payment by the Indemnifying Party in respect thereof, then such Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made by such Indemnifying Party in respect thereof up to the amount received (net of any out-of-pocket costs or expenses incurred in the collection thereof) by the Indemnified Party from such Third Party insurance policy or Third Party, as applicable.

Section 5.06. *Contribution*. If for any reason the indemnification provided for in Section 5.02 or Section 5.03 is held to be unenforceable or is unavailable to any Indemnified Party, or insufficient to hold it harmless, then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the L Brands Group, on the one hand, and the VS Group, on the other hand, in connection with the conduct, statement or omission that resulted in such Liabilities. In case of any Liabilities arising out of or related to information contained in the Form 10 or any amendment thereof, the Information Statement (as amended or supplemented), the Equity Compensation Registration Statement or any offering or marketing materials prepared in connection with the VS Financing Arrangements, the relative fault of the L Brands Group, on the one hand, and the VS Group, on the other hand, shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact relates to information supplied by VS or any member of its Group, on the one hand, or L Brands or any member of its Group (but solely to the extent such information is set forth on Schedule 5.03(b)), on the other hand.

Section 5.07. *Non-Exclusivity of Remedies*. Subject to Section 5.01, the remedies provided for in this Article 5 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Party at law or in equity; *provided* that the procedures set forth in Sections 5.04 and 5.05 shall be the exclusive procedures governing any indemnity action brought under this Agreement.

Section 5.08. *Survival of Indemnities.* The rights and obligations of any Indemnified Party or Indemnifying Party under this Article 5 shall survive the sale or other transfer of any Party or any member of its Group of any of its assets, business or liabilities or any merger, consolidation, business combination, restructuring, recapitalization, reorganization or similar transaction involving either Party or any member of its Group.

Section 5.09. *Ancillary Agreements*. If an indemnification claim is covered by the indemnification provisions of an Ancillary Agreement, the claim shall be made under the Ancillary Agreement to the extent applicable and the provisions thereof shall govern such claim. In no event shall any Party be entitled to double recovery from the indemnification provisions of this Agreement and any Ancillary Agreement.

ARTICLE 6
MISCELLANEOUS

Section 6.01. *Notices.* Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission, mail, or e-mail transmission to the following addresses:

If to L Brands to:

L Brands, Inc.
Three Limited Parkway
Columbus, Ohio 43230
Attn: Michael Wu
Tim Faber
Email: MiWu@lb.com
TFaber@lb.com

with a copy to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: William H. Aaronson
Cheryl Chan
Email: william.aaronson@davispolk.com
cheryl.chan@davispolk.com

If to VS to:

Victoria’s Secret & Co.
4 Limited Parkway East
Reynoldsburg, Ohio 43068
Attn: Melinda McAfee
Email: MMcAfee@lb.com

or such other address or facsimile number as such Party may hereafter specify for the purpose by notice to the other Party. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 6.02. *Amendments; No Waivers*. (a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by L Brands and VS, or in the case of a waiver, by the Party against whom the waiver is to be effective.

(b) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

Section 6.03. *Expenses*. L Brands and VS shall each bear the costs and expenses incurred or paid in connection with the Restructuring, the Distribution and any other related transaction, as applicable, set forth below their respective names on Schedule 6.03. All other third-party fees, costs and expenses paid or incurred in connection with the foregoing (except as specifically allocated pursuant to the terms of this Agreement or any Ancillary Agreement) will be paid by the Party incurring such fees or expenses, whether or not the Distribution occurs, or as otherwise agreed by the Parties in writing.

Section 6.04. *Successors and Assigns*. The provisions of 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, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other Party, except pursuant to Section 4.11(c). If any Party or any of its successors or permitted assigns (i) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person, then, and in each such case, no such consent shall be required and proper provisions shall be made so that the successors and assigns of such Party shall assume all of the obligations of such Party under the Distribution Documents; *provided* that no such assignment shall release the assigning Party from liability for the full performance of its obligations under the Distribution Documents.

Section 6.05. *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such state.

Section 6.06. *Counterparts; Effectiveness; Third-party Beneficiaries.* This Agreement may be signed in any number of counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including "pdf," "tif" or "jpg") and other electronic signatures (including DocuSign and AdobeSign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by Applicable Law. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Party. Until and unless each Party has received a counterpart hereof signed by the other Party, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Except for Section 4.07, Section 6.12, and the indemnification and release provisions of Article 5, neither this Agreement nor any provision hereof is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the Parties and their respective successors and permitted assigns.

Section 6.07. *Entire Agreement*. This Agreement and the other Distribution Documents constitute the entire understanding of the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the Parties with respect to the subject matter hereof and thereof. No representation, inducement, promise, understanding, condition or warranty not set forth herein or in the other Distribution Documents has been made or relied upon by any Party or any member of their Group with respect to the transactions contemplated by the Distribution Documents. Without limiting Section 5.09 and subject to Section 6.08, in the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of any Ancillary Agreement, the Ancillary Agreement shall control with respect to the subject matter thereof, and this Agreement shall control with respect to all other matters; *provided* that to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of any Restructuring Agreement, this Agreement shall control with respect to all matters.

Section 6.08. *Tax and Employee Matters*. Except as otherwise provided herein, this Agreement shall not govern (i) Tax matters (including any administrative, procedural and related matters thereto), which shall be exclusively governed by the Tax Matters Agreement and the Employee Matters Agreement or (ii) employee matters (including any labor, compensation plans, benefit plans and related matters thereto), which shall be exclusively governed by the Employee Matters Agreement. For the avoidance of doubt, to the extent of any inconsistency between this Agreement and either of the Tax Matters Agreement or Employee Matters Agreement, the terms of the Tax Matters Agreement or Employee Matters Agreement, as the case may be, shall govern.

Section 6.09. *Dispute Resolution*. (a) With respect to matters under this Agreement requiring dispute resolution (each, a "**Dispute**"), the disputing Party shall notify the other Party of such Dispute in writing and, upon the non-disputing Party's receipt of such written notice, the Parties shall attempt to resolve such Dispute in good faith within thirty (30) days of such receipt, and if the Parties are unable to resolve such Dispute in such thirty (30) day period, then the Parties shall escalate such Dispute to each party's Chief Financial Officer for resolution.

(b) If the Parties' Chief Financial Officers are unable to resolve such Dispute within thirty (30) days following such receipt of such notice, then either Party shall initiate a non-binding mediation by providing written notice (a "**Mediation Notice**") to the other Party within five (5) Business Days following the expiration of such thirty (30) day period.

(c) Upon receipt of a Mediation Notice, the applicable Dispute shall be submitted within five (5) Business Days following such receipt of such Mediation Notice for non-binding mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association ("**Arbitration Association**"), and the Parties agree to bear equally the costs of such mediation (including any fees or expenses of the applicable mediator); *provided* that each Party shall bear its own costs in connection with participating in such mediation. The Parties agree to participate in good faith in such mediation for a period of forty-five (45) days or such longer period as the Parties may mutually agree following receipt of such Mediation Notice (the "**Mediation Period**").

(d) In connection with such mediation, the Parties shall cooperate with the Arbitration Association and with one another in selecting a neutral mediator with relevant industry experience and in scheduling the mediation proceedings during the applicable Mediation Period. If the Parties are unable to agree on a neutral mediator within five (5) Business Days of submitting a Dispute for mediation pursuant to Section 6.09(c), application shall be made by the Parties to the Arbitration Association for the Arbitration Association to select and appoint a neutral mediator on the Parties' behalf in accordance with the Commercial Mediation Rules of the Arbitration Association.

(e) The Parties further agree that all information, whether oral or written, provided in the course of any such mediation by either Party or their Representatives, and by the applicable mediator and any employees of the mediation service, is confidential, privileged, and inadmissible for any purpose, including impeachment, in any Action involving the Parties; *provided* that any such information that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in such mediation.

(f) If the Parties cannot resolve the Dispute for any reason, on and following the expiration of the Mediation Period, either party may commence litigation in a court of competent jurisdiction pursuant to the provisions of Section 6.10. Nothing contained in this Agreement shall deny either Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an Action may be filed and maintained notwithstanding any ongoing efforts under this Section 6.09.

Section 6.10. *Jurisdiction.* The Parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the Chancery Court of the State of Delaware and any state appellate court therefrom within the State of Delaware (or if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any federal or state court sitting in the State of Delaware and any federal or state appellate court therefrom), and each of the Parties hereto hereby irrevocably consents to the exclusive jurisdiction of such courts in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any Party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each Party agrees that service of process on such Party as provided in Section 6.01 shall be deemed effective service of process on such Party.

Section 6.11. *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 6.12. *Termination*. Notwithstanding any provision of this Agreement to the contrary, the Board of Directors of L Brands may, in its sole discretion and without the approval of VS or any other Person, at any time prior to the Distribution terminate this Agreement and the Ancillary Agreements or abandon the Distribution, whether or not it has theretofore approved this Agreement and the Ancillary Agreements or the Distribution. In the event this Agreement and the Ancillary Agreements are terminated pursuant to the preceding sentence, this Agreement and the Ancillary Agreements shall forthwith become void and neither Party nor any of its Affiliates or its or their directors or officers shall have any liability or further obligation to the other Party or its Affiliates or any other Person by reason of this Agreement or the Ancillary Agreements. After the Distribution Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties.

Section 6.13. *Severability*. If any one or more of the provisions contained in this Agreement should be declared invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby. Upon such a declaration, the Parties shall modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner so that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

Section 6.14. *Survival*. All covenants and agreements of the Parties contained in this Agreement, and Liability for the breach of any obligations contained herein, shall survive the Distribution Date indefinitely, unless a specific survival or other applicable period is expressly set forth herein.

Section 6.15. *Captions*. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

Section 6.16. *Interpretation.* In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of its authorship of any of the provisions of this Agreement.

Section 6.17. *Specific Performance*. Each Party to this Agreement acknowledges and agrees that damages for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and irreparable harm would occur. In recognition of this fact, each Party agrees that, if there is a breach or threatened breach, in addition to any and all other rights and remedies at law or in equity, the other nonbreaching Party to this Agreement, without posting any bond, shall be entitled to seek and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, attachment, or any other equitable remedy which may then be available to obligate the breaching Party (i) to perform its obligations under this Agreement or (ii) if the breaching Party is unable, for whatever reason, to perform those obligations, to take any other actions as are necessary, advisable or appropriate to give the other Party to this Agreement the economic effect which comes as close as possible to the performance of those obligations (including transferring, or granting liens on, the assets of the breaching Party to secure the performance by the breaching Party of those obligations).

Section 6.18. *Performance*. Each Party shall cause to be performed, and shall guarantee the performance of, all actions, agreements and obligations set forth herein to be performed by any member of such Party's Group.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF the Parties have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

L BRANDS, INC.

By: _____
Name:
Title:

VICTORIA'S SECRET & CO.

By: _____
Name:
Title:

Exhibit 3.1

FORM OF AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
VICTORIA'S SECRET & CO.

FIRST. The name of the Corporation is: Victoria's Secret & Co.

SECOND. The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, Delaware, County of New Castle 19801, and the name of its registered agent at that address is The Corporation Trust Company.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the "DGCL").

FOURTH.

Section 1. Capital Stock. The Corporation shall be authorized to issue two classes of stock to be designated, respectively, "Preferred Stock" and "Common Stock"; the total number of shares which the Corporation shall have authority to issue is [—]; the total number of shares of Preferred Stock shall be [—] and each such share shall have a par value of $0.01; and the total number of shares of Common Stock shall be [—] and each such share shall have a par value of $0.01.

Section 2. Preferred Stock.

2.1 Series and Limits of Variations between Series. Any unissued or treasury shares of the Preferred Stock may be issued from time to time in one or more series for such consideration as may be fixed from time to time by the Board of Directors and each share of a series shall be identical in all respects with the other shares of such series, except that, if the dividends thereon are cumulative, the date from which they shall be cumulative may differ. Before any shares of Preferred Stock of any particular series shall be issued, a certificate shall be filed with the Secretary of State of Delaware setting forth the designation, rights, privileges, restrictions, and conditions to be attached to the Preferred Stock of such series and such other matters as may be required, and the Board of Directors shall fix and determine, and is hereby expressly empowered to fix and determine, in the manner provided by law, the particulars of the shares of such series (so far as not inconsistent with the provisions of this Article applicable to all series of Preferred Stock), including, but not limited to, the following:

2.1.1 the distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors in creating such series) or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the Board of Directors;

2.1.2 the annual rate of dividends payable on shares of such series, the conditions upon which such dividends shall be payable and the date from which dividends shall be cumulative in the event the Board of Directors determines that dividends shall be cumulative;

2.1.3 whether such series shall have voting rights, in addition to the voting rights provided by law and, if so, the terms of such voting rights;

2.1.4 whether such series shall have conversion privileges and, if so, the terms and conditions of such conversion, including, but not limited to, provision for adjustment of the conversion rate upon such events and in such manner as the Board of Directors shall determine;

2.1.5 whether or not the shares of such series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

2.1.6 whether such series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amount of such sinking fund;

2.1.7 the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

2.1.8 any other relative rights, preferences and limitations of such series.

Section 3. Common Stock.

3.1 Issuance and Consideration. Any unissued or treasury shares of the Common Stock may be issued for such consideration as may be fixed in accordance with applicable law from time to time by the Board of Directors.

3.2 Voting Rights. At every meeting of the stockholders every holder of Common Stock shall be entitled to one vote, in person or by proxy, for each share of Common Stock standing in the name of such stockholder on the books of the Corporation, on each matter on which the stockholders generally are entitled to vote.

3.3 Dividends. Subject to the rights of holders of the Preferred Stock, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the assets of the Corporation which are by law available therefor, dividends payable either in cash, in property, or in shares of stock and the holders of the Preferred Stock shall not be entitled to participate in any such dividends (unless otherwise provided by the Board of Directors in any resolution providing for the issue of a series of Preferred Stock).

3.4 Rights in Event of Dissolution. In the event of any dissolution, liquidation or winding up of the affairs of the Corporation, either voluntarily or involuntarily, the holders of the Common Stock shall be entitled, after payment or provision for payment of the debts and other liabilities of the Corporation and the amounts to which the holders of the Preferred Stock shall be entitled, to share ratably in the remaining assets of the Corporation to the exclusion of the Preferred Stock (unless otherwise provided by the Board of Directors in any resolution providing for the issue of a series of Preferred Stock). Neither the merger or consolidation of the Corporation, nor the sale, lease or conveyance of all or part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Section 3.4.

FIFTH. Amendment of Bylaws by Directors. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind the bylaws of the Corporation.

SIXTH.

Section 1. Election of Directors. Subject to the right of the holders of any class or series of Preferred Stock to elect one or more directors of the Corporation, each director shall be elected for a term expiring at the next annual meeting, and shall hold office until such director’s successor is elected and qualified or until such director’s earlier death, resignation or removal.

Section 2. Election by Holders of Preferred Stock. During any period when the holders of any Preferred Stock or any one or more series thereof, voting as a class, shall be entitled to elect a specified number of directors, by reason of divided arrearages or other provisions giving them the right to do so, then and during such time as such right continues (i) the then otherwise authorized number of directors shall be increased by such specified number of directors, and the holders of such Preferred Stock or such series thereof, voting as a class, shall be entitled to elect the additional directors so provided for, pursuant to the provisions of such Preferred Stock or series; (ii) each such additional director shall serve for such term, and have such voting powers, as shall be stated in the provisions pertaining to such Preferred Stock or series; and (iii) whenever the holders of any such Preferred Stock or series thereof are divested of such rights to elect a specified number of directors, voting as a class, pursuant to the provisions of such Preferred Stock or series, the terms of office of all directors elected by the holders of such Preferred Stock or series, voting as a class pursuant to such provisions or elected to fill any vacancies resulting from the death, resignation or removal of directors so elected by the holders of such Preferred Stock or series, shall forthwith terminate and the authorized number of directors shall be reduced accordingly.

Section 3. Cumulative Voting. There shall be no cumulative voting in the election of directors.

Section 4. Elimination of Certain Personal Liability of Directors. A director of this Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of any fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction from which the director derives an improper personal benefit. If the DGCL is amended after approval by the stockholders of this Section to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. The foregoing limitation on liability shall not apply to acts or omissions occurring prior to the effective date of this Section.

SEVENTH. No action shall be taken by the stockholders except at an annual or special meeting of stockholders.

EIGHTH. Any director may be removed at any annual or special stockholders' meeting, with or without cause, upon the affirmative vote of the holders of not less than a majority of the outstanding shares of capital stock of the Corporation at that time entitled to vote generally in the election of directors, voting together as a single class; provided, that directors who shall have been elected by the holders of a series or class of Preferred Stock, voting separately as a class, shall be removed only pursuant to the provisions establishing the rights of such series or class to elect such directors.

NINTH. Amendments Generally. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

Exhibit 3.2

FORM OF AMENDED AND RESTATED BYLAWS
OF
VICTORIA'S SECRET & CO.

Adopted as of [—], 2021

ARTICLE I STOCKHOLDERS

Section 1.01. Annual Meeting. An annual meeting of the stockholders of this corporation shall be held for the purpose of electing directors and transacting such other business as may properly come before the meeting.

Section 1.02. Special Meetings.

1.02.01. Special meetings of the stockholders may be called at any time by the chair of the board of directors (the "Board of Directors"), any vice chair of the Board of Directors, or in case of the death, absence, or disability of the chair of the Board of Directors (and, if elected, a vice chair of the Board of Directors), the chief executive officer, or in the case of the chief executive officer's death, absence or disability, the president, or in case of the president's death, absence, or disability, the vice president, if any, authorized to exercise the authority of the president, or a majority of the Board of Directors acting with or without a meeting and may not be called by any other person or persons; provided that if and to the extent that any special meeting of stockholders may be called by any other person or persons specified in any provision of the certificate of incorporation or any amendment thereto or any certificate filed under Section 151(g) of the Delaware General Corporation Law (the "DGCL") (or its successor statute as in effect from time to time), then such special meeting may also be called by such person or persons. A special meeting shall be held only in the manner, at the times and for the purposes specified on the notice of meeting or at the meeting by the person or persons properly calling the meeting in accordance with this Section 1.02.01. For the avoidance of doubt, the Board of Directors shall be permitted to submit matters to the stockholders at any special meeting requested by the stockholders pursuant to Section 1.02.02.

1.02.02. A special meeting of stockholders shall be called by the Board of Directors pursuant to Section 1.02.01 at the written request or requests to the secretary (the "secretary") of the corporation (each, a "Special Meeting Request" and, collectively, the "Special Meeting Requests") of holders of record who Own (as defined in Section 2.05) or, if such Special Meeting Request is made on behalf of one or more beneficial owners, of such beneficial owners who Own, at least 25% of the number of outstanding shares of common stock of the corporation entitled to vote on the matter or matters to be brought before the proposed special meeting (the "Requisite Percentage"). The Special Meeting Requests to the secretary shall be signed and dated by each stockholder of record (or a duly authorized agent of such stockholder) requesting the special meeting (each, a "Requesting Stockholder"), shall comply with this Section 1.02.02 and, if applicable, Section 2.04, and shall include (i) a statement of the specific purpose or purposes of the special meeting, (ii) the information required by Section 1.12 and, if applicable, Section 2.04, (iii) an acknowledgment by the Requesting Stockholders and the beneficial owners, if any, on whose behalf the Special Meeting Requests are being made that a disposition (prior to the time of the special meeting) of shares of the corporation's stock Owned as of the date on which a Special Meeting Request in respect of such shares is delivered to the secretary shall constitute a revocation of such Special Meeting Request with respect to such disposed shares and (iv) documentary evidence that the Requesting Stockholders or the beneficial owners, if any, on whose behalf the Special Meeting Requests are being made Own the Requisite Percentage as of the dates of such written requests to the secretary; provided, however, that if the Requesting Stockholders are not the beneficial owners of the shares representing the Requisite Percentage, then to be valid, the Special Meeting Requests must also include documentary evidence (or, if not simultaneously provided with any Special Meeting Request, such documentary evidence must be delivered to the secretary within 10 business days after the date on which such Special Meeting Request is delivered to the secretary) that the beneficial owners on whose behalf the Special Meeting Requests are made Own the Requisite Percentage as of the dates on which such Special Meeting Requests are delivered to the secretary. In addition, the Requesting Stockholders and the beneficial owners, if any, on whose behalf the Special Meeting Requests are being made shall promptly provide any other information reasonably requested by the corporation. The information required under clauses (iii), (iv) and (v) of Section 1.12.02(a) shall be supplemented by each Requesting Stockholder and any beneficial owner on whose behalf the Special Meeting Requests are made not later than 10 days after the record date for the special meeting to disclose such information as of the record date.

1.02.03. Special meetings of the stockholders shall be held on such date, at such time, and at such place as may be designated by the Board of Directors in accordance with these bylaws; provided, however, that in the case of a special meeting requested by stockholders pursuant to Section 1.02.02, the date of any such special meeting shall not be more than 90 days after Special Meeting Requests that satisfy the requirements of this Section 1.02 are received by the secretary.

1.02.04. Notwithstanding the foregoing provisions of this Section 1.02, a special meeting requested by stockholders shall not be held if (i) the Special Meeting Requests do not comply with this Section 1.02, (ii) the Special Meeting Requests relate to an item of business that is not a proper subject for stockholder action under the certificate of incorporation or applicable law, (iii) any of the Special Meeting Requests are received by the corporation during the period commencing 90 days prior to the first anniversary of the date of the immediately preceding annual meeting and ending on the date of the next annual meeting, (iv) an annual or special meeting of stockholders that included an identical or substantially similar item of business ("Similar Business") was held not more than 120 days before any of the Special Meeting Requests were received by the secretary, (v) the Board of Directors has called or calls for an annual or special meeting of stockholders to be held within 90 days after any of the Special Meeting Requests are received by the secretary and the business to be conducted at such meeting includes Similar Business or (vi) any Special Meeting Request was made in a manner that involved a violation of Regulation 14A under the Securities Exchange Act of 1934 and the rules and regulations thereunder (the "Exchange Act") or other applicable law. For purposes of this Section 1.02.04, the nomination, election or removal of directors shall be deemed to be Similar Business with respect to all items of business involving the nomination, election or removal of directors, changing the size of the Board of Directors and filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors. The Board of Directors shall determine in good faith whether the requirements set forth in this Section 1.02.04 have been satisfied. For purposes of Sections 1.02.04, 1.12.01 and 2.04.01 of these bylaws, the first anniversary of the 2021 annual meeting of stockholders shall be deemed to be May 20, 2022.

1.02.05. In determining whether a special meeting of stockholders has been requested by the record holders of shares representing in the aggregate at least the Requisite Percentage, multiple Special Meeting Requests delivered to the secretary will be considered together only if (i) each Special Meeting Request identifies substantially the same purpose or purposes of the special meeting and substantially the same matters proposed to be acted on at the requested special meeting (in each case as determined in good faith by the Board of Directors) and (ii) such Special Meeting Requests have been dated and delivered to the secretary within 60 days of the earliest dated Special Meeting Request. A Requesting Stockholder may revoke a Special Meeting Request at any time by written revocation delivered to the secretary and if, following such revocation, there are outstanding un-revoked requests from Requesting Stockholders holding less than the Requisite Percentage, the Board of Directors may, in its discretion, cancel the special meeting. If none of the Requesting Stockholders appears or sends a duly authorized agent to present the business to be presented for consideration that was specified in the Special Meeting Request, the corporation need not present such business for a vote at such special meeting.

Section 1.03. Time and Place of Meetings. Meetings of stockholders shall be held at such place or, in its sole discretion, by means of remote communication, either within or without the State of Delaware, on such date and at such time as may be determined from time to time by the Board of Directors.

Section 1.04. Notices of Meetings. Unless waived, notice of each annual or special meeting, stating the date, time, and place and the purpose or purposes thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, shall be served upon, mailed, or delivered in any other manner permitted under Delaware law, including, but not limited to, electronic delivery, to each stockholder of record entitled to vote or entitled to notice, not more than 60 days nor less than 10 days before any such meeting. If mailed, such notice shall be directed to a stockholder at his or her address as the same appears on the records of the corporation. If a meeting is adjourned to another time or place and such adjournment is for 30 days or less and no new record date is fixed for the adjourned meeting, no further notice as to such adjourned meeting need be given if the time and place to which it is adjourned, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, are fixed and announced at such meeting. In the event of a transfer of shares after notice has been given and prior to the holding of the meeting, it shall not be necessary to serve notice on the transferee. Such notice shall specify the place where the stockholders list will be open for examination prior to the meeting if required by Section 1.08 hereof.

Section 1.05. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any other change, conversion, or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action. If the Board shall not fix such a record date, (i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and (ii) in any case involving the determination of stockholders for any purpose other than notice of or voting at a meeting of stockholders, the record date for determining stockholders for such purpose shall be the close of business on the day on which the Board of Directors shall adopt the resolution relating thereto. Determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of such meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.06. Organization. At each meeting of the stockholders, the chair of the Board of Directors, or, in the chair's absence, any vice chair of the Board of Directors, or, in the absence of any vice chair, the chief executive officer, or, in the chief executive officer's absence, the president, or, in the president's absence, any vice president, or, in any vice president's absence, any person selected by the Board of Directors, or, in the absence of the chair of the Board of Directors, any vice chair of the Board of Directors, the chief executive officer, the president, any vice president, or a person selected by the Board of Directors, any person chosen by a majority in voting interest of the stockholders present in person or by proxy and entitled to vote, shall act as chair, and the secretary, or, in the secretary's absence, the assistant secretary, or, in the assistant secretary's absence, any person whom the chair of the meeting shall appoint, shall act as secretary of the meeting.

Section 1.07. Quorum. A stockholders' meeting duly called shall not be organized for the transaction of business unless a quorum is present. Except as otherwise expressly provided by law, the certificate of incorporation, these bylaws, or any certificate filed under Section 151(g) of the DGCL (or its successor statute as in effect from time to time), (i) at any meeting called by the Board of Directors, the presence in person or by proxy of holders of record entitling them to exercise at least one-third of the voting power of the corporation shall constitute a quorum for such meeting, and (ii) at any meeting called other than by the Board of Directors, the presence in person or by proxy of holders of record entitling them to exercise at least a majority of the voting power of the corporation shall constitute a quorum for such meeting. The stockholders present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, a majority in voting interest of the stockholders present or the chair of the meeting may adjourn the meeting from time to time to such date and time (not more than 30 days after the previously adjourned meeting) and place as they (or the chair of the meeting) may determine, without notice other than by announcement at the meeting of the time and place of the adjourned meeting. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

Section 1.08. List of Stockholders. The secretary shall prepare and make a complete list of the stockholders of record as of the applicable record date entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

Section 1.09. Order of Business and Procedure. The order of business at all meetings of the stockholders and all matters relating to the manner of conducting the meeting shall be determined by the chair of the meeting. Meetings shall be conducted in a manner designed to accomplish the business of the meeting in a prompt and orderly fashion and to be fair and equitable to all stockholders, but it shall not be necessary to follow any manual of parliamentary procedure.

Section 1.10. Voting.

1.10.01. Each stockholder shall, at each meeting of the stockholders, be entitled to vote in person or by proxy each share or fractional share of the stock of the corporation having voting rights on the matter in question and which shall have been held by such person and registered in such person's name on the books of the corporation on the date fixed pursuant to Section 1.05 of these bylaws as the record date for the determination of stockholders entitled to notice of and to vote at such meeting.

1.10.02. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors in such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes.

1.10.03. Any such voting rights may be exercised by the stockholder entitled thereto or by such person's proxy appointed by an instrument in writing or in any other manner then permitted by law, subscribed by such person or such person's attorney thereunto authorized in any manner then permitted by law and delivered to the secretary in sufficient time to permit the necessary examination and tabulation thereof before the vote is taken; provided, however, that no proxy shall be valid after the expiration of three years after its date of execution, unless the stockholder executing it shall have specified therein the length of time it is to continue in force. At any meeting of the stockholders all matters, except as otherwise provided in the certificate of incorporation, in these bylaws, or by applicable law, rules or regulations, shall be decided by the affirmative vote of the holders of a majority of the votes cast at the meeting on such matter, a quorum being present. The vote at any meeting of the stockholders on any question need not be by ballot, unless so directed by the chair of the meeting or required by the certificate of incorporation. For the purposes of these bylaws, abstentions and broker non-votes shall not be counted as votes cast. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by such person's proxy, if there be such proxy, and it shall state the number of shares voted.

Section 1.11. Inspectors. The Board of Directors, in advance of any meeting of the stockholders, may appoint one or more inspectors to act at the meeting. If inspectors are not so appointed, the person presiding at the meeting may appoint one or more inspectors. If any person so appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at the meeting with strict impartiality and according to the best of such person's ability. The inspectors so appointed shall determine the number of shares outstanding, the shares represented at the meeting, the existence of a quorum and the authenticity, validity, and effect of proxies and shall receive votes, ballots, waivers, releases, or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots, waivers, releases, or consents, determine and announce the results, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting, the inspectors shall make a report in writing of any challenge, question, or matter determined by them and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

Section 1.12. Notice of Business.

1.12.01. At any meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (i) by or at the direction of the Board of Directors or such other person or persons authorized to present business to a meeting of stockholders in accordance with Section 1.02.01 of these bylaws or (ii) by any stockholder of the corporation who is a stockholder of record at the time of giving of the notice provided for in this Section 1.12, who shall be entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 1.12; provided that, notwithstanding the foregoing provisions of this Section 1.12, (A) in the case of special meetings, the provisions of Section 1.02 shall govern and (B) in the case of nominations of directors, the provisions of Section 2.04 shall govern. For business to be properly brought by a stockholder before an annual meeting of stockholders, the stockholder must have given timely notice thereof in writing to the secretary. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting of stockholders; provided that, (A) in the event that the date of the annual meeting is advanced more than 30 days prior to such anniversary date or delayed more than 90 days after such anniversary date then to be timely such notice must be received by the corporation no earlier than 120 days prior to such annual meeting and no later than the later of 90 days prior to the meeting or the 10th day following the day on which public announcement of the date of the meeting was made and (B) a stockholder may deliver or mail the notice contemplated by this Section 1.12 prior to the time periods specified above if earlier delivery or mailing is required under Rule 14a-8 of the Exchange Act, as such Rule may be amended from time to time. In no event shall any adjournment or postponement of an annual meeting or the public announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice.

1.12.02. (a) A stockholder's notice to the secretary (in the case of an annual meeting) or Special Meeting Request (in the case of a special meeting) shall set forth as to each matter the stockholder proposes to bring before the meeting:

(i) a brief description of the business desired to be brought before the meeting (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these bylaws, the text of the proposed amendment) and the reasons for conducting such business at the meeting;

(ii) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, the beneficial owner, if any, on whose behalf the proposal is made, and any Stockholder Associated Person covered by clauses (iii), (iv) and (v) of this Section 1.12.02(a);

(iii) a description of any agreement, arrangement or understanding between or among such stockholder, the beneficial owner, if any, on whose behalf the proposal is made, or any Stockholder Associated Person, and any other person or persons (including their names), in connection with the proposal of such business;

(iv) (A) the class and number of shares of the corporation which are held of record or are beneficially owned by such stockholder, the beneficial owner, if any, on whose behalf the proposal is made, or by any Stockholder Associated Person with respect to the corporation's securities and (B) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of such notice by, or on behalf of, such stockholder, beneficial owner or Stockholder Associated Person, whether or not such agreement, arrangement or understanding shall be subject to settlement in underlying shares of capital stock of the corporation, the effect or intent of which is to increase or decrease the voting power of, mitigate loss to, or manage risk or benefit of share price changes for, such stockholder, such beneficial owner or any Stockholder Associated Person with respect to the corporation's securities;

(v) any material interest of the stockholder, such beneficial owner or any Stockholder Associated Person in such business;

(vi) a representation that the stockholder intends to appear in person or by proxy at the meeting to bring such business before the meeting; and

(vii) any other information relating to such stockholder or such beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder.

(b) If requested by the Corporation, the information required under clauses (iii), (iv) and (v) of Section 1.12.02(a) shall be supplemented by such stockholder not later than 10 days after the record date for the meeting to disclose such information as of the record date.

(c) "Stockholder Associated Person" of any stockholder means (i) any person controlling, controlled by or under common control with, or acting in concert with, such stockholder, and (ii) any person controlling, controlled by or under common control with any person described in clause (i). The term "beneficially" held (or any similar term) includes direct or indirect holdings and has the meaning set forth in Rule 13d-3 (or any successor thereto) under the Exchange Act.

1.12.03. If the stockholder does not appear or does not send a duly authorized agent to present the business to be presented for consideration that was specified in the notice submitted pursuant to this Section 1.12, the corporation need not present such business for a vote at such meeting.

1.12.04. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at a stockholder meeting except in accordance with the procedures set forth in this Article I and, when applicable, Section 2.04. The chair of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of the bylaws, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. The provisions of this Section 1.12 are in addition to the applicable requirements of the Exchange Act. Accordingly, notwithstanding the foregoing provisions of this Section 1.12, a stockholder shall also comply with all applicable requirements of the Exchange Act with respect to the matters set forth in this Section 1.12.

ARTICLE II BOARD OF DIRECTORS

Section 2.01. General Powers of Board. The powers of the corporation shall be exercised, its business and affairs conducted, and its property controlled by the Board of Directors, except as otherwise provided by the law of Delaware or in the certificate of incorporation.

Section 2.02. Number of Directors. The number of directors of the corporation (exclusive of directors to be elected by the holders of any one or more series of Preferred Stock voting separately as a class or classes) shall not be less than 6 nor more than 15, the exact number of directors to be such number as may be set from time to time within the limits set forth above by resolution adopted by affirmative vote of a majority of the whole Board of Directors. As used in these Bylaws, the term "whole Board" means the total number of directors that the corporation would have if there were no vacancies.

Section 2.03. Election of Directors.

2.03.01. Except as otherwise provided in these bylaws, each director shall be elected by the affirmative vote of the holders of a majority of the votes cast at the meeting with respect to that director's election, a quorum being present. For purposes of this Section 2.03, any "withhold" or "against" votes in a director's election will count as a vote cast, but "abstentions" and broker non-votes will not count as a vote cast with respect to that director's election. In a contested election, the nominees receiving a plurality of the votes cast by holders of shares entitled to vote in the election at a meeting at which a quorum is present shall be elected. A "contested election" is one in which, as of the last date by which stockholders may submit notice to nominate a person for election as a director pursuant to Section 2.04 or Section 2.05 of these bylaws, the number of nominees for any election of directors exceeds the number of directors to be elected.

2.03.02. (a) In order for any incumbent director to become a nominee for further service on the Board of Directors, such person must submit an irrevocable resignation, which resignation shall become effective upon (i) that person not receiving a majority of the votes cast in an election that is not a contested election and (ii) acceptance by the Board of Directors of that resignation in accordance with any policies and procedures adopted by the Board of Directors for such purpose.

(b) In order for any other person to become a nominee for service on the Board of Directors, such person must submit an irrevocable commitment that, if elected, such individual will tender, promptly upon such person's election, an irrevocable resignation, which resignation shall become effective upon (i) that person not receiving a majority of the votes cast in the next election that is not a contested election following such person's initial election to the Board of Directors and (ii) acceptance by the Board of Directors of that resignation in accordance with any policies and procedures adopted by the Board of Directors for such purpose.

2.03.03. In the event an incumbent director does not receive a majority of the votes cast with respect to that director's election at any meeting for the uncontested election of directors at which a quorum is present, the Board of Directors, acting on the recommendation of the Nominating and Governance Committee, shall no later than at its first regularly scheduled meeting following certification of the stockholder vote for the election of directors determine whether to accept the resignation of the incumbent director or whether to take other action.

2.03.04. The Nominating and Governance Committee, in making any such recommendation, and the Board of Directors, in making its determination, may consider any factors or other information that they believe appropriate and relevant.

2.03.05. If the Board of Directors determines to accept the resignation contemplated by Section 2.03.02 of a nominee, the Nominating and Governance Committee shall promptly either recommend a candidate to the Board of Directors to fill the office formerly held by such person or recommend a reduction in the size of the Board of Directors.

2.03.06. The Nominating and Governance Committee and the Board of Directors shall take the actions required under this Section 2.03 without the participation of any nominee whose resignation, as contemplated by Section 2.03.02, is under consideration, except that (i) if every member of the Nominating and Governance Committee is such a nominee, then a majority of the Board of Directors shall appoint a Board committee of independent directors for the purpose of considering the tendered resignations and making a recommendation to the Board of Directors whether to accept or reject them; and (ii) if the number of independent directors who are not such nominees is three or fewer, all directors may participate in the decisions under this Section 2.03. As used above, the term "independent director" shall mean a director who complies with the "independent director" requirements under the rules of the principal securities exchange upon which the common stock of the corporation is listed or traded.

2.03.07. If the Board of Directors accepts the resignation contemplated by Section 2.03.02 of any nominee, or if a nominee for director who is not an incumbent director does not receive a majority of the votes cast with respect to that director's election, then the Board of Directors may fill the resulting vacancy pursuant to Section 2.07 or may decrease the size of the Board of Directors pursuant to the provisions of Section 2.02.

Section 2.04. Nominations.

2.04.01. (a) At any meeting of the stockholders, only persons who are nominated in accordance with the procedures set forth in these bylaws shall be eligible to serve as directors. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders (i) by or at the direction of the Board of Directors, (ii) by or at the direction of the Nominating and Governance Committee of the Board of Directors, (iii) by any stockholder of the corporation who is a stockholder of record at the time of giving of notice provided for in this Section 2.04, who shall be entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in this Section 2.04, (iv) in accordance with Section 2.05 or (v) in accordance with any certificate filed under Section 151(g) of the DGCL; provided that, (A) notwithstanding the foregoing provisions of Section 2.04, in the case of special meetings, the provisions of Section 1.02 shall govern and (B) all nominees must comply with the requirements of Section 2.03.02 (in addition to all other applicable requirements). Such nominations, other than those made by or at the direction of the Board of Directors or its Nominating and Governance Committee or pursuant to Section 2.05, shall be made pursuant to Special Meeting Requests made in accordance with Section 1.02 or, in the case of an annual meeting, pursuant to timely notice in writing to the secretary. For a nomination pursuant to this Section 2.04 to be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that in the event that the date of the annual meeting is advanced more than 30 days prior to such anniversary date or delayed more than 90 days after such anniversary date then to be timely such notice must be received by the corporation no earlier than 120 days prior to such annual meeting and no later than the later of 90 days prior to the date of the meeting or the 10th day following the day on which public announcement of the date of the meeting was made. In no event shall any adjournment or postponement of an annual meeting or the public announcement thereof commence a new time period (or extend any time period) for the giving of such notice pursuant to this Section 2.04. Each such notice or Special Meeting Request, as applicable, shall include (1) (x) the name and address of the stockholder making such nomination, as they appear on the corporation's books, the beneficial owner, if any, on whose behalf the proposal is made, and any Stockholder Associated Person covered by clause (5) or (6) and (y) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (2) the principal occupation or employment of each such nominee, (3) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (4) a reasonably detailed description of any compensatory or other financial agreement, arrangement or understanding that each such nominee has with any other person or entity other than the corporation, including the amount of any payment or payments received or receivable thereunder, in each case in connection with candidacy or service as a director of the corporation (each, a "Third-Party Compensation Arrangement"), (5) a description of any agreement, arrangement or understanding between or among the stockholder giving the notice, the beneficial owner, if any, on whose behalf the proposal is made, or any Stockholder Associated Person, on the one hand, and any other person or persons (including their names), including the nominee, on the other hand, in connection with the proposal of each such nominee, (6) (x) the class and number of shares of the corporation which are held of record or beneficially by the stockholder giving the notice, the beneficial owner, if any, on whose behalf the proposal is made, or any Stockholder Associated Person and (y) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of such notice by, or on behalf of, such stockholder, beneficial owner or any Stockholder Associated Person, whether or not such agreement, arrangement or understanding shall be subject to settlement in underlying shares of capital stock of the corporation, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for or increase or decrease the voting power of, such stockholder, such beneficial owner or any Stockholder Associated Person with respect to the corporation's securities, (7) a representation that the stockholder intends to appear in person or by proxy at the meeting to bring such nomination before the meeting, and (8) any other information relating to such stockholder, such beneficial owner, if any, or nominee that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of such nominee pursuant to Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder.

(b) To be eligible to be a nominee for election as a director pursuant to this Section 2.04, the proposed nominee must provide to the secretary in accordance with the applicable time periods prescribed for delivery of notice under Section 1.02 or this Section 2.04, as applicable, a written representation and agreement that such nominee (i) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such nominee, if elected as a director of the corporation, will act or vote on any issue or question that has not been disclosed to the corporation prior to or concurrently with the notice submitted pursuant to this Section 2.04, (ii) is not and will not become a party to any Third-Party Compensation Arrangement that has not been disclosed to the corporation prior to or concurrently with the notice submitted pursuant to this Section 2.04, (iii) would be in compliance, if elected as a director of the corporation, and will comply with the corporation's code of conduct and ethics, corporate governance guidelines, stock ownership and trading policies and guidelines, related person transaction policy and any other policies or guidelines of the corporation applicable to directors and (iv) will make such other acknowledgments, enter into such agreements and provide such information as the Board of Directors requires of all directors, including promptly submitting all completed and signed questionnaires required of the corporation's directors. The corporation may require any proposed nominee pursuant to this Section 2.04 to furnish any other information (A) that may reasonably be requested by the corporation to determine whether such nominee would belong to any of the categories described in clauses (i) through (viii) of Section 2.05.10, (B) that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee or (C) that may reasonably be requested by the corporation to determine the eligibility of such nominee to serve as a director of the corporation.

(c) If the stockholder does not appear or does not send a duly authorized agent to present the nomination that was submitted pursuant to this Section 2.04, such nomination shall be disregarded at such meeting for which such nomination was submitted.

(d) Notwithstanding anything in these bylaws to the contrary, no nomination for the election of directors shall be made except in accordance with the procedures set forth in this Section 2.04 or Section 2.05, as applicable. The provisions of this Section 2.04 and Section 2.05 are in addition to the applicable requirements of the Exchange Act. Accordingly, notwithstanding the foregoing provisions of this Section 2.04 or the following provisions of Section 2.05, a stockholder shall also comply with all applicable requirements of the Exchange Act with respect to the matters set forth in this Section 2.04 or Section 2.05, as applicable.

2.04.02. Notice of nominations that are proposed by the Board of Directors or its nominating committee shall be given by the chair of the meeting.

2.04.03. The chair of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not properly brought before the meeting and in accordance with the provisions of these bylaws, and if he should so determine, he shall so declare to the meeting and any such nomination not properly brought before the meeting shall not be given effect.

Section 2.05. Proxy Access.

2.05.01. Whenever the Board of Directors solicits proxies with respect to the election of directors at an annual meeting of stockholders, subject to the provisions of this Section 2.05, the corporation shall include in its proxy statement for such annual meeting, in addition to any persons nominated for election by or at the direction of the Board of Directors (or any duly authorized committee thereof), the name, together with the Required Information (as defined below), of any person nominated for election (the "Stockholder Nominee") to the Board of Directors by an Eligible Stockholder (as defined in Section 2.05.4) that expressly elects at the time of providing the notice required by this Section 2.05 to have such nominee included in the corporation's proxy materials pursuant to this Section 2.05 and that has satisfied all applicable conditions and complied with all applicable procedures set forth in this Section 2.05. For purposes of this Section 2.05, the "Required Information" that the corporation will include in its proxy statement is (i) the information provided to the secretary concerning the Stockholder Nominee and the Eligible Stockholder that is required to be disclosed in the corporation's proxy statement pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder and (ii) if the Eligible Stockholder so elects, a Supporting Statement (as defined in Section 2.05.8). For the avoidance of doubt, nothing in this Section 2.05 shall limit the corporation's ability to solicit against any Stockholder Nominee or include in its proxy materials the corporation's own statements or other information relating to any Eligible Stockholder or Stockholder Nominee, including any information provided to the corporation pursuant to this Section 2.05. Subject to the provisions of this Section 2.05, the name of any Stockholder Nominee included in the corporation's proxy statement for an annual meeting of stockholders shall also be set forth on the form of proxy distributed by the corporation in connection with such annual meeting.

2.05.02. In addition to any other applicable requirements, for a nomination to be made by an Eligible Stockholder pursuant to this Section 2.05, the Eligible Stockholder must have given timely notice of such nomination (the "Notice of Proxy Access Nomination") in proper written form to the secretary. To be timely, the Notice of Proxy Access Nomination shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 120 days nor more than 150 days prior to the first anniversary of the date that the corporation first distributed its proxy statement to stockholders for the immediately preceding annual meeting of stockholders. In no event shall any adjournment or postponement of an annual meeting or the public announcement thereof commence a new time period (or extend any time period) for the giving of a Notice of Proxy Access Nomination pursuant to this Section 2.05.

2.05.03. The maximum number of Stockholder Nominees nominated by all Eligible Stockholders that will be included in the corporation's proxy materials with respect to an annual meeting of stockholders shall not exceed 20% of the number of directors (rounded down to the nearest whole number but not less than two) in office as of the last day on which a Notice of Proxy Access Nomination may be delivered pursuant to and in accordance with this Section 2.05 (such date, the "Final Proxy Access Nomination Date" and such maximum number, the "Permitted Number"). In the event that one or more vacancies for any reason occurs on the Board of Directors after the Final Proxy Access Nomination Date but before the date of the annual meeting and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith, the Permitted Number shall be calculated based on the number of directors in office as so reduced. For purposes of determining when the Permitted Number has been reached, each of the following persons shall be counted as one of the Stockholder Nominees: (i) any individual nominated by an Eligible Stockholder for inclusion in the corporation's proxy materials pursuant to this Section 2.05 whose nomination is subsequently withdrawn, (ii) (A) any individual nominated by an Eligible Stockholder for inclusion in the corporation's proxy materials pursuant to this Section 2.05 who ceases to satisfy the eligibility requirements to be a Stockholder Nominee or (B) any individual nominated by a stockholder that ceases to satisfy the eligibility requirements to be an Eligible Stockholder, (iii) any individual nominated by an Eligible Stockholder for inclusion in the corporation's proxy materials pursuant to this Section 2.05 whom the Board of Directors decides to nominate for election to the Board of Directors and (iv) any director in office as of the Final Proxy Access Nomination Date who was included in the corporation's proxy materials as a Stockholder Nominee for either of the two preceding annual meetings of stockholders (including any individual counted as a Stockholder Nominee pursuant to the immediately preceding clause (iii)) and whom the Board of Directors decides to nominate for re-election to the Board of Directors. Any Eligible Stockholder submitting more than one Stockholder Nominee for inclusion in the corporation's proxy materials pursuant to this Section 2.05 shall rank such Stockholder Nominees based on the order in which the Eligible Stockholder desires such Stockholder Nominees to be selected for inclusion in the corporation's proxy materials in the event that the total number of Stockholder Nominees submitted by Eligible Stockholders pursuant to this Section 2.05 exceeds the Permitted Number. In the event that the number of Stockholder Nominees submitted by Eligible Stockholders pursuant to this Section 2.05 exceeds the Permitted Number, the highest ranking Stockholder Nominee who meets the requirements of this Section 2.05 from each Eligible Stockholder will be selected for inclusion in the corporation's proxy materials until the Permitted Number is reached, going in order of the number (largest to smallest) of shares of common stock of the corporation each Eligible Stockholder disclosed as Owned (as defined in Section 2.05.05) in its Notice of Proxy Access Nomination. If the Permitted Number is not reached after the highest ranking Stockholder Nominee who meets the requirements of this Section 2.05 from each Eligible Stockholder has been selected, then the next highest ranking Stockholder Nominee who meets the requirements of this Section 2.05 from each Eligible Stockholder will be selected for inclusion in the corporation's proxy materials, and this process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached. Notwithstanding anything to the contrary contained in this Section 2.05, the corporation shall not be required to include any Stockholder Nominees in its proxy materials pursuant to this Section 2.05 for any meeting of stockholders for which the secretary receives notice (whether or not subsequently withdrawn or made the subject of a settlement with the corporation) that a stockholder intends to nominate one or more persons for election to the Board of Directors pursuant to the advance notice requirements for stockholder nominees set forth in Section 2.04.

2.05.04. An “Eligible Stockholder” is a holder of record or group of no more than 20 holders of record and, to the extent that a holder of record is acting on behalf of one or more beneficial owners, such beneficial owners (counting as one holder of record or beneficial owner, as applicable, for this purpose, any two or more funds that are part of the same Qualifying Fund Group (as defined below)) that (i) has Owned continuously for at least three years preceding and including the date of submission of the Notice of Proxy Access Nomination (the “Minimum Holding Period”) at least 3% of the number of outstanding shares of common stock of the corporation as of the most recent date for which such number is given in any filing by the corporation with the U.S. Securities and Exchange Commission (the “SEC”) prior to the submission of the Notice of Proxy Access Nomination (the “Required Shares”) (as adjusted for any stock splits, reverse stock splits, stock dividends or similar events), (ii) continues to Own the Required Shares through the date of the annual meeting and (iii) satisfies all other requirements of, and complies with all applicable procedures set forth in, this Section 2.05. A “Qualifying Fund Group” is a group of two or more funds that are (A) under common management and investment control, (B) under common management and funded primarily by the same employer or (C) a “family of investment companies” or a “group of investment companies” as each such term is defined in the Investment Company Act of 1940 and the rules, regulations and forms adopted thereunder, all as amended. Whenever the Eligible Stockholder consists of a group (including a group of funds that are part of the same Qualifying Fund Group), each provision in this Section 2.05 that requires the Eligible Stockholder to provide any written statements, representations, undertakings, agreements or other instruments or to meet any other conditions shall be deemed to require each holder of record or beneficial owner, as applicable (including each individual fund within any Qualifying Fund Group) that is a member of such group to provide such statements, representations, undertakings, agreements or other instruments and to meet such other conditions (except that the members of such group may aggregate the shares that each member has Owned continuously for the Minimum Holding Period in order to meet the 3% ownership requirement of the “Required Shares” definition). Whenever the Eligible Stockholder consists of a group, should any holder of record or beneficial owner, as applicable (including each individual fund within any Qualifying Fund Group) that is a member of such group cease to satisfy the eligibility requirements in this Section 2.05 or withdraw from such group at any time prior to the annual meeting, the Eligible Stockholder shall be deemed to Own only the shares held by the remaining members of such group. No person may be a member of more than one group constituting an Eligible Stockholder with respect to any annual meeting, and if any person appears as a member of more than one such group, it shall be deemed to be a member only of the group that Owns the largest number of shares of common stock of the corporation as reflected in the Notice of Proxy Access Nomination.

2.05.05. A person shall be deemed to “Own” only those outstanding shares of common stock of the corporation as to which such person possesses both (i) the full voting and investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit from and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (i) and (ii) shall not include any shares (A) sold by such person or any of its affiliates in any transaction that has not been settled or closed, (B) borrowed by such person or any of its affiliates for any purpose or purchased by such person or any of its affiliates pursuant to an agreement to resell or subject to any other obligation to resell to another person or (C) subject to any option, warrant, forward contract, swap, contract of sale or other derivative or similar instrument or agreement entered into by such person or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares of outstanding common stock of the corporation, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of (x) reducing in any manner, to any extent or at any time in the future, such person’s or its affiliates’ full right to vote or direct the voting of any such shares and/or (y) hedging, offsetting or altering to any degree any gain or loss realized or realizable from maintaining the full economic ownership of such shares by such person or affiliate. A person shall “Own” shares held in the name of a nominee or other intermediary so long as such person retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. A person’s ownership of shares shall be deemed to continue during any period in which (1) such person has loaned such shares; provided that such person has the power to recall such loaned shares on five business days’ notice or (2) such person has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement which is revocable at any time by such person. The terms “Owned,” “Owning” and other variations of the word “Own” shall have correlative meanings. For purposes of this Section 2.05, the term “affiliate” or “affiliates” shall have the meaning ascribed thereto under the General Rules and Regulations under the Exchange Act.

2.05.06. To be in proper written form for purposes of this Section 2.05, the Notice of Proxy Access Nomination must include or be accompanied by the following:

(a) a written statement by the Eligible Stockholder certifying as to the number of shares it Owns and has Owned continuously during the Minimum Holding Period, and the Eligible Stockholder's agreement to provide (i) not later than 10 days after the record date for the annual meeting, a written statement by the Eligible Stockholder certifying as to the number of shares it Owns and has Owned continuously through the record date and (ii) immediate notice if the Eligible Stockholder ceases to Own any of the Required Shares prior to the date of the annual meeting; provided, however, that if such Eligible Stockholder, or any member of the group that together constitutes such Eligible Stockholder, is not the beneficial owner of the shares representing the Required Shares, then to be valid, the Notice of Proxy Access Nomination must also include documentary evidence (or, if not simultaneously provided with the Notice of Proxy Access Nomination, such documentary evidence must be delivered to the secretary within 10 business days after the date on which such Notice of Proxy Access Nomination is delivered to the secretary) that the beneficial owners on whose behalf the Notice of Proxy Access Nomination is made Own the Required Shares as of the date on which the Notice of Proxy Access Nomination is delivered to the secretary.

(b) a copy of the Schedule 14N (or any successor form) that has been or is concurrently being filed with the SEC as required by Rule 14a-18 under the Exchange Act;

(c) the details of any relationship that existed within the past three years and that would have been described pursuant to Item 6(e) of Schedule 14N (or any successor form) if it existed on the date of submission of the Schedule 14N;

(d) the information that would be required to be set forth in a stockholder's notice of a nomination pursuant to the last sentence of Section 2.04.1(a);

(e) a representation that the Eligible Stockholder (i) satisfies the eligibility requirements set forth in Section 2.05.04, (ii) will continue to hold the Required Shares through the date of the annual meeting, (iii) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the corporation, and does not have such intent, (iv) has not nominated and will not nominate for election to the Board of Directors at the annual meeting any person other than the Stockholder Nominee(s) it is nominating pursuant to this Section 2.05, (v) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Stockholder Nominee(s) or a nominee of the Board of Directors, (vi) has not distributed and will not distribute to any stockholder of the corporation any form of proxy for the annual meeting other than the form distributed by the corporation, (vii) has complied and will comply with all laws and regulations applicable to solicitations and the use, if any, of soliciting material in connection with the annual meeting and (viii) has provided and will provide facts, statements and other information in all communications with the corporation and its stockholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(f) a representation from the Eligible Stockholder that the Stockholder Nominee does not fall into any of the categories and has not taken any of the actions described in clauses (i) through (ix) of Section 2.05.10;

(g) an undertaking that the Eligible Stockholder agrees to (i) assume all liability stemming from any actual or alleged legal or regulatory violation arising out of the Eligible Stockholder's communications with the stockholders of the corporation or any other person in connection with the nomination or election of its Stockholder Nominee or out of the information that the Eligible Stockholder provided to the corporation, (ii) indemnify and hold harmless the corporation and each of its directors, officers and employees individually against any liability, loss, damages, expenses or other costs (including attorneys' fees) in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the corporation or any of its directors, officers or employees arising out of any nomination submitted by the Eligible Stockholder pursuant to this Section 2.05 or any solicitation or other activity in connection therewith and (iii) file with the SEC any solicitation or other communication with the stockholders of the corporation relating to the meeting at which its Stockholder Nominee(s) will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the Exchange Act;

(h) a written representation and agreement from each Stockholder Nominee that such Stockholder Nominee (i) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such Stockholder Nominee, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the corporation prior to or concurrently with the Eligible Stockholder's submission of the Notice of Proxy Access Nomination, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the corporation prior to or concurrently with the Eligible Stockholder's submission of the Notice of Proxy Access Nomination, (iii) would be in compliance, if elected as a director of the corporation, and will comply with the corporation's code of conduct and ethics, corporate governance guidelines, stock ownership and trading policies and guidelines, related person transaction policy and any other policies or guidelines of the corporation applicable to directors and (iv) will make such other acknowledgments, enter into such agreements and provide such information as the Board of Directors requires of all directors, including promptly submitting all completed and signed questionnaires required of the corporation's directors;

(i) in the case of a nomination by a group constituting an Eligible Stockholder, the designation by all group members of one member of the group that is authorized to receive communications, notices and inquiries from the corporation and to act on behalf of all members of the group with respect to all matters relating to the nomination under this Section 2.05 (including withdrawal of the nomination); and

(j) in the case of a nomination by a group constituting an Eligible Stockholder in which two or more funds that are part of the same Qualifying Fund Group are counted as one holder of record or beneficial owner, as applicable, for purposes of qualifying as an Eligible Stockholder, documentation reasonably satisfactory to the corporation that demonstrates that such funds are part of the same Qualifying Fund Group.

2.05.07. In addition to the information required pursuant to Section 2.05.6 or any other provision of these bylaws, (a) the corporation may require any proposed Stockholder Nominee to furnish any other information (i) that may reasonably be requested by the corporation to determine whether the Stockholder Nominee would belong to any of the categories described in clauses (i) through (viii) of Section 2.05.10, (ii) that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such Stockholder Nominee or (iii) that may reasonably be requested by the corporation to determine the eligibility of such Stockholder Nominee to be included in the corporation's proxy materials pursuant to this Section 2.05 or to serve as a director of the corporation and (b) the corporation may require the Eligible Stockholder to furnish any other information that may reasonably be requested by the corporation to verify the Eligible Stockholder's continuous ownership of the Required Shares for the Minimum Holding Period.

2.05.08. The Eligible Stockholder may, at its option, provide to the secretary, at the time the Notice of Proxy Access Nomination is provided, a written statement, not to exceed 500 words, in support of the Stockholder Nominee(s)' candidacy (a "Supporting Statement"). Only one Supporting Statement may be submitted by an Eligible Stockholder (including any group constituting an Eligible Stockholder) in support of its Stockholder Nominee(s). Notwithstanding anything to the contrary contained in this Section 2.05, the corporation may omit from its proxy materials any information or Supporting Statement (or portion thereof) that it, in good faith, believes would violate any applicable law or regulation.

2.05.09. In the event that any information or communication provided by an Eligible Stockholder or a Stockholder Nominee to the corporation or its stockholders ceases to be true and correct in all material respects or omits to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, such Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the corporation and any other recipient of such communication of any such defect in such previously provided information and of the information that is required to correct any such defect; it being understood that providing such notification shall not be deemed to cure any such defect or limit the remedies available to the corporation relating to any such defect (including the right to omit a Stockholder Nominee from its proxy materials pursuant to this Section 2.05). In addition, any person providing any information to the corporation pursuant to this Section 2.05 shall further update and supplement such information, if necessary, so that all such information shall be true and correct as of the record date for the determination of stockholders entitled to vote at the annual meeting, and such update and supplement shall be delivered to or be mailed and received by the secretary at the principal executive offices of the corporation not later than 10 days after the record date for the annual meeting.

2.05.10. Notwithstanding anything to the contrary contained in this Section 2.05, the corporation shall not be required to include in its proxy materials, pursuant to this Section 2.05, any Stockholder Nominee (i) who would not be an independent director under the rules and listing standards of the principal securities exchange upon which the common stock of the corporation is listed or traded, any applicable rules of the SEC or any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the corporation's directors, (ii) whose election as a member of the Board of Directors would cause the corporation to be in violation of these bylaws, the certificate of incorporation, the rules and listing standards of the principal securities exchanges upon which the common stock of the corporation is listed or traded or any applicable law, rule or regulation, (iii) who would not meet the audit committee and compensation committee independence requirements under the rules and listing standards of the principal securities exchange upon which the common stock of the corporation is listed or traded, any applicable rules of the SEC or any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of such committee members, (iv) who would not be, if elected to the Board of Directors, a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act, (v) who would not be, if elected to the Board of Directors, an "outside director" for the purposes of Section 162(m) under the Internal Revenue Code, (vi) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended, (vii) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past 10 years, (viii) who is or has been subject to any event of the type specified in Rule 506(d)(1) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or (ix) who shall have provided any information to the corporation or its stockholders that was untrue in any material respect or that omitted to state a material fact necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

2.05.11. Notwithstanding anything to the contrary set forth herein, if (i) a Stockholder Nominee and/or the applicable Eligible Stockholder breaches any of its agreements or representations or fails to comply with any of its obligations under this Section 2.05 or (ii) a Stockholder Nominee otherwise becomes ineligible for inclusion in the corporation's proxy materials pursuant to this Section 2.05 or dies, becomes disabled or otherwise becomes ineligible or unavailable for election at the annual meeting, (A) the corporation may omit or, to the extent feasible, remove the information concerning such Stockholder Nominee and the related Supporting Statement from its proxy materials and/or otherwise communicate to its stockholders that such Stockholder Nominee will not be eligible for election at the annual meeting and (B) the Board of Directors (or any duly authorized committee thereof) or the chair of the annual meeting shall declare such nomination to be invalid and such nomination shall be disregarded notwithstanding that proxies in respect of such vote may have been received by the corporation. In addition, if the Eligible Stockholder (or a representative thereof) does not appear at the annual meeting to present any nomination pursuant to this Section 2.05, such nomination shall be declared invalid and disregarded as provided in clause (B) above.

2.05.12. Any Stockholder Nominee who is included in the corporation's proxy materials for a particular annual meeting of stockholders but either (i) withdraws from or becomes ineligible or unavailable for election at the annual meeting or (ii) does not receive at least 25% of the votes cast in favor of such Stockholder Nominee's election, will be ineligible to be a Stockholder Nominee pursuant to this Section 2.05 for the next two annual meetings of stockholders. For the avoidance of doubt, the immediately preceding sentence shall not prevent any stockholder from nominating any person to the Board of Directors pursuant to and in accordance with Section 2.04.

2.05.13. This Section 2.05 provides the exclusive method for a stockholder to include nominees for election to the Board of Directors in the corporation's proxy materials.

Section 2.06. Resignations. Any director of the corporation may resign at any time by giving written notice (including electronic transmission) to the chair of the Board of Directors or the secretary. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 2.07. Vacancies. In the event that any vacancy shall occur in the Board of Directors, whether because of death, resignation, removal, newly created directorships resulting from any increase in the authorized number of directors, the failure of the stockholders to elect the whole authorized number of directors, or any other reason, such vacancy may be filled by the vote of a majority of the directors then in office, although less than a quorum. A director elected to fill a vacancy, other than a newly created directorship, shall hold office until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal.

Section 2.08. Removal of Directors. Directors may be removed only as provided in the certificate of incorporation.

Section 2.09. Place of Meeting, etc. The Board of Directors may hold any of its meetings at the principal office of the corporation or at such other place or places as the Board of Directors may from time to time designate. Directors may participate in any regular or special meeting of the Board of Directors by means of conference telephone or similar communications equipment pursuant to which all persons participating in the meeting of the Board of Directors can hear each other and such participation shall constitute presence in person at such meeting.

Section 2.10. Annual Meeting. A regular annual meeting of the Board of Directors shall be held each year at the same place as and immediately after the annual meeting of stockholders, or at such other place and time as shall theretofore have been determined by the Board of Directors, and notice thereof need not be given. At its regular annual meeting the Board of Directors shall organize itself and may transact any business.

Section 2.11. Regular Meetings. Regular meetings of the Board of Directors may be held at such intervals and at such times as shall from time to time be determined by the Board of Directors. After such determination and notice thereof has been once given to each person then a member of the Board of Directors, regular meetings may be held at such intervals and time and place without further notice being given.

Section 2.12. Special Meetings. Special meetings of the Board of Directors may be called at any time by the Board of Directors or by the chief executive officer or by a majority of directors then in office to be held on such day and at such time as shall be specified by the person or persons calling the meeting.

Section 2.13. Notice of Meetings. Notice of each special meeting or, where required, each regular meeting, of the Board of Directors shall be given to each director either by being mailed on at least the third day prior to the date of the meeting or by being delivered electronically or given personally or by telephone on at least 24 hours' notice prior to the date of meeting. Such notice shall specify the place, date, and time of the meeting and, if it is for a special meeting, the purpose or purposes for which the meeting is called. At any meeting of the Board of Directors at which every director shall be present, even though without such notice, any business may be transacted. Any acts or proceedings taken at a meeting of the Board of Directors not validly called or constituted may be made valid and fully effective by ratification at a subsequent meeting which shall be legally and validly called or constituted. Notice of any regular meeting of the Board of Directors need not state the purpose of the meeting and, at any regular meeting duly held, any business may be transacted. If the notice of a special meeting shall state as a purpose of the meeting the transaction of any business that may come before the meeting, then at the meeting any business may be transacted, whether or not referred to in the notice thereof. A written waiver of notice of a special or regular meeting, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent of such notice, and attendance of a director at a meeting shall constitute a waiver of notice of such meeting except when the director attends the meeting and prior to or at the commencement of such meeting protests the lack of proper notice.

Section 2.14. Quorum and Voting. At all meetings of the Board of Directors, the presence of a majority of the directors then in office shall constitute a quorum for the transaction of business. Except as otherwise required by law, the certificate of incorporation, or these bylaws, the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. At all meetings of the Board of Directors, each director shall have one vote.

Section 2.15. Committees.

2.15.01. The Board of Directors may designate one or more committees of the Board of Directors, to consist of one or more directors of the corporation, and may delegate to any such committee any of the authority of the Board of Directors, however conferred, other than the power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease, or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the bylaws of the corporation.

2.15.02. Each such committee shall serve at the pleasure of the Board of Directors, shall act only in the intervals between meetings of the Board of Directors, and shall be subject to the control and direction of the Board of Directors. Any such committee may act by a majority of its members at a meeting or by a writing or writings signed by all of its members. Any such committee shall keep written minutes of its meetings and report the same to the Board of Directors at the next regular meeting of the Board of Directors.

Section 2.16. Compensation. The Board of Directors may, by resolution passed by a majority of those in office, fix the compensation of directors for service in any capacity and may fix fees for attendance at meetings and may authorize the corporation to pay the traveling and other expenses of directors incident to their attendance at meetings, or may delegate such authority to a committee of the Board of Directors.

Section 2.17. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors or such committee.

Section 2.18. Chair of the Board of Directors; Vice Chair of the Board of Directors. There shall be a chair of the Board of Directors and, if determined by the Board of Directors, a vice chair of the Board of Directors, each of whom shall be chosen by the Board of Directors from among the directors. The chair of the Board of Directors and the vice chair of the Board of Directors may but need not be officers of or employed by the corporation. The chair of the Board of Directors shall preside at all meetings of the Board of Directors and all meetings of the stockholders, shall have the respective powers and duties set forth in these bylaws, and shall also have such other powers and duties as from time to time may be conferred by the Board of Directors. The vice chair of the Board of Directors shall perform the duties of the chair of the Board of Directors in his or her absence or disability, shall have the respective powers and duties set forth in these bylaws, and shall also have such other powers and duties as from time to time may be conferred by the Board of Directors.

ARTICLE III OFFICERS

Section 3.01. General Provisions. The officers of the corporation shall include the following: a chief executive officer; a president; such number of vice presidents as the board may from time to time determine; a secretary; and a treasurer. Any person may hold any two or more offices and perform the duties thereof, except the offices of president and secretary.

Section 3.02. Election, Terms of Office, and Qualification. The officers of the corporation named in Section 3.01 of this Article III shall be elected by the Board of Directors for an indeterminate term and shall hold office during the pleasure of the Board of Directors.

Section 3.03. Additional Officers, Agents, etc. In addition to the officers mentioned in Section 3.01 of this Article III, the corporation may have such other officers or agents as the Board of Directors may deem necessary and may appoint, each of whom or each member of which shall hold office for such period, have such authority, and perform such duties as may be provided in these bylaws or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any officer the power to appoint any subordinate officers or agents. In the absence of any officer of the corporation, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate, for the time being, any or all of the powers and duties of such officer to any other officer or to any director.

Section 3.04. Removal. Any officer of the corporation may be removed, either with or without cause, at any time, by resolution adopted by the Board of Directors at any meeting. Any officer appointed not by the Board of Directors but by an officer or committee to which the Board of Directors shall have delegated the power of appointment may be removed, with or without cause, by the committee or superior officer (including successors) who made the appointment or by any committee or officer upon whom such power of removal may be conferred by the Board of Directors.

Section 3.05. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, or to the chair of the Board of Directors, the vice chair of the Board of Directors, the chief executive officer, the president, or the secretary. Any such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise shall be filled in the manner prescribed in these bylaws for regular appointments or elections to such office.

ARTICLE IV DUTIES OF THE OFFICERS

Section 4.01. The Chief Executive Officer. The chief executive officer of the corporation shall have general supervision over the property, business, and affairs of the corporation and over its several officers, subject, however, to the control of the Board of Directors. The chief executive officer may sign, with the secretary, treasurer, or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares in the corporation. The chief executive officer may sign, execute, and deliver in the name of the corporation all deeds, mortgages, bonds, leases, contracts, or other instruments, either when specially authorized by the Board of Directors or when required or deemed necessary or advisable by the chief executive officer in the ordinary conduct of the corporation’s normal business, except in cases where the signing and execution thereof shall be expressly delegated by these bylaws to some other officer or agent of the corporation or shall be required by law or otherwise to be signed or executed by some other officer or agent, and the chief executive officer may cause the seal of the corporation, if any, to be affixed to any instrument requiring the same.

Section 4.02. The President. The president shall perform such duties as are conferred upon such officer by these bylaws or as may from time to time be assigned to such officer by the Board of Directors.

Section 4.03. Vice Presidents. The vice presidents shall perform such duties as are conferred upon them by these bylaws or as may from time to time be assigned to them by the Board of Directors. At the request of the Board of Directors, in the absence or disability of the president, a vice president designated by the Board of Directors shall perform all the duties of the president, and when so acting, shall have all of the powers of the president.

Section 4.04. The Treasurer. The treasurer shall be the custodian of all funds and securities of the corporation. Whenever so directed by the Board of Directors, the treasurer shall render a statement of the cash and other accounts of the corporation, and the treasurer shall cause to be entered regularly in the books and records of the corporation to be kept for such purpose full and accurate accounts of the corporation’s receipts and disbursements. The treasurer shall have such other powers and shall perform such other duties as may from time to time be assigned to such officer by the Board of Directors.

Section 4.05. The Secretary. The secretary shall record and keep the minutes of all meetings of the stockholders and the Board of Directors in a book to be kept for that purpose. The secretary shall be the custodian of, and shall make or cause to be made the proper entries in, the minute book of the corporation and such other books and records as the Board of Directors may direct. The secretary shall be the custodian of the seal of the corporation, if any, and shall affix such seal to such contracts, instruments, and other documents as the Board of Directors or any committee thereof may direct. The secretary shall have such other powers and shall perform such other duties as may from time to time be assigned to such officer by the Board of Directors.

ARTICLE V INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 5.01. Indemnification. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person, or such person's testator or intestate, is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or as a member of any committee or similar body against all expenses (including attorneys' fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding (including appeals) or the defense or settlement thereof or any claim, issue, or matter therein, to the fullest extent permitted by the laws of Delaware as they may exist from time to time.

Section 5.02. Insurance. The proper officers of the corporation, without further authorization by the Board of Directors, may in their discretion purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent for another corporation, partnership, joint venture, trust, or other enterprise, against any liability.

Section 5.03. ERISA. To assure indemnification under this Article of all such persons who are or were "fiduciaries" of an employee benefit plan governed by the Act of Congress entitled "Employee Retirement Income Security Act of 1974", as amended from time to time, the provisions of this Article V shall, for the purposes hereof, be interpreted as follows: an "other enterprise" shall be deemed to include an employee benefit plan; the corporation shall be deemed to have requested a person to serve as an employee of an employee benefit plan where the performance by such person of duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to said Act of Congress shall be deemed "fines"; and action taken or omitted by a person with respect to an employee benefit plan in the performance of such person's duties for a purpose reasonably believed by such person to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the corporation.

Section 5.04. Contractual Nature. The foregoing provisions of this Article V shall be deemed to be a contract between the corporation and each director and officer who serves in such capacity at any time while this Article V is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit, or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

Section 5.05. Construction. For the purposes of this Article V, references to "the corporation" include in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director or officer of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or as a member of any committee or similar body, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation, if its separate existence had continued.

Section 5.06. Non-Exclusive. The corporation may indemnify, or agree to indemnify, any person against any liabilities and expenses and pay any expenses, including attorneys' fees, in, advance of final disposition of any action, suit, or proceeding, under any circumstances, if such indemnification and/or payment is approved by the vote of the stockholders or of the disinterested directors, or is, in the opinion of independent legal counsel selected by the Board of Directors, to be made on behalf of an indemnitee who acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the corporation.

ARTICLE VI DEPOSITORIES, CONTRACTS AND OTHER INSTRUMENTS

Section 6.01. Depositories. The chief executive officer, the president, the treasurer, and any vice president of the corporation whom the Board of Directors authorizes to designate depositories for the funds of the corporation are each authorized to designate depositories for the funds of the corporation deposited in its name and the signatories and conditions with respect thereto in each case, and from time to time to change such depositories, signatories, and conditions with the same force and effect as if each such depository, signatory, and condition with respect thereto and changes therein had been specifically designated or authorized by the Board of Directors; and each depository designated by the Board of Directors or by the chief executive officer, the president, the treasurer, or any vice president of the corporation, shall be entitled to rely upon the certificate of the secretary or any assistant secretary of the corporation setting forth the fact of such designation and of the appointment of the officers of the corporation or of both or of other persons who are to be signatories with respect to the withdrawal of funds deposited with such depository, or from time to time the fact of any change in any depository or in the signatories with respect thereto.

Section 6.02. Execution of Instruments Generally. In addition to the powers conferred upon the chief executive officer in Section 4.01 and except as otherwise provided in Section 6.01, the authority to sign contracts and other instruments entered into in the ordinary course of business requiring execution by the corporation, which may be general or confined to specific instances, shall be conferred by the Board of Directors upon any person or persons. Any person having authority to sign on behalf of the corporation may delegate, from time to time, by instrument in writing, all or any part of such authority to any person or persons if authorized so to do by the Board of Directors.

ARTICLE VII SHARES AND THEIR TRANSFER

Section 7.01. Certificates for Shares, Uncertificated Shares. The shares of the corporation shall be represented by certificates; provided that the Board of Directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Except as otherwise provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of shares represented by certificates of the same class and series shall be identical. Every owner of one or more shares in the corporation represented by certificates shall be entitled to a certificate, which shall be in such form as the Board of Directors shall prescribe, certifying the number and class of shares in the corporation owned by such person. When such certificate is counter-signed by an incorporated transfer agent or registrar, the signature of any of said officers may be facsimile, engraved, stamped, or printed. A record shall be kept of the name of the person, corporation, or other entity owning shares, whether represented by certificates or in uncertificated form, including, in the case of shares represented by certificates, the number of shares represented thereby, the date thereof, and in case of cancellation, the date of cancellation. Every certificate surrendered to the corporation for exchange or transfer shall be cancelled, and no new certificate or certificates (or shares in uncertificated form) shall be issued in exchange for any existing certificates until such existing certificates shall have been so cancelled.

Section 7.02. Lost, Destroyed and Mutilated Certificates. If any certificates for shares in this corporation become worn, defaced, or mutilated but are still substantially intact and recognizable, the directors, upon production and surrender thereof, shall order the same cancelled and, unless the shares are thereafter to be held in uncertificated form, shall issue a new certificate in lieu of same. The holder of any shares in the corporation shall immediately notify the corporation if a certificate therefore shall be lost, destroyed, or mutilated beyond recognition, and the corporation may issue a new certificate in the place of any certificate theretofore issued by it which is alleged to have been lost or destroyed or mutilated beyond recognition, and the Board of Directors may, in its discretion, require the owner of the certificate which has been lost, destroyed, or mutilated beyond recognition, or such owner’s legal representative, to give the corporation a bond in such sum and with such surety or sureties as it may direct, not exceeding double the value of the stock, to indemnify the corporation against any claim that may be made against it on account of the alleged loss, destruction, or mutilation of any such certificate.

The Board of Directors may, however, in its discretion, refuse to issue any such new certificate except pursuant to legal proceedings under the laws of the State of Delaware.

Section 7.03. Transfers of Shares. Transfers of shares in the corporation shall be made only on the books of the corporation by the registered holder thereof, such person's legal guardian, executor, or administrator, or by such person's attorney thereunto authorized by power of attorney duly executed and filed with the secretary or with a transfer agent appointed by the Board of Directors, and (i) in the case of certificated shares, on surrender of the certificate or certificates for such shares properly endorsed or accompanied by properly executed stock powers and (ii) in the case of uncertificated shares, upon compliance with appropriate procedures for transferring shares in uncertificated form established by the corporation. In addition, no transfer shall be effected unless the corporation has received appropriate evidence of the payment of all taxes imposed upon such transfer. The person in whose name shares stand on the books of the corporation shall, to the full extent permitted by law, be deemed the owner thereof for all purposes as regards the corporation.

Section 7.04. Regulations. The Board of Directors may make such rules and regulations as it may deem expedient but not inconsistent with these bylaws concerning the issue, transfer, and registration of certificated or uncertificated shares in the corporation. It may appoint one or more transfer agents or one or more registrars, or both, and may require all certificates for shares to bear the signature of either or both.

ARTICLE VIII SECURITIES OF OTHER CORPORATIONS

Unless otherwise directed by the Board of Directors, the chief executive officer, the president, and any vice president of the corporation shall have the power to vote and otherwise act on behalf of the corporation, in person or by proxy, at any meeting, or with respect to any action, of stockholders of any other corporation In which this corporation may hold securities and otherwise to exercise any and all rights and powers which this corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE IX SEAL

The Board of Directors may provide a corporate seal, which shall be circular and shall contain the name of the corporation engraved around the margin, the words "corporate seal", the year of its organization, and the word "Delaware".

ARTICLE X EXCLUSIVE FORUM

Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for

(i) any derivative action or proceeding brought on behalf of the corporation;

(ii) any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director or officer or other employee or agent of the corporation to the corporation or to the corporation's stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty;

(iii) any action asserting a claim against the corporation or any current or former director or officer or other employee or agent of the corporation arising pursuant to any provision of the DGCL or the corporation's certificate of incorporation or bylaws (as any of the foregoing may be amended from time to time);

(iv) any action asserting a claim related to or involving the corporation that is governed by the internal affairs doctrine; or

(v) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL; shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware).

Exhibit 10.1

FORM OF

L BRANDS TO VS TRANSITION SERVICES AGREEMENT

dated as of

[__], 2021

by and between

L BRANDS, INC.

and

VICTORIA'S SECRET & CO.

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L BRANDS TO VS TRANSITION SERVICES AGREEMENT

L BRANDS TO VS TRANSITION SERVICES AGREEMENT (this "**Agreement**") dated as of [__], 2021 (the "**Effective Date**") between Victoria's Secret & Co., a Delaware corporation ("**VS**"), and L Brands, Inc., a Delaware corporation ("**Service Provider**").

W I T N E S S E T H :

WHEREAS, VS and Service Provider have entered into a Separation and Distribution Agreement dated as of [__], 2021 (the "**Separation Agreement**"), pursuant to which and on the terms and conditions set forth therein, among other things, Service Provider has agreed to distribute the VS Business to the holders of the L Brands Common Stock as of the Record Date;

WHEREAS, pursuant to the Separation Agreement, Service Provider has agreed to enter into this Agreement to cause to be provided certain services to the Service Recipients on the terms and conditions set forth herein in connection with the transactions contemplated by the Separation Agreement; and

WHEREAS, Service Provider has agreed to cause the Services to be provided in accordance with the terms hereof in order to facilitate the orderly transition of the VS Business from L Brands and the members of the L Brands Group to VS and the members of the VS Group.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions*. (a) As used herein, the following terms shall have the following meanings:

"**Dependent Services**" means, with respect to any specified Service (or portion thereof), any and all Services (or portion thereof) that, in Service Provider's good faith reasonable determination, are dependent on the continuation of such specified Service (or portion thereof) or would be adversely affected by the termination or suspension of such specified Service (or portion thereof).

"**Disengagement Costs**" means any and all costs, charges and expenses of any kind incurred by Service Provider or any of its Affiliates in connection with the termination of this Agreement or relating to the cessation of any Services hereunder, including all third party charges, costs or fees, all third party cancellation or termination charges, costs or fees and the market value of all Disengagement Services provided by other Persons.

"**Disengagement Services**" means all services (other than the Services) provided hereunder at the request of VS primarily for the purpose of disengaging and transitioning Services from Service Provider and its Affiliates to VS or any of its Affiliates.

"**Service Costs**" means the Service Fees and Service Taxes.

"**Services**" means, subject to the limitations set forth herein and solely to the extent related to the VS Business, the transition services described on Schedules A-1 through A-[__]; each such schedule a "**Service Schedule**" and collectively the "**Service Schedules**".

"**TSA Employee**" means each individual who (i) is employed by Service Provider or any of its Affiliates (other than, for the avoidance of doubt, any employee of any Service Recipient) and (ii) provides Services (or any portion thereof) pursuant to this Agreement.

(b) All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Separation Agreement.

(c) Each of the following terms is defined in the Section set forth opposite such term:

Term	**Section**
Additional Service	2.01(c)
Administrative Charge	3.01(c)
Agreement	Preamble
Allocated Cost	3.01(c)
Applicable Agreements	9.15
Arbitration Association	9.07(c)
Cap	6.06(b)
Confidential Information	5.01
Cost Components	3.01(c)
Customary Billing	3.01(b)
Damages	6.01(a)
Developed Intellectual Property	2.09(d)
Dispute	9.07(a)
Effective Date	Preamble
Fixed Fee Billing	3.01(b)
Indemnified Party	6.02(a)
Indemnifying Party	6.02(a)
Integrated Agreements	9.15
IT Breach	2.11
Mediation Notice	9.07(b)
Mediation Period	9.07(c)
Net Sales Ratio	3.04
Pass-Through Billing	3.01(b)
Payment Date	3.06(b)
Percent of Sales Billing	3.01(b)
Representatives	2.12
Separation Agreement	Recitals
Service Fees	3.01(b)
Service Manager	2.14
Service Provider	Preamble
Service Provider Indemnitees	6.01(a)
Service Provider Party	2.02
Service Recipients	2.01(a)
Service Recipient Indemnitees	6.01(b)
Service Taxes	3.08(a)
Specific Billing	3.01(b)
Term	2.01(b)
Termination Fees	7.02
Third Party Claim	6.02(a)
Third Party Consent Costs	2.08(a)
Third Party Provider	2.02
Transition Date	4.01(c)(ii)
Transition Employee	4.01(c)(i)
VS	Preamble
VS Developed Intellectual Property	2.09(d)
VS to L Brands TSA	9.15

Section 1.02. *Other Definitional and Interpretive Provisions*. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits, Appendices, Annexes and Schedules are to Articles, Sections, Exhibits, Appendices, Annexes and Schedules of this Agreement unless otherwise specified. All Exhibits, Appendices, Annexes and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit, Appendix, Annex or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law", "laws" or to a particular statute or law shall be deemed also to include any and all Applicable Law. The word "or" means "and/or" unless the context provides otherwise. References to "dollars" or "$" shall mean U.S. dollars, and whenever conversion of values to or from any currency other than U.S. dollars for a particular date shall be required, such conversion shall be made using the closing rate provided by Bloomberg as of the date that is one Business Day prior to such date. References to one gender shall be held to include the other gender as the context requires. In the event of any inconsistency between the terms of this Agreement and the terms set forth in any Service Schedule, the terms set forth in the applicable Service Schedule shall prevail unless expressly provided otherwise.

ARTICLE 2
SERVICES

Section 2.01. *Services*. (a) Subject to the terms and conditions set forth herein, Service Provider shall cause the Service Provider Parties to provide to VS and its Affiliates (collectively the "**Service Recipients**"), and the Service Recipients shall receive, the Services for the term indicated in Section 2.01(b). A detailed description of each Service to be provided by the Service Provider Parties to the Service Recipients hereunder is set forth in the Service Schedules.

(b) Service Provider shall cause the Service Provider Parties to provide, and the Service Recipients shall receive, each Service for the period specified for such Service in the applicable Service Schedule (each such period, a "**Term**"). The Term for each Service may be (i) extended or shortened by mutual written agreement of VS and Service Provider, and (ii) terminated by VS or Service Provider, as applicable, pursuant to Section 7.01, in each case to be reflected in an amendment to the applicable Service Schedule.

(c) In addition to the Services to be provided or procured by Service Provider in accordance with Section 2.01(a), if due to a good faith oversight, the Service Schedules fail to identify a service provided by the Service Provider Parties to the VS Business during the twelve month period prior to the date hereof (an "**Additional Service**"), and such Additional Service is necessary for the Service Recipients during the term of this Agreement to operate the VS Business in substantially the same manner as the VS Business had been operated during the twelve month period prior to the date hereof, upon written request of any Service Recipient that identifies and states its desire to receive such Additional Service, the parties hereto shall negotiate in good faith for Service Provider to provide or cause to be provided such Additional Service; *provided* that (i) nothing herein shall obligate either party hereto to agree to any such terms or to provide or receive any such Additional Service unless agreed in writing by both parties hereto and (ii) no Additional which such Additional Service would be provided, the Service Fees for such Additional Service and any other terms applicable thereto. Upon amendment of the Service Schedules to include such Additional Service, such Additional Service shall be deemed part of the "Services" provided under this Agreement subject to the terms and conditions of this Agreement.

Section 2.02. *Service Provider's Affiliates and Third Party Providers*. In providing, or otherwise making available, the Services to the Service Recipients, Service Provider may use, at its discretion, its own personnel or the personnel of any of its Affiliates (including the TSA Employees) or employ the services of contractors, subcontractors, vendors or other third parties (each, a "**Third Party Provider**"); *provided* that Service Provider shall remain responsible for ensuring that its obligations with respect to such Services, including the general standard of service described below under Section 2.03, are satisfied with respect to all Services provided by any Service Provider Party. Each of Service Provider, its Affiliates and any Third Party Provider that provides Services shall be referred to as a "**Service Provider Party**".

Section 2.03. *General Standard of Service*. Except as otherwise agreed in writing by the parties hereto or expressly provided in this Agreement, each Service Provider Party shall provide Services in all material respects in substantially the same manner in terms of the nature, quality and standard of care as such services have been provided by Service Provider and its Affiliates to the Affiliates and other businesses of Service Provider during the twelve month period prior to the date hereof and after the date hereof. Service Provider shall not be responsible for any inability to provide a Service or any delay in doing so to the extent that such inability or delay is the result of the failure of any Service Recipient to timely provide the information, access or other cooperation necessary for a Service Provider Party to provide such Service. Service Provider's obligation to cause the Services to be provided in accordance with the standards set forth in this Section 2.03 shall be subject to Service Provider's right to supplement, modify, substitute or otherwise alter any of the Services from time to time in a manner that is generally consistent with supplements, modifications, substitutions or alterations made for similar services provided or otherwise made available by a Service Provider Party to Service Provider or any of its Affiliates or as required by Applicable Law.

Section 2.04. *Compliance with Applicable Law.* The parties hereto will comply, and will cause their Affiliates and their respective employees to comply, with all Applicable Law in the performance of this Agreement.

Section 2.05. *Force Majeure*. Neither party hereto shall be liable to the other party hereto for any interruption of service, any delays or any failure to perform under this Agreement caused by matters or events occurring that are beyond the reasonable control of such party, including, strikes, lockouts or other labor difficulties; fires, floods, acts of God, extremes of weather, earthquakes, tornadoes, or similar occurrences; riot, insurrection or other hostilities; embargo; fuel or energy shortage; delays by unaffiliated suppliers or carriers; inability to obtain necessary labor, materials or utilities; or any epidemic, pandemic or disease outbreak (including COVID-19) or worsening thereof. Any delays, interruptions or failures to perform caused by such occurrences shall not be deemed to be a breach or failure to perform under this Agreement; *provided* that (i) this Section 2.05 only operates to suspend, and not to discharge, a party's obligations under this Agreement, and that when the causes of the failure or delay are removed or alleviated, the affected party shall resume performance of its obligations hereunder and to the extent such suspension adversely impacts the progress of the transition of any Service to a Service Recipient, the Service Recipient may request in writing that the Term for such Service shall be tolled for the duration of such suspension and (ii) this Section 2.05 shall not excuse a party's obligation to pay money; *provided, further,* that VS shall not be obligated to pay (other than previously accrued Service Costs) for any particular Service during the pendency of Service Provider's failure to provide such particular Service. Each party hereto shall use its good faith efforts to promptly notify the other upon learning of the occurrence of such event of a force majeure and (x) the affected party shall use its commercially reasonable efforts to mitigate and eliminate the force majeure in order to resume performance as promptly as practicable, *provided* that such affected party will have no obligation to incur any costs or liabilities to do so, and (y) the unaffected party shall have no obligation hereunder with respect to the obligations the affected party is unable to perform due to the force majeure event. If Service Provider is unable to provide any of the Services due to a force majeure event, the parties hereto shall use commercially reasonably efforts to cooperatively seek a solution that is mutually satisfactory, such as the subcontracting of all or part of the provision of the Services under the supervision of Service Provider for the period of time during or affected by the force majeure.

Section 2.06. *Limitations*. (a) VS agrees that the Services will be used by each Service Recipient solely in connection with the operation of the VS Business and to facilitate an orderly transition of the operation of the VS Business following the Distribution Time. No member of the VS Group may resell, license the use of or otherwise permit the use by any Person other than the Service Recipients of any Services, except with the prior written consent of Service Provider.

(b) In providing the Services, no Service Provider Party shall be obligated to, unless expressly agreed in writing by the parties or expressly set forth on the applicable Service Schedule: (i) hire any additional employees; (ii) maintain the employment of any specific employee; (iii) purchase, lease or license any additional equipment, hardware, Intellectual Property Right or software, except to the extent (A) software is reasonably necessary for the performance or receipt of a Service and (B) VS agrees to solely bear the applicable cost and expense (and which shall be subject to VS's prior written approval) or (iv) provide any Service to any Service Recipient for any fiscal year at a volume or level that is more than 120% of the volume or level of such Service in the preceding fiscal year.

Section 2.07. *Labor Matters.* All labor matters relating to any TSA Employees shall be within the exclusive control of Service Provider (or its applicable Affiliate or Third Party Provider), and VS and its Affiliates shall not take any action affecting such matters. Except as expressly provided in Article 4, nothing in this Agreement is intended to transfer the employment of any TSA Employee to VS or any of its Affiliates. All TSA Employees will be deemed for all compensation, employee benefits, tax and social security contribution purposes to be employees of Service Provider (or its applicable Affiliate or Third Party Provider) and not employees of VS or any of its Affiliates. In providing the Services, the TSA Employees will be under the direction, control and supervision of Service Provider or its Affiliates or Third Party Provider and not of VS or any of its Affiliates. Except with respect to the VS Assets, or any other assets and materials provided by VS in accordance with Section 2.08(b), all procedures, methods, systems, strategies, tools, equipment, facilities and other resources of any Service Provider Party that are used by any Service Provider Party in connection with the provision of Services hereunder (including any Intellectual Property Right whether existing or created in connection with the provision of the Services or otherwise) shall remain the property of such Service Provider Party and shall at all times be under the sole direction and control of Service Provider.

Section 2.08. *Facilities; Cooperation; Further Actions.* (a) Service Provider and VS shall use commercially reasonable efforts to obtain, and to keep and maintain in effect (or to cause their respective Affiliates to obtain, and to keep and maintain in effect), all governmental or third party licenses and consents required for the provision of any Service by a Service Provider Party in accordance with the terms of this Agreement; *provided* that if Service Provider or any of its Affiliates is unable to obtain any such license or consent, Service Provider shall promptly notify VS in writing and shall, and shall cause its Affiliates to, use commercially reasonable efforts to implement an appropriate alternative arrangement. The costs relating to obtaining any such licenses or consents shall be borne solely by VS (the "**Third Party Consent Costs**") and none of Service Provider or any of its Affiliates shall be required to pay any money or other consideration or grant any other accommodation to any Person (including any amendment to any contract) or initiate any action, suit or proceeding against any Person to obtain any such license or consent; *provided* that Service Provider and its Affiliates shall not incur any such costs without the prior written consent of VS. If any such license, consent or alternative arrangement is not available despite the commercially reasonable efforts of Service Provider and its Affiliates or as a result of VS failing to consent to the incurrence of costs relating to obtaining any such license or consent, Service Provider shall not be required to cause to be provided the affected Services.

(b) To the extent necessary, or upon Service Provider's reasonable request, VS shall make all VS Assets or other facilities (including all ancillary facilities-related services), assets, information technology systems and applications or materials of the Service Recipients available to Service Provider or the applicable Service Provider Party for the provision of the Services (it being understood that, as between the parties hereto, title to all VS Assets and such other facilities, assets, information technology systems and applications or materials shall at all times remain with the applicable Service Recipient and such Service Recipient shall at all times be the owner of record of such VS Assets and other facilities, assets information technology systems and applications or materials and shall be solely responsible for any matters arising therefrom or related thereto); *provided* that in the event VS fails to make any such VS Assets or other facilities, assets, information technology systems and applications or materials available to Service Provider or the applicable Service Provider Party, Service Provider shall have no further obligation to provide any affected Services to the extent such VS Assets or other facilities, assets, information technology systems and applications or materials are required for the provision of such Services.

Section 2.09. *Intellectual Property*. (a) Subject to the terms and conditions of this Agreement, with respect to each Service, Service Provider (on behalf of itself and its Affiliates) hereby grants to each Service Recipient and its Affiliates a limited, non-exclusive, non-sublicenseable, non-assignable (except as expressly provided for in Section 9.04) license, solely during the Term for such Service, to use any Intellectual Property Right (other than Trademarks), software and data that is (i) owned by Service Provider or its Affiliates and (ii) provided or otherwise made available by Service Provider or its Affiliates to such Service Recipient as part of such Service, but in each case solely to the extent necessary for such Service Recipient and its Affiliates to receive and use such Service as provided for and in accordance with this Agreement, subject to any applicable third party restrictions or limitations.

(b) Subject to the terms and conditions of this Agreement, with respect to each Service, each Service Recipient (on behalf of itself and its Affiliates) hereby grants to Service Provider and its Affiliates a limited, non-exclusive, royalty-free, non-sublicenseable (except as expressly set forth herein), non-assignable (except as expressly provided for in Section 9.04) license, solely during the Term for such Service, in and to any Intellectual Property Right (other than Trademarks), software and data owned or controlled by such Service Recipient or any of its Affiliates, but in each case solely to the extent necessary for Service Provider, its Affiliates or any Third Party Provider to perform such Service as provided for and in accordance with this Agreement, subject to any applicable third party restrictions or limitations (it being understood that Service Provider shall have the right to grant a sublicense under the foregoing license to any Third Party Provider).

(c) ALL SERVICES AND INTELLECTUAL PROPERTY RIGHTS LICENSED HEREUNDER ARE PROVIDED ON AN "AS IS" BASIS WITH NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING WITH RESPECT TO MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR NON-INFRINGEMENT. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NO LICENSES OR OTHER RIGHTS TO ANY SOFTWARE, INTELLECTUAL PROPERTY RIGHTS, DATA OR OTHER ASSETS ARE GRANTED TO EITHER PARTY HERETO UNDER THIS AGREEMENT, WHETHER BY IMPLICATION, ESTOPPEL, EXHAUSTION OR OTHERWISE, AND EACH PARTY HERETO RETAINS AND RESERVES ALL RIGHTS NOT EXPRESSLY GRANTED UNDER THIS AGREEMENT.

(d) The parties hereto acknowledge and agree that, as between the parties, Service Provider shall solely own all right, title and interest in and to all Intellectual Property Rights (other than Trademarks) authored, conceived, developed or reduced to practice by any Service Provider Party (whether solely or jointly with others) in connection with the Services ("**Developed Intellectual Property**"), *provided* that VS shall own all right, title and interest in and to all Developed Intellectual Property exclusively used in the VS Business ("**VS Developed Intellectual Property**"). VS hereby irrevocably assigns, and shall cause the other Service Recipients to assign, to Service Provider all of its or their right, title and interest in and to all Developed Intellectual Property (other than VS Developed Intellectual Property), and hereby waives any and all moral rights that it or they may have in all such Developed Intellectual Property. Service Provider hereby irrevocably assigns, and shall cause the other Service Provider Parties to assign, to VS all of its or their right, title and interest in and to all VS Developed Intellectual Property, and hereby waives any and all moral rights that it or they may have in any VS Developed Intellectual Property. The parties hereto agree to execute all other documents and take all actions as may be necessary or desirable to enable the other party to prosecute, perfect, enforce, defend, register and/or record its right, title and interest in, to and under the Developed Intellectual Property or VS Developed Intellectual Property, as applicable.

Section 2.10. *Data Ownership and Data Protection.* As between the parties hereto, the applicable Service Recipient shall be the owner of all data collected, used, stored or otherwise processed by or on behalf of such Service Recipient under this Agreement to the extent related to the VS Business. Service Provider shall, and VS shall cause the Service Recipients to, comply with the Data Processing Addendum attached as Annex A hereto and all applicable privacy and data protection laws that are or that may in the future be applicable to the provision of Services hereunder.

Section 2.11. *Information Technology*. VS shall cause each Service Recipient, its employees and any subcontractors to: (a) not attempt to obtain access to or use any information technology systems of any Service Provider Party, or any data owned by any Service Provider Party, or any data used or processed by any Service Provider Party (other than any data of any Service Recipient), except to the extent required to receive the Services; (b) maintain reasonable security measures to protect the systems of each Service Provider Party to which it has access pursuant to this Agreement from access by unauthorized third parties, and any "back door", "time bomb", "Trojan Horse", "worm", "drop dead device", "virus" or other computer software routine intended or designed to disrupt, disable, harm or otherwise impede in any manner the operation of such systems; (c) not permit access or use of information technology systems of any Service Provider Party by a third party other than as authorized by prior written consent of Service Provider; (d) not disable, damage or erase or disrupt or impair the normal operation of the information technology systems of any Service Provider Party; and (e) comply with the security policies and procedures of each Service Provider Party (to the extent previously provided to each Service Recipient in writing). Each party hereto shall promptly notify the other party in the event it or any of its respective Affiliates becomes aware of or suspects that there has been a breach of security or a loss, theft or unauthorized access, use or disclosure of any information technology systems (collectively, "**IT Breach**") of any Service Provider Party or any Service Recipient to the extent such (i) IT Breach could adversely affect the provision or receipt of the Services hereunder or such other party's data or Confidential Information or (ii) notice is required by Applicable Law.

Section 2.12. *Policies and Procedures*. VS shall cause each Service Recipient and its employees, officers, directors, advisors and representatives (collectively, "**Representatives**") and any subcontractors to comply with the internal policies, procedures, rules and regulations of the Service Provider Parties (as may be updated from time to time) applicable to (a) the use of the Service Provider Parties' information technology systems, computers, networks, telephone systems, software, data, equipment or other facilities in connection with the Services or (b) such Service Recipient's conduct while on a Service Provider Party's premises or utilizing a Service Provider Party's facilities in connection with the Services, in each case to the extent such policies, procedures, rules or regulations are generally applicable to such Service Provider Party's own organization.

Section 2.13. *Access to Information.* (a) Subject to Applicable Law, VS shall, and shall cause the other Service Recipients to, with respect to any Service during the Term of such Service, upon reasonable advance notice, afford Service Provider and its Representatives, including Service Provider's internal and external auditors, reasonable access, during normal business hours, to the employees, properties, books and records and other documents of the Service Recipients that are reasonably requested by Service Provider in connection with the provision and receipt of such Service hereunder.

(b) Subject to Applicable Law, Service Provider shall, upon reasonable advance notice, afford VS's internal audit associates and VS's current external audit firm (who has executed an appropriate confidentiality agreement reasonably acceptable to Service Provider) reasonable access, during normal business hours, to the information technology systems used by Service Provider with respect to the provision of any Service hereunder solely during the Term of such Service and solely for the purpose of performing audit procedures to support the audit of VS's financial statements and VS's internal control environment, including VS's Report on Internal Control over Financial Reporting. VS's internal audit associates and VS's external audit firm shall be authorized to maintain documentation supporting the findings of their respective audit procedures. If VS wishes to use a new external audit firm for its 2021 or 2022 fiscal year audits, VS must obtain prior written consent from Service Provider, and such new firm must execute an appropriate confidentiality agreement reasonable acceptable to Service Provider, before such new firm is granted access to Service Provider's information technology systems pursuant to this Section 2.13(b).

Section 2.14. *Transition Governance*. Service Provider, on the one hand, and VS, on the other hand, shall each designate a service manager (that party's "**Service Manager**"), who shall be directly responsible for coordinating and managing for the party he or she represents all activities undertaken by such party hereunder, including making available to the other party the information, facilities, resources and other support services required for the performance of, or receipt of, the Services in accordance with the terms of this Agreement. The Service Managers shall meet or confer, by telephone or in person, from time to time as necessary, and at least once per month or otherwise as the parties agree, during the term of this Agreement in order to promote open and efficient communication regarding effective and coordinated performance of, and the resolution of questions and issues related to, the Services. The Service Managers shall also discuss progress in the transition of the Services hereunder and may establish a set of procedures, including frequency of meetings and reporting, and other reasonable structures for their cooperation and the cooperation of the parties in the execution of their obligations pursuant to this Agreement. Service Provider, on the one hand, and VS, on the other hand, may, in its sole discretion, replace its respective Service Manager from time to time with a substitute upon notice to the other party.

ARTICLE 3
SERVICE FEES

Section 3.01. *Fees for Services.*

(a) In consideration for the Services provided under this Agreement, VS shall pay to Service Provider (or the Service Provider Party designated by Service Provider) the fees for each Service, as calculated below.

(b) Each Service Schedule indicates, with respect to each Service listed therein, whether the costs to be charged to the Service Recipients for such Service are determined by (i) the customary billing method described in Section 3.02 ("**Customary Billing**"), (ii) the pass-through billing method described in Section 3.03 ("**Pass-Through Billing**"), (iii) the percentage of net sales method described in Section 3.04 ("**Percent of Sales Billing**"), (iv) the fixed fee method described in Section 3.05 ("**Fixed Fee Billing**"), (v) a specific billing method to be mutually agreed upon by the applicable Service Recipients and Service Provider ("**Specific Billing**") or (vi) some combination thereof. The amounts calculated by the Service Provider pursuant to the Customary Billing, Pass-Through Billing, Percent of Sales Billing, Fixed Fee Billing and Specific Billing methods applicable to Services provided to the Service Recipients and charged to the Service Recipients as provided herein, together with any and all Disengagement Costs incurred in connection with the provision of any and all Disengagement Services, are collectively referred to herein as the "**Service Fees**."

(c) The Service Fees calculated pursuant to each of the specific billing methods described herein may include without limitation (and without duplication) one or more of the following costs: (i) direct (i.e., out-of-pocket) costs incurred by the Service Provider Parties in providing the Services, (ii) subject to the express terms of any applicable Service Schedule, a reasonably and fairly allocated portion of costs or expenses (including the allocable portion of the compensation, benefits and other employment-related costs relating to the TSA Employees (including with respect to participation by such TSA Employees in any L Brands H&W Plan (as defined in the Employee Matters Agreement)) and service-specific overhead costs and the costs of depreciation of new and existing assets) incurred by one or more of the Service Provider Parties in providing services to one or more of the Service Provider and its Affiliates and the Service Recipients (each, an "**Allocated Cost**"), and (iii) third party costs, including but not limited to Third Party Consent Costs, incurred by one or more of the Service Provider Parties in providing the Services (each of (i)-(iii), a "**Cost Component**," and collectively, the "**Cost Components**"). To the extent expressly set forth in the Service Schedules, the Service Fees may include a cost-plus billing method based upon the aggregate costs incurred by Service Provider or its Affiliates relative to a particular Service plus a percentage of such costs in consideration of Service Provider's or its Affiliates' procurement and administration ("**Administrative Charge**") of such Service.

(d) The parties hereto intend and agree that this Agreement provides for the orderly and efficient transition of the VS Business to stand-alone functionality and that the methods of calculation of the Service Fees hereunder shall permit the Service Provider (or its Affiliates, if so designated) to receive full reimbursement for all overhead, administrative and supervisory costs and expenses incurred directly or indirectly by the Service Provider Parties in connection with the provision of the Services consistent with the manner in which the Service Provider Party charges and/or receives reimbursement from its Affiliates from time to time (including one or more of the Cost Components, together with any other amounts agreed to by the parties hereto) as provided in the applicable Service Schedule or as otherwise agreed by the parties hereto. It is further understood and agreed that when any Service Fees for Services hereunder are to be determined or agreed upon by Service Provider and VS (whether before or after the Distribution Time), such Service Fees shall, except as otherwise set forth in this Agreement, in all events include all pertinent Cost Components and any other amounts therefor mutually agreed to by the parties hereto, including any Administrative Charge to the extent expressly set forth in the Service Schedule.

Section 3.02. *Customary Billing*. The Service Fees to which the Customary Billing method applies shall, subject to Section 3.01(c) and (d), be calculated on a basis that is substantially equivalent to the basis on which costs are attributed (whether through direct or indirect charges, allocations or otherwise) from time to time, now or in the future, to other companies or businesses operated by Service Provider for the same or comparable services (including one or more of the Cost Components); *provided*, that (i) in respect of any particular Services, if Service Provider does not generally attribute costs associated with the same or comparable services to other companies or businesses operated by Service Provider as provided above, then the Customary Billing method for such Services shall be equivalent to the market value of all Services provided by Service Provider personnel and other Persons (including all Cost Components) which are reasonably allocable to the provision of such Services to the Service Recipients and (ii) if Service Provider provides financial relief from time to time to any companies or businesses operated by Service Provider with respect to any costs, fees, expenses and/or allocations that are otherwise generally allocated to or paid by companies or businesses operated by Service Provider, the Service Recipients shall not be entitled to the same financial relief.

Section 3.03. *Pass-Through Billing*. The costs of Services to which the Pass-Through Billing method applies shall, subject to Section 3.01(c) and (d), be equal to the aggregate amount of the third-party costs and expenses incurred (which costs shall include but not be limited to adjustments for attributable rebates and Third Party Consent Costs) by any Service Provider Party on behalf of the Service Recipients.

Section 3.04. *Percent of Sales Billing*. The costs of Services to which the Percent-of-Sales Billing method applies shall, subject to Section 3.01(c) and (d), be equal to the amount obtained by multiplying (x) the aggregate cost incurred each month by the Service Provider and its Affiliates in providing such Services to one or more businesses of Service Provider or its Affiliates and to all Service Recipients by (y) the Net Sales Ratio for such month. "**Net Sales Ratio**" means the net sales of the applicable Service Recipients for a particular month divided by the aggregate net sales of all businesses of Service Provider, combined with (i) the net sales of the Service Recipient to which costs for such month are being allocated and (ii) the net sales of any Service Recipient other than the Service Recipient identified in clause (i) receiving such Services to which costs for such month are being allocated. In order to permit Service Provider to calculate the billing method provided for in this Section 3.04 (and for no other purpose), the applicable Service Recipient shall provide Service Provider with all reasonably necessary sales information not later than the close of business on the first Business Day immediately following such calendar month.

Section 3.05. *Fixed Fee Billing*. The cost of Services to which the Fixed Fee Billing method applies shall be in the amount set forth in the applicable Service Schedule.

Section 3.06. *Invoicing of Fees*. (a) Service Provider shall invoice, or shall cause the applicable Service Provider Party to invoice, VS on a monthly basis (not later than the fifteenth day of the following month), for the Service Costs and any applicable Disengagement Costs incurred in the prior month, including reasonable supporting data. Service Provider shall use its commercially reasonable efforts to cause invoices to be presented to VS on the schedule set forth in this Section 3.06, but no delay in presentation of an invoice shall affect VS's obligation to pay the full amount of such invoice, when presented, on the terms set forth herein.

(b) Except as specifically provided on the applicable Service Schedule, VS shall pay, or shall cause to be paid, each invoice delivered pursuant to Section 3.06(a) on or before the date (each, a "**Payment Date**") that is 30 days after the date of receipt of such invoice. Such payments shall be made by wire transfer of immediately available funds to an account designated by Service Provider.

(c) If VS fails to pay the full amount of any invoice under this Agreement within 15 days of the applicable Payment Date, VS shall be obligated to pay, in addition to the amount due on such Payment Date, interest on such amount at the rate of 12% per annum, compounded monthly from the applicable Payment Date through the date of payment; *provided* that such interest rate shall not exceed the maximum rate permitted by Applicable Law. All payments made shall be applied first to unpaid interest and then to amounts invoiced but unpaid. If VS fails to pay the full amount of any invoice within 30 days of the applicable Payment Date, such failure shall be considered a material breach of this Agreement, and to the extent the aggregate amount of such overdue unpaid invoices exceeds $1,000,000, Service Provider may, after 10 days' prior notice to VS, elect to suspend, without liability, its obligations hereunder to cause to be provided any or all Services to VS until such time as such invoices have been paid in full.

(d) If any Service requires any Service Provider Party to make any payment to any third party on behalf of any Service Recipient or any of its Affiliates, VS shall deposit, by wire transfer of immediately available funds to an account designated by Service Provider, the amount of such payment at least one Business Day prior to the date on which such payment is to be made; *provided* that, notwithstanding anything to the contrary in this Agreement, Service Provider shall have no obligation to cause any such payment to be made unless and until VS deposits the full amount of any such payment in accordance with this Section 3.06(d).

Section 3.07. *Right to Set Off*. Notwithstanding anything in this Agreement or the VS to L Brands TSA to the contrary and without limiting any of VS's or any of its Affiliates' other remedies under contract or Applicable Law, VS shall have the right, but not the obligation, to set off any payments that are past due by Service Provider or any member of the L Brands Group under the VS to L Brands TSA and not yet paid by Service Provider or any such L Brands Group member against any Service Fees that have become payable and not yet been paid by VS hereunder; *provided* that such set off amount shall be identified in reasonable detail in the next applicable invoice sent to Service Provider. Except as set forth herein, VS hereby unconditionally and irrevocably waives any rights of set off, netting, offset, recoupment, or similar right that VS has or may have with respect to the payment of the Service Fees or any other payments to be made by VS pursuant to this Agreement.

Section 3.08. *Taxes.* (a) VS shall bear and pay all applicable sales, use, transaction, consumption, excise, services, value added, transfer, payroll, employment and other similar Taxes (and any related interest, penalty, addition to tax or additional amount imposed) incurred or imposed with respect to the provision of the Services, to this Agreement or to any payment hereunder ("**Service Taxes**"), whether or not such Service Taxes are shown on any invoices. If any Service Provider Party pays any portion of such Service Taxes, VS shall reimburse such Service Provider Party within five (5) days of receipt of evidence that such Service Taxes have been paid. Any Service Taxes shall be incremental to other payments or charges identified in this Agreement.

(b) All sums payable under this Agreement shall be paid free and clear of all deductions or withholdings unless such deduction or withholding is required by Applicable Law, in which event VS shall promptly inform the Service Provider Party of such required deduction or withholding and the amount of the payment due from VS shall be increased to an amount that after any deduction or withholding leaves an amount equal to the payment that would have been due if no such deduction or withholding had been required. VS shall pay (or cause to be paid) such deducted or withheld amounts over to the applicable Governmental Authority in accordance with the requirements of Applicable Law and provide the applicable Service Provider Party with an official receipt confirming payment.

Section 3.09. *Audits.* Throughout the term of this Agreement and for one year thereafter, VS shall have the right once within each calendar year, at its own expense and on 30 days' advance written notice to Service Provider, to have an independent auditor reasonably acceptable to Service Provider (and who has executed an appropriate confidentiality agreement reasonably acceptable to Service Provider) audit the books and records of Service Provider or any of its Affiliates for the sole purpose of certifying the accuracy of the Service Fees and Cost Components charged by Service Provider to the Service Recipients in accordance with the terms of this Agreement for the preceding calendar year; *provided* that (i) any such audit shall take place during reasonable business hours on a mutually agreed upon date, (ii) such auditor shall in no event be entitled to any contingency fee (or otherwise have any portion of its compensation be directly or indirectly determined based on the outcome of such audit) and (iii) no such books and records may be audited more than one time. Service Provider may designate competitively sensitive information which such auditor may see and review but which it may not disclose to VS and all such books and records, and any applicable audit report and findings, shall be the Confidential Information of Service Provider. VS shall provide to Service Provider a copy of each such audit report promptly after its receipt thereof. In the event that any such audit indicates any overpayment or underpayment of amounts paid to Service Provider by any Service Recipient, the applicable party shall pay to the other party (within 30 days following the date of delivery of such audit report to Service Provider) the amount of such overpayment or underpayment, as the case may be, plus (if the overpayment or underpayment amount exceeds $250,000.00) interest accruing monthly from the date of such overpayment or underpayment until such amount is paid at 12% per annum, compounded monthly from the relevant payment due date through the date of payment (*provided* that such interest rate shall not exceed the maximum rate permitted by Applicable Law). If either party hereto has a good faith dispute with respect to the findings of such audit, the parties shall follow the dispute resolution procedures set forth in Section 9.07.

ARTICLE 4
RETENTION AND TRANSFER OF CERTAIN TSA EMPLOYEES

Section 4.01. *Employment of Transition Employees*. Notwithstanding anything to the contrary in this Agreement or in the Employee Matters Agreement:

(a) Service Provider or an Affiliate of Service Provider shall retain in its employ each Transition Employee until the Transition Date applicable to such Transition Employee (unless the employment of the relevant Transition Employee is otherwise terminated by such Transition Employee or by the employer of such Transition Employee in the ordinary course of business); and

(b) VS shall, or shall cause one of its Affiliates to, offer employment to each Transition Employee, effective as of the Transition Date applicable to such Transition Employee, in accordance with Section 4.02 below.

(c) For these purposes:

(i) "**Transition Employee**" means each TSA Employee with respect to whom Service Provider and VS have mutually identified and agreed in writing will transfer employment from Service Provider or one of its Affiliates to VS or one of its Affiliates.

(ii) "**Transition Date**" means, with respect to each Transition Employee who accepts an offer of employment from VS or its applicable Affiliate pursuant to this Article 4, the date on which such Transition Employee's employment commences with VS or an applicable Affiliate of VS, which shall be the earliest of (A) the first day immediately following the last day of the applicable Term, as identified in the applicable Service Schedule, (B) the termination of (x) the applicable Service in which such Transition Employee is engaged or (y) this Agreement, in each case pursuant to Section 7.01 or (C) any other day mutually agreed upon in writing by VS and Service Provider.

Section 4.02. *Transfer of Transition Employees.*

(a) Each of Service Provider and VS will cooperate in good faith to mutually identify the Transition Employees as promptly as practicable following the date of this Agreement.

(b) VS shall, or shall cause an Affiliate of VS to, offer employment to each Transition Employee on terms and conditions consistent with (i) the Employee Matters Agreement and (ii) the terms and conditions of employment applicable to such Transition Employee as of immediately prior to the applicable Transition Date. Subject to such Transition Employee's acceptance of such offer, such employment shall commence effective as of the Transition Date applicable to such Transition Employee. Such offer of employment shall be communicated by VS (or its applicable Affiliate) to such Transition Employee in a reasonable amount of time prior to such Transition Date in accordance with procedures to be mutually determined by Service Provider and VS.

(c) Subject to such Transition Employee's acceptance of such offer of employment, such Transition Employee shall be deemed a Delayed VS Transfer Employee (as defined in the Employee Matters Agreement), effective as of such Transition Employee's applicable Transition Date, for all purposes under the Employee Matters Agreement, and the provisions of Employee Matters Agreement shall apply with respect to such Transition Employee.

(d) As provided under the Employee Matters Agreement, and without limiting any other provisions of this Agreement or the Employee Matters Agreement, VS (or its applicable Affiliate) will take all measures that are required or appropriate in order to (i) effectuate the transfer of employment of each Transition Employee to VS (or its applicable Affiliate) as of the Transition Date applicable to such Transition Employee (including by making an offer of employment to such Transition Employee in accordance with the terms of this Article 4) and (ii) avoid and mitigate, to the maximum extent possible, the incurrence of any severance obligations or termination-related obligations (including by the provision of all appropriate notices, assurances and offers of employment and the assignment and assumption of obligations or undertakings with respect to the employment, compensation, benefits, protections or other obligations relating to any such Transition Employee).

(e) Service Provider and VS shall reasonably cooperate to (i) enable VS and its applicable Affiliates to communicate with the Transition Employees and receive information with respect to the terms of employment of the Transition Employees as necessary and appropriate to facilitate VS's obligations under this Article 4 and (ii) transfer and assign to VS (or its applicable Affiliate), and effectuate the assumption by VS (or its applicable Affiliate), all employment- and benefit-related obligations of the Service Provider (and its Affiliates) with respect to each Transition Employee who accepts and commences employment with VS (or its applicable Affiliate) in accordance with the Employee Matters Agreement, other than the obligations expressly retained by the Service Provider (and its Affiliates) pursuant to the Employee Matters Agreement. VS shall notify Service Provider in writing of each offer of employment made by VS (or its applicable Affiliate) to each Transition Employee, including the date of the offer, the proposed employment date and the terms and conditions of the offer.

(f) Each of Service Provider and VS agree and acknowledge that, to the extent applicable and mutually agreed between the parties hereto, each applicable Service Schedule shall set forth the terms and conditions relating to the allocation of responsibility between Service Provider and VS with respect to any severance or other termination-related payments or benefits that may become payable to any TSA Employees.

ARTICLE 5
CONFIDENTIALITY

Section 5.01. *Confidentiality.* From and after the Effective Date, each party hereto shall hold, and cause its Representatives to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law (in which event the disclosing party first notifies the other party hereto of such process or requirement and allows such party a reasonable opportunity to seek a protective order or other appropriate remedy to prevent such disclosure), all documents and information concerning the other party hereto provided to it pursuant to this Agreement ("**Confidential Information**"), and shall not, without the prior written consent of the other party hereto, disclose or use any Confidential Information of the other party hereto except as necessary in the performance of its obligations under this Agreement; *provided* that the term "Confidential Information" (a) does not include information that is or becomes generally available to the public (other than as a result of a breach of this Agreement), (b) does not include information that was available to the receiving party or any of its Affiliates on a non-confidential basis prior to its disclosure to such receiving party or its Affiliates pursuant to this Agreement (except that this clause (b) shall not apply to information of either party hereto in the possession of the other party prior to the date hereof by virtue of their previous Affiliate relationship), (c) does not include information that is or becomes available to the receiving party or any of its Affiliates from a third party not known by the receiving party or its Affiliates to be bound by a confidentiality agreement or any legal, fiduciary or other obligation restricting disclosure of such information and (d) does not include information that is or was independently developed by the receiving party or any of its Affiliates without use of Confidential Information or otherwise violating this Agreement. Nothing in this Section 5.01 shall limit any other confidentiality obligations among the parties to this Agreement pursuant to any other agreement among such parties.

Section 5.02. *No Rights to Confidential Information.* Each party hereto acknowledges that it will not acquire any right, title or interest in or to any Confidential Information of the other party hereto by reason of this Agreement or the provision or receipt of Services hereunder.

Section 5.03. *Third Party Non-Disclosure Agreements.* To the extent that any third party proprietor of information or software to be disclosed or made available to any Service Recipient in connection with the performance of Services requires a specific form of non-disclosure agreement as a condition of its consent to use of the same for the benefit of such Service Recipient or to permit any Service Recipient access to such information or software, VS shall cause such Service Recipient to execute (and will cause such Service Recipient's employees to execute, if required) any such form.

Section 5.04. *Safeguards.* Each party hereto agrees to establish and maintain administrative, physical and technical safeguards, information technology and data security procedures and other protections against the destruction, loss, unauthorized access or alteration of the other party's Confidential Information which are no less rigorous than those otherwise maintained for its own Confidential Information.

ARTICLE 6
INDEMNIFICATION; LIMITATION OF LIABILITY

Section 6.01. *Indemnification*. (a) VS agrees to indemnify and hold harmless Service Provider and each other Service Provider Party, their respective Affiliates and their and their respective Representatives (collectively, the "**Service Provider Indemnitees**") from and against any and all damage, loss and expense (including reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding whether involving a third party claim or a claim solely between the parties hereto) ("**Damages**") asserted against or incurred by any Service Provider Indemnitee as a result or arising out of (i) a Service Recipient's or any of its Affiliates' breach of this Agreement, (ii) the provision of the Services by such Service Provider Indemnitee or the use of the Services by a Service Recipient or any of its Affiliates or (iii) a Service Recipient's or any of its Affiliates' gross negligence, fraud or willful misconduct; *provided* that VS shall not be responsible for any Damages to the extent Service Provider is required to indemnify a Service Recipient Indemnitee pursuant to Section 6.01(b).

(b) Service Provider agrees to indemnify and hold harmless each Service Recipient, its Affiliates and its and their respective Representatives (collectively, the "**Service Recipient Indemnitees**") from and against any and all Damages asserted against or incurred by any Service Recipient Indemnitee as a result or arising out of (i) a Service Provider Party's breach of this Agreement or (ii) a Service Provider's gross negligence, fraud or willful misconduct; *provided* that Service Provider shall not be responsible for any Damages to the extent VS is required to indemnify a Service Provider Indemnitee pursuant to Section 6.01(a).

Section 6.02. *Third Party Claim Procedures*. (a) The party seeking indemnification under Section 6.01 (the "**Indemnified Party**") agrees to give prompt notice in writing to the party against whom indemnity is to be sought (the "**Indemnifying Party**") of the assertion of any claim or the commencement of any suit, action or proceeding by any third party ("**Third Party Claim**") in respect of which indemnity may be sought under such Section. Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have materially and adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and, subject to the limitations set forth in this Section, shall be entitled to control and appoint lead counsel for such defense, in each case at its own expense.

(c) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of this Section 6.02, (i) the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of such Third Party Claim, if the settlement does not release the Indemnified Party and its Affiliates from all liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its Affiliates and (ii) the Indemnified Party shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of its choice for such purpose. The fees and expenses of such separate counsel shall be paid by the Indemnified Party.

(d) Each party hereto shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Third Party Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

Section 6.03. *Direct Claim Procedure*s. In the event an Indemnified Party has a claim for indemnity under Section 6.01 against an Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party agrees to give prompt notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have materially and adversely prejudiced the Indemnifying Party. If the Indemnifying Party does not notify the Indemnified Party within 30 days following the receipt of a notice with respect to any such claim that the Indemnifying Party disputes its indemnity obligation to the Indemnified Party for any Damages with respect to such claim, such Damages shall be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall promptly pay to the Indemnified Party any and all Damages arising out of such claim. If the Indemnifying Party has timely disputed its indemnity obligation for any Damages with respect to such claim, the parties shall follow the dispute resolution procedures set forth in Section 9.07.

Section 6.04. *Calculation of Damages.* The amount of any Damages payable under Section 6.01 by the Indemnifying Party shall be net of any amounts recovered by the Indemnified Party under applicable insurance policies or from any other Person alleged to be responsible therefor. If the Indemnified Party receives any amounts under applicable insurance policies, or from any other Person alleged to be responsible for any Damages, subsequent to an indemnification payment by the Indemnifying Party, then such Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made or expense incurred by such Indemnifying Party in connection with providing such indemnification payment up to the amount received by the Indemnified Party, net of any expenses incurred by such Indemnified Party in collecting such amount.

Section 6.05. *No Warranties.* Except as expressly set forth in this Agreement, neither party hereto makes, and no party hereto is relying on, any warranty, express or implied, with respect to the Services and each party hereto hereby specifically disclaims any implied warranty of reasonable care or workmanlike effort.

Section 6.06. *Limitation of Liability; Exclusion of Damages*. (a) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT FOR A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS HEREUNDER OR A PARTY'S GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT, NO PARTY HERETO WILL BE LIABLE FOR ANY (I) PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR TREBLED DAMAGES (IN EACH CASE, EXCEPT TO THE EXTENT PAYABLE TO A THIRD PARTY IN RESPECT OF A THIRD PARTY PROCEEDING BASED ON A FINAL JUDGMENT OF A COURT OF COMPETENT JURISDICTION) OR (II) LOST PROFITS, DIMINUTION IN VALUE, MULTIPLE-BASED OR OTHER DAMAGES CALCULATED BASED ON A MULTIPLE OF ANOTHER FINANCIAL MEASURE, IN EACH CASE, ARISING OUT OF OR RELATING TO THIS AGREEMENT EVEN IF THE OTHER PARTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) NOTWITHSTANDING ANYTHING ELSE HEREIN TO THE CONTRARY, EXCEPT FOR SERVICE PROVIDER'S GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT, THE MAXIMUM AGGREGATE LIABILITY OF SERVICE PROVIDER TO THE SERVICE RECIPIENTS OR TO ANY THIRD PARTY UNDER OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED AND SHALL BE LIMITED TO THE FEES ACTUALLY RECEIVED BY SERVICE PROVIDER FOR THE SERVICES HEREUNDER (THE "**CAP**"); *PROVIDED* THAT, WITH RESPECT TO ANY DAMAGES FOR WHICH SERVICE PROVIDER IS OBLIGATED TO INDEMNIFY VS UNDER SECTION 6.01(b) AND THAT RELATE TO DATA PRIVACY, CYBERSECURITY OR OTHER SIMILAR MATTERS, IF SERVICE PROVIDER, USING COMMERCIALLY REASONABLE EFFORTS AND EXERCISING GOOD FAITH, IS ABLE TO RECOVER AN AMOUNT GREATER THAN THE CAP FROM ITS APPLICABLE THIRD-PARTY SERVICE PROVIDERS, SUCH EXCESS RECOVERY SHALL BE PASSED THROUGH TO VS ON A PRO-RATA BASIS TO THE EXTENT OF SUCH DAMAGES.

ARTICLE 7
TERMINATION OF SERVICES

Section 7.01. *Termination*. (a) Notwithstanding Section 2.01, except as expressly set forth otherwise in the applicable Service Schedule, VS may, at any time during the term of this Agreement and for any reason, terminate Service Provider's obligations to cause to be provided any or all Services, or any part of any Service, by giving at least 60 days' prior written notice of such termination to Service Provider; *provided* that in the event VS elects to terminate any (but not all) of the Services, (i) Service Provider may, within 10 Business Days following its receipt of such termination notice, provide VS with written notice of all applicable Dependent Services, (ii) upon receiving Service Provider's notice pursuant to the foregoing clause (i), VS may provide notice within 5 Business Days of such receipt of its withdrawal of its termination notice and (iii) if VS does not withdraw its termination notice within such 5 Business Day period, the Dependent Services shall automatically terminate upon the effective date of termination of such terminated Service. If VS notifies Service Provider of its intent to terminate any Service in part or reduce any Service, the Service Fees shall be reduced accordingly. For the avoidance of doubt, subject to the first sentence of this Section 7.01(a), if VS elects to terminate the provision of less than all Services, Service Provider shall continue to be obligated to cause to be provided any and all remaining Services.

(b) Service Provider may terminate its obligations to cause to be provided any or all Services at any time if VS shall have failed to perform any of its material obligations under this Agreement relating to any such Service (including the failure to provide any access, information or data required to effectuate such Service), but only if Service Provider shall have notified VS in writing of such failure and such failure shall have continued for a period of 30 days after receipt by VS of such written notice.

(c) If the performance of any Service subjects any Service Provider Party to a reasonable risk of violating an Applicable Law or would reasonably be expected to, individually or in the aggregate, materially and adversely affect the business of Service Provider or its Affiliates, then the relevant Service Provider Party (i) in the case of a violation of an Applicable Law, may immediately upon Service Provider providing written notice of such fact and the applicable Dependent Services to VS (it being understood that Service Provider shall provide VS with as much advance notice as is reasonably practicable under the circumstances and permitted by Applicable Law), suspend performance of such Service and any and all Dependent Services without liability to Service Provider or any Service Provider Party and (ii) in the case of a material and adverse effect to the business of Service Provider or its Affiliates, may, upon Service Provider providing written notice of such fact to VS sufficiently in advance to permit VS (acting reasonably) to arrange for replacement services, suspend performance of such Service without liability; *provided* that, (A) following delivery of such notice, the parties hereto will cooperate in good faith to promptly amend this Agreement to the extent necessary to eliminate such violation of Applicable Law or such effect while as nearly as possible accomplishing the purpose of the intended Service in a mutually satisfactory manner and (B) VS shall not be obligated to pay for any such suspended Services during the pendency of any Service Provider Party's suspension of such Services (it being understood that VS shall remain liable for any Service Costs incurred or accrued for such Services prior to such suspension). If the parties hereto are unable to agree upon such an amendment to this Agreement within 30 days of such notification, then either party hereto may terminate its obligation with respect to such suspended Services upon written notice to the other party hereto; *provided* that the applicable Dependent Services shall also automatically terminate upon the effective date of termination of such suspended Services.

(d) VS may terminate Service Provider's obligation to cause to be provided any Service at any time if Service Provider shall have failed to perform any of its material obligations under this Agreement relating to such Service, but only if VS shall have notified Service Provider in writing of such failure and such failure shall have continued for a period of 30 days after receipt by Service Provider of such written notice.

(e) Subject to Section 7.02, this Agreement shall terminate in its entirety on the date when no additional Services are to be provided as set forth in each applicable Service Schedules, as the same may hereafter be amended.

Section 7.02. *Effect of Termination.* Other than as required by Applicable Law, upon expiration or termination of any or all Service(s) pursuant to Section 7.01 or otherwise pursuant to this Agreement, Service Provider shall have no further obligation to cause to be provided the terminated Service(s) and VS shall have no obligation to pay any Service Fees relating to such terminated Service(s); *provided* that, notwithstanding such termination, the Service Recipients shall remain liable to Service Provider for (a) Service Costs incurred prior to the effective date of the expiration or termination of such Service(s), (b) the Disengagement Costs relating to the termination of such Service(s), and (c) in the case of a termination under Section 7.01(a), Section 7.01(b) or Section 7.01(c), without duplication of any Disengagement Costs, any fees, costs and expenses incurred by Service Provider (or any of its Affiliates) between the time of such termination and the time the provision of such Service(s) would have terminated under this Agreement absent such early termination (including early termination charges, kill fees, wind-down costs, reasonable minimum volume make-up fees and other fees and costs, in each case actually payable or that have been paid in advance by any Service Provider Party to a third party, and unamortized costs that Service Provider or its Affiliates previously incurred or are required to pay to a third party for services, equipment, licenses or other assets used for the provisions of such terminated Service) (collectively, "**Termination Fees**") to the extent Service Provider or such other Service Provider Party cannot avoid the incurrence of any such Termination Fees using commercially reasonable efforts. For clarity, no Disengagement Costs are payable in case of a termination under Section 7.01(d) or upon the expiration of the Term of any Service. All amounts payable pursuant to this Section 7.02 shall be invoiced to and payable by VS within 30 days after the date of invoice and otherwise in accordance with Section 3.06. Notwithstanding any expiration or termination pursuant to Section 7.01, Section 2.10 (but solely with respect to the first sentence), Section 3.08 and Articles 4, 5, 6, 7, and 9 shall survive any such expiration or termination indefinitely.

ARTICLE 8
REPRESENTATIONS AND WARRANTIES

Section 8.01. *Representations and Warranties of Service Provider*. Service Provider represents and warrants to VS that:

(a) Service Provider is a corporation duly incorporated, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the laws of Delaware and has all corporate powers required to carry on its business as now conducted.

(b) The execution, delivery and performance by Service Provider of this Agreement and the consummation of the transactions contemplated hereby by Service Provider are within Service Provider's corporate powers and have been duly authorized by all necessary corporate action on the part of Service Provider. This Agreement constitutes a valid and binding agreement of Service Provider enforceable against Service Provider in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

(c) The execution, delivery and performance by Service Provider of this Agreement and the consummation of the transactions contemplated hereby by Service Provider require no action by or in respect of, or filing with, any Governmental Authority other than any such action or filing that has already been taken or made or as to which the failure to make or obtain would not reasonably be expected to materially impede or delay the performance by Service Provider of its obligations hereunder.

Section 8.02. *Representations and Warranties of VS*. VS represents and warrants to Service Provider that:

(a) VS is an entity duly organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the laws of its jurisdiction of organization and has all corporate powers required to carry on its business as now conducted.

(b) The execution, delivery and performance by VS of this Agreement and the consummation of the transactions contemplated hereby by VS are within VS's corporate powers and have been duly authorized by all necessary corporate action on the part of VS. This Agreement constitutes a valid and binding agreement of VS, enforceable against VS accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

(c) The execution, delivery and performance by VS of this Agreement and the consummation of the transactions contemplated hereby by VS require no action by or in respect of, or filing with, any Governmental Authority other than any such action or filing that has already been taken or made or as to which the failure to make or obtain would not reasonably be expected to materially impede or delay the performance by VS of its obligations hereunder.

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Notices.* Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission, mail, or e-mail transmission to the following addresses:

if to VS, to:

Victoria's Secret & Co.
4 Limited Parkway East
Reynoldsburg, Ohio 43068
Attention: [__]
E-mail: [__]

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

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: William H. Aaronson
Cheryl Chan
E-mail: william.aaronson@davispolk.com
cheryl.chan@davispolk.com

if to Service Provider, to:

L Brands, Inc.
Three Limited Parkway
Columbus, Ohio 43230
Attention: Tim Faber
E-mail: TFaber@lb.com

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

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: William H. Aaronson
Cheryl Chan
E-mail: william.aaronson@davispolk.com
cheryl.chan@davispolk.com

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 9.02. *Amendments; No Waivers.* (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as set forth in Section 6.06, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.03. *Expenses.* Except as otherwise provided herein, all third-party fees, costs and expenses paid or incurred in connection with this Agreement shall be paid by the party hereto incurring such fees, cost or expenses.

Section 9.04. *Independent Contractor Status*. Nothing in this Agreement shall constitute or be deemed to constitute a partnership or joint venture between the parties hereto. Neither party hereto is now, nor shall it be made by this Agreement, an agent, employee or legal representative of the other party hereto or any of its Affiliates for any purpose. Each party hereto acknowledges and agrees that neither party hereto shall have authority or power to bind the other party hereto or any of its Affiliates or to contract in the name of, or create a liability against, the other party hereto or any of its Affiliates in any way or for any purpose, to accept any service of process upon the other party hereto or any of its Affiliates or to receive any notices of any kind on behalf of the other party hereto or any of its Affiliates. Each party hereto is and shall be an independent contractor in the performance of Services hereunder and nothing herein shall be construed to be inconsistent with this status.

Section 9.05. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither this Agreement nor any right, remedy, obligations or liability arising hereunder or by reason hereof nor any of the documents executed in connection herewith may be assigned by any party hereto without the consent of the other party, which consent may be granted or withheld in the discretion of such other party. Notwithstanding the foregoing, either party hereto may assign or transfer this Agreement and all of its rights and obligations hereunder to an Affiliate or to any third party that acquires all or substantially all of such party's assets or business to which this Agreement relates (whether by sale of assets, stock, merger, consolidation, reorganization or otherwise); *provided* that this Agreement and the Services shall not apply to any other business of such third party acquirer.

Section 9.06. *Governing Law.* This Agreement shall be governed by and construed in accordance with the law of the State of Delaware, without regard to the conflicts of law rules of such state.

Section 9.07. *Dispute Resolution.* (a) With respect to matters relating to the Services or under this Agreement requiring dispute resolution (each, a "**Dispute**"), the disputing party shall notify the other party hereto of such Dispute in writing and, upon the non-disputing party's receipt of such written notice, the parties' respective Service Managers shall attempt to resolve such Dispute in good faith within 30 days of such receipt, and if such Service Managers are unable to resolve such Dispute in such 30 day period, then such Service Managers shall escalate such Dispute to each party's Chief Financial Officer for resolution.

(b) If the parties' Chief Financial Officers are unable to resolve such Dispute within 30 days following such receipt of such notice, then either party hereto shall initiate a non-binding mediation by providing written notice ("**Mediation Notice**") to the other party hereto within five Business Days following the expiration of such 30 day period.

(c) Upon receipt of a Mediation Notice, the applicable Dispute shall be submitted within five Business Days following such receipt of such Mediation Notice for non-binding mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association ("**Arbitration Association**"), and the parties hereto agree to bear equally the costs of such mediation (including any fees or expenses of the applicable mediator); *provided*, however, that each party hereto shall bear its own costs in connection with participating in such mediation. The parties hereto agree to participate in good faith in such mediation for a period of 45 days or such longer period as the parties hereto may mutually agree following receipt of such Mediation Notice (the "**Mediation Period**").

(d) In connection with such mediation, the parties hereto shall cooperate with the Arbitration Association and with one another in selecting a neutral mediator with relevant industry experience and in scheduling the mediation proceedings during the applicable Mediation Period. If the parties hereto are unable to agree on a neutral mediator within five Business Days of submitting a Dispute for mediation pursuant to Section 9.07(c), application shall be made by the parties to the Arbitration Association for the Arbitration Association to select and appoint a neutral mediator on the parties' behalf in accordance with the Commercial Mediation Rules of the Arbitration Association.

(e) The parties hereto further agree that all information, whether oral or written, provided in the course of any such mediation by either party hereto, their agents, employees, experts and attorneys, and by the applicable mediator and any employees of the mediation service, is confidential, privileged, and inadmissible for any purpose, including impeachment, in any Action involving the parties hereto; *provided* that any such information that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in such mediation.

(f) If the parties hereto cannot resolve the Dispute for any reason, on and following the expiration of the Mediation Period, either party may commence litigation in a court of competent jurisdiction pursuant to the provisions of Section 9.08. Nothing contained in this Agreement shall deny either party hereto the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an Action may be filed and maintained notwithstanding any ongoing efforts under this Section 9.07.

Section 9.08. *Jurisdiction.* The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the Chancery Court of the State of Delaware and any state appellate court therefrom within the State of Delaware (or if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any federal or state court sitting in the State of Delaware and any federal or state appellate court therefrom), and each of the parties hereto hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party hereto anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party hereto agrees that service of process on such party as provided in Section 9.01 shall be deemed effective service of process on such party.

Section 9.09. *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.10. *Counterparts; Effectiveness; Third Party Beneficiaries.* This Agreement may be signed in any number of counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including "pdf," "tif" or "jpg") and other electronic signatures (including DocuSign and AdobeSign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by Applicable Law. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. Until and unless each party hereto has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party hereto shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Except for the indemnification and release provisions of Article 6, neither this Agreement nor any provision hereof is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and permitted assigns.

Section 9.11. *Entire Agreement*. This Agreement, together with the other Distribution Documents, constitutes the entire agreement between the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein or in the other Distribution Documents has been made or relied upon by either party hereto with respect to the transactions contemplated by this Agreement.

Section 9.12. *Severability.* If any one or more of the provisions contained in this Agreement should be declared invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such a declaration, the parties hereto shall modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

Section 9.13. *Specific Performance*. The parties hereto acknowledge and agree that damages for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and irreparable harm would occur. In recognition of this fact, each party hereto agrees that, if there is a breach or threatened breach, in addition to any damages, the other non-breaching party to this Agreement, without posting any bond, shall be entitled to seek and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, attachment, or any other equitable remedy which may then be available to obligate the breaching party (i) to perform its obligations under this Agreement or (ii) if the breaching party is unable, for whatever reason, to perform those obligations, to take any other actions as are necessary, advisable or appropriate to give the other party to this Agreement the economic effect which comes as close as possible to the performance of those obligations (including transferring, or granting liens on, the assets of the breaching party to secure the performance by the breaching party of those obligations).

Section 9.14. *Interpretation.* In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of its authorship of any of the provisions of this Agreement.

Section 9.15. *Integration.* The parties hereto agree that each of (a) this Agreement, (b) each of the Service Schedules, (c) the VS to L Brands Transition Services Agreement, dated as of the date hereof between VS and Service Provider (the "**VS to L Brands TSA**"), (d) each of the Service Schedules (as defined in the VS to L Brands TSA), and (e) all addenda, supplemental agreements, amendments and letter agreements executed in connection with the foregoing, ((a) through (e) collectively, the "**Integrated Agreements**") are integrated and non-severable parts of one and the same transaction among the parties hereto, each representing an essential, necessary and interdependent component of such transaction forming part of the consideration given by the parties hereto under and in connection with this Agreement, and the parties hereto agree that all of the Integrated Agreements comprising such transaction constitute one single agreement and are integrated and non-severable for all purposes at law and equity, including for purposes of section 365 of title 11 of the United States Code and New York law, and that any breach of any one of such agreements shall be deemed a breach under all such agreements. The Integrated Agreements embody the entire understanding of the parties hereto, and there are no further or other agreements or understandings, written or oral, in effect between the parties hereto, relating to the subject matter of this Agreement. In addition to, and without limitation of, the rights of the parties hereto set forth above or any right available in law or in equity, pursuant to contract or otherwise, in the event of the failure by a party to this Agreement or any Affiliate of such party to make timely payment of amounts due and owing (following the expiration of any relevant cure periods thereunder) under any of the Integrated Agreements, the Separation Agreement or any other agreement related to the transactions contemplated hereby and thereby (together, the "**Applicable Agreements**"), such amounts may at the election of the non-defaulting party be reduced by set-off against any sum or obligation (whether or not matured or contingent and irrespective of the currency or place of payment) owed by the non-defaulting party or any Affiliate of the non-defaulting party to the defaulting party or any Affiliate of the defaulting party under any Applicable Agreement.

[*Signature page follows*]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

VICTORIA'S SECRET & CO.

By: _____
Name:
Title:

L BRANDS, INC.

By: _____
Name:
Title:

Exhibit 10.2

FORM OF

VS TO L BRANDS TRANSITION SERVICES AGREEMENT

dated as of

[__], 2021

by and between

L BRANDS, INC.

and

VICTORIA'S SECRET & CO.

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VS TO L BRANDS TRANSITION SERVICES AGREEMENT

VS TO L BRANDS TRANSITION SERVICES AGREEMENT (this "**Agreement**") dated as of [__], 2021 (the "**Effective Date**") between Victoria's Secret & Co., a Delaware corporation ("**Service Provider**"), and L Brands, Inc., a Delaware corporation ("**L Brands**").

W I T N E S S E T H :

WHEREAS, L Brands and Service Provider have entered into a Separation and Distribution Agreement dated as of [__], 2021 (the "**Separation Agreement**"), pursuant to which and on the terms and conditions set forth therein, among other things, L Brands has agreed to distribute the VS Business to the holders of the L Brands Common Stock as of the Record Date;

WHEREAS, pursuant to the Separation Agreement, Service Provider has agreed to enter into this Agreement to cause to be provided certain services to the Service Recipients on the terms and conditions set forth herein in connection with the transactions contemplated by the Separation Agreement; and

WHEREAS, Service Provider has agreed to cause the Services to be provided in accordance with the terms hereof in order to facilitate the orderly separation of the L Brands Business from the VS Business.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions*. (a) As used herein, the following terms shall have the following meanings:

"**Dependent Services**" means, with respect to any specified Service (or portion thereof), any and all Services (or portion thereof) that, in Service Provider's good faith reasonable determination, are dependent on the continuation of such specified Service (or portion thereof) or would be adversely affected by the termination or suspension of such specified Service (or portion thereof).

"**Disengagement Costs**" means any and all costs, charges and expenses of any kind incurred by Service Provider or any of its Affiliates in connection with the termination of this Agreement or relating to the cessation of any Services hereunder, including all third party charges, costs or fees, all third party cancellation or termination charges, costs or fees and the market value of all Disengagement Services provided by other Persons.

"**Disengagement Services**" means all services (other than the Services) provided hereunder at the request of L Brands primarily for the purpose of disengaging and transitioning Services from Service Provider and its Affiliates to L Brands or any of its Affiliates.

"**Service Costs**" means the Service Fees and Service Taxes.

"**Services**" means, subject to the limitations set forth herein and solely to the extent related to the L Brands Business, the transition services described on Schedules A-1 through A-[__]; each such schedule a "**Service Schedule**" and collectively the "**Service Schedules**".

"**TSA Employee**" means each individual who (i) is employed by Service Provider or any of its Affiliates (other than, for the avoidance of doubt, any employee of any Service Recipient) and (ii) provides Services (or any portion thereof) pursuant to this Agreement.

(b) All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Separation Agreement.

(c) Each of the following terms is defined in the Section set forth opposite such term:

Term	**Section**
Additional Service	2.01(c)
Administrative Charge	3.01(c)
Agreement	Preamble
Allocated Cost	3.01(c)
Applicable Agreements	9.15
Arbitration Association	9.07(c)
Cap	6.06(b)
Confidential Information	5.01
Cost Components	3.01(c)
Customary Billing	3.01(b)
Damages	6.01(a)
Developed Intellectual Property	2.09(d)
Dispute	9.07(a)
Effective Date	Preamble
Fixed Fee Billing	3.01(b)
Indemnified Party	6.02(a)
Indemnifying Party	6.02(a)
Integrated Agreements	9.15
IT Breach	2.11
Mediation Notice	9.07(b)
Mediation Period	9.07(c)
L Brands	Preamble
L Brands Developed Intellectual Property	2.09(d)
L Brands to VS TSA	9.15
Net Sales Ratio	3.04
Pass-Through Billing	3.01(b)
Payment Date	3.06(b)
Percent of Sales Billing	3.01(b)
Representatives	2.12
Separation Agreement	Recitals
Service Fees	3.01(b)
Service Manager	2.14
Service Provider	Preamble
Service Provider Indemnitees	6.01(a)
Service Provider Party	2.02
Service Recipients	2.01(a)
Service Recipient Indemnitees	6.01(b)
Service Taxes	3.08(a)
Specific Billing	3.01(b)
Term	2.01(b)
Termination Fees	7.02
Third Party Claim	6.02(a)
Third Party Consent Costs	2.08(a)
Third Party Provider	2.02
Transition Date	4.01(c)(ii)
Transition Employee	4.01(c)(i)

Section 1.02. *Other Definitional and Interpretive Provisions*. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits, Appendices, Annexes and Schedules are to Articles, Sections, Exhibits, Appendices, Annexes and Schedules of this Agreement unless otherwise specified. All Exhibits, Appendices, Annexes and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit, Appendix, Annex or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law", "laws" or to a particular statute or law shall be deemed also to include any and all Applicable Law. The word "or" means "and/or" unless the context provides otherwise. References to "dollars" or "$" shall mean U.S. dollars, and whenever conversion of values to or from any currency other than U.S. dollars for a particular date shall be required, such conversion shall be made using the closing rate provided by Bloomberg as of the date that is one Business Day prior to such date. References to one gender shall be held to include the other gender as the context requires. In the event of any inconsistency between the terms of this Agreement and the terms set forth in any Service Schedule, the terms set forth in the applicable Service Schedule shall prevail unless expressly provided otherwise.

ARTICLE 2
SERVICES

Section 2.01. *Services*. (a) Subject to the terms and conditions set forth herein, Service Provider shall cause the Service Provider Parties to provide to L Brands and its Affiliates (collectively the "**Service Recipients**"), and the Service Recipients shall receive, the Services for the term indicated in Section 2.01(b). A detailed description of each Service to be provided by the Service Provider Parties to the Service Recipients hereunder is set forth in the Service Schedules.

(b) Service Provider shall cause the Service Provider Parties to provide, and the Service Recipients shall receive, each Service for the period specified for such Service in the applicable Service Schedule (each such period, a "**Term**"). The Term for each Service may be (i) extended or shortened by mutual written agreement of L Brands and Service Provider, and (ii) terminated by L Brands or Service Provider, as applicable, pursuant to Section 7.01, in each case to be reflected in an amendment to the applicable Service Schedule.

(c) In addition to the Services to be provided or procured by Service Provider in accordance with Section 2.01(a), if due to a good faith oversight, the Service Schedules fail to identify a service provided by the Service Provider Parties to the L Brands Business during the twelve month period prior to the date hereof (an "**Additional Service**"), and such Additional Service is necessary for the Service Recipients during the term of this Agreement to operate the L Brands Business in substantially the same manner as the L Brands Business had been operated during the twelve month period prior to the date hereof, upon written request of any Service Recipient that identifies and states its desire to receive such Additional Service, the parties hereto shall negotiate in good faith for Service Provider to provide or cause to be provided such Additional Service; *provided* that (i) nothing herein shall obligate either party hereto to agree to any such terms or to provide or receive any such Additional Service unless agreed in writing by both parties hereto and (ii) no Additional Service shall be provided for a Term extending beyond 24 months following the Distribution Date. To the extent the parties hereto reach a written agreement with respect to providing such Additional Service, the parties shall cooperate and act in good faith to add such Additional Service to the Service Schedules and mutually agree in good faith to a description of such Additional Service, the Term during which such Additional Service would be provided, the Service Fees for such Additional Service and any other terms applicable thereto. Upon amendment of the Service Schedules to include such Additional Service, such Additional Service shall be deemed part of the "Services" provided under this Agreement subject to the terms and conditions of this Agreement.

Section 2.02. *Service Provider's Affiliates and Third Party Providers*. In providing, or otherwise making available, the Services to the Service Recipients, Service Provider may use, at its discretion, its own personnel or the personnel of any of its Affiliates (including the TSA Employees) or employ the services of contractors, subcontractors, vendors or other third parties (each, a "**Third Party Provider**"); provided that Service Provider shall remain responsible for ensuring that its obligations with respect to such Services, including the general standard of service described below under Section 2.03, are satisfied with respect to all Services provided by any Service Provider Party. Each of Service Provider, its Affiliates and any Third Party Provider that provides Services shall be referred to as a "**Service Provider Party**".

Section 2.03. *General Standard of Service*. Except as otherwise agreed in writing by the parties hereto or expressly provided in this Agreement, each Service Provider Party shall provide Services in all material respects in substantially the same manner in terms of the nature, quality and standard of care as such services have been provided to the Affiliates and other businesses of Service Provider or L Brands, as applicable, during the twelve month period prior to the date hereof and after the date hereof. Service Provider shall not be responsible for any inability to provide a Service or any delay in doing so to the extent that such inability or delay is the result of the failure of any Service Recipient to timely provide the information, access or other cooperation necessary for a Service Provider Party to provide such Service. Service Provider's obligation to cause the Services to be provided in accordance with the standards set forth in this Section 2.03 shall be subject to Service Provider's right to supplement, modify, substitute or otherwise alter any of the Services from time to time in a manner that is generally consistent with supplements, modifications, substitutions or alterations made for similar services provided or otherwise made available by a Service Provider Party to Service Provider or any of its Affiliates or as required by Applicable Law.

Section 2.04. *Compliance with Applicable Law*. The parties hereto will comply, and will cause their Affiliates and their respective employees to comply, with all Applicable Law in the performance of this Agreement.

Section 2.05. *Force Majeure*. Neither party hereto shall be liable to the other party hereto for any interruption of service, any delays or any failure to perform under this Agreement caused by matters or events occurring that are beyond the reasonable control of such party, including, strikes, lockouts or other labor difficulties; fires, floods, acts of God, extremes of weather, earthquakes, tornadoes, or similar occurrences; riot, insurrection or other hostilities; embargo; fuel or energy shortage; delays by unaffiliated suppliers or carriers; inability to obtain necessary labor, materials or utilities; or any epidemic, pandemic or disease outbreak (including COVID-19) or worsening thereof. Any delays, interruptions or failures to perform caused by such occurrences shall not be deemed to be a breach or failure to perform under this Agreement; *provided* that (i) this Section 2.05 only operates to suspend, and not to discharge, a party's obligations under this Agreement, and that when the causes of the failure or delay are removed or alleviated, the affected party shall resume performance of its obligations hereunder and to the extent such suspension adversely impacts the progress of the transition of any Service to a Service Recipient, the Service Recipient may request in writing that the Term for such Service shall be tolled for the duration of such suspension and (ii) this Section 2.05 shall not excuse a party's obligation to pay money; *provided*, *further*, that L Brands shall not be obligated to pay (other than previously accrued Service Costs) for any particular Service during the pendency of Service Provider's failure to provide such particular Service. Each party hereto shall use its good faith efforts to promptly notify the other upon learning of the occurrence of such event of a force majeure and (x) the affected party shall use its commercially reasonable efforts to mitigate and eliminate the force majeure in order to resume performance as promptly as practicable, provided that such affected party will have no obligation to incur any costs or liabilities to do so, and (y) the unaffected party shall have no obligation hereunder with respect to the obligations the affected party is unable to perform due to the force majeure event. If Service Provider is unable to provide any of the Services due to a force majeure event, the parties hereto shall use commercially reasonably efforts to cooperatively seek a solution that is mutually satisfactory, such as the subcontracting of all or part of the provision of the Services under the supervision of Service Provider for the period of time during or affected by the force majeure.

Section 2.06. *Limitations*. (a) L Brands agrees that the Services will be used by each Service Recipient solely in connection with the operation of the L Brands Business and to facilitate an orderly separation of the L Brands Business from the VS Business following the Distribution Time. No member of the L Brands Group may resell, license the use of or otherwise permit the use by any Person other than the Service Recipients of any Services, except with the prior written consent of Service Provider.

(b) In providing the Services, no Service Provider Party shall be obligated to, unless expressly agreed in writing by the parties or expressly set forth on the applicable Service Schedule: (i) hire any additional employees; (ii) maintain the employment of any specific employee; (iii) purchase, lease or license any additional equipment, hardware, Intellectual Property Right or software, except to the extent (A) software is reasonably necessary for the performance or receipt of a Service and (B) L Brands agrees to solely bear the applicable cost and expense (and which shall be subject to L Brands' prior written approval) or (iv) provide any Service to any Service Recipient for any fiscal year at a volume or level that is more than 120% of the volume or level of such Service in the preceding fiscal year.

Section 2.07. *Labor Matters*. All labor matters relating to any TSA Employees shall be within the exclusive control of Service Provider (or its applicable Affiliate or Third Party Provider), and L Brands and its Affiliates shall not take any action affecting such matters. Except as expressly provided in Article 4, nothing in this Agreement is intended to transfer the employment of any TSA Employee to L Brands or any of its Affiliates. All TSA Employees will be deemed for all compensation, employee benefits, tax and social security contribution purposes to be employees of Service Provider (or its applicable Affiliate or Third Party Provider) and not employees of L Brands or any of its Affiliates. In providing the Services, the TSA Employees will be under the direction, control and supervision of Service Provider or its Affiliates or Third Party Provider and not of L Brands or any of its Affiliates. Except with respect to the L Brands Assets, or any other assets and materials provided by L Brands in accordance with Section 2.08(b), all procedures, methods, systems, strategies, tools, equipment, facilities and other resources of any Service Provider Party that are used by any Service Provider Party in connection with the provision of Services hereunder (including any Intellectual Property Right whether existing or created in connection with the provision of the Services or otherwise) shall remain the property of such Service Provider Party and shall at all times be under the sole direction and control of Service Provider.

Section 2.08. *Facilities; Cooperation; Further Actions*. (a) Service Provider and L Brands shall use commercially reasonable efforts to obtain, and to keep and maintain in effect (or to cause their respective Affiliates to obtain, and to keep and maintain in effect), all governmental or third party licenses and consents required for the provision of any Service by a Service Provider Party in accordance with the terms of this Agreement; provided that if Service Provider or any of its Affiliates is unable to obtain any such license or consent, Service Provider shall promptly notify L Brands in writing and shall, and shall cause its Affiliates to, use commercially reasonable efforts to implement an appropriate alternative arrangement. The costs relating to obtaining any such licenses or consents shall be borne solely by L Brands (the "**Third Party Consent Costs**") and none of Service Provider or any of its Affiliates shall be required to pay any money or other consideration or grant any other accommodation to any Person (including any amendment to any contract) or initiate any action, suit or proceeding against any Person to obtain any such license or consent; provided that Service Provider and its Affiliates shall not incur any such costs without the prior written consent of L Brands. If any such license, consent or alternative arrangement is not available despite the commercially reasonable efforts of Service Provider and its Affiliates or as a result of L Brands failing to consent to the incurrence of costs relating to obtaining any such license or consent, Service Provider shall not be required to cause to be provided the affected Services.

(b) To the extent necessary, or upon Service Provider's reasonable request, L Brands shall make all L Brands Assets or other facilities (including all ancillary facilities-related services), assets, information technology systems and applications or materials of the Service Recipients available to Service Provider or the applicable Service Provider Party for the provision of the Services (it being understood that, as between the parties hereto, title to all L Brands Assets and such other facilities, assets, information technology systems and applications or materials shall at all times remain with the applicable Service Recipient and such Service Recipient shall at all times be the owner of record of such L Brands Assets and other facilities, assets, information technology systems and applications or materials and shall be solely responsible for any matters arising therefrom or related thereto); provided that in the event L Brands fails to make any such L Brands Assets or other facilities, assets, information technology systems and applications or materials available to Service Provider or the applicable Service Provider Party, Service Provider shall have no further obligation to provide any affected Services to the extent such L Brands Assets or other facilities, assets, information technology systems and applications or materials are required for the provision of such Services.

Section 2.09. *Intellectual Property*. (a) Subject to the terms and conditions of this Agreement, with respect to each Service, Service Provider (on behalf of itself and its Affiliates) hereby grants to each Service Recipient and its Affiliates a limited, non-exclusive, non-sublicenseable, non-assignable (except as expressly provided for in Section 9.04) license, solely during the Term for such Service, to use any Intellectual Property Right (other than Trademarks), software and data that is (i) owned by Service Provider or its Affiliates and (ii) provided or otherwise made available by Service Provider or its Affiliates to such Service Recipient as part of such Service, but in each case solely to the extent necessary for such Service Recipient and its Affiliates to receive and use such Service as provided for and in accordance with this Agreement, subject to any applicable third party restrictions or limitations.

(b) Subject to the terms and conditions of this Agreement, with respect to each Service, each Service Recipient (on behalf of itself and its Affiliates) hereby grants to Service Provider and its Affiliates a limited, non-exclusive, royalty-free, non-sublicenseable (except as expressly set forth herein), non-assignable (except as expressly provided for in Section 9.04) license, solely during the Term for such Service, in and to any Intellectual Property Right (other than Trademarks), software and data owned or controlled by such Service Recipient or any of its Affiliates, but in each case solely to the extent necessary for Service Provider, its Affiliates or any Third Party Provider to perform such Service as provided for and in accordance with this Agreement, subject to any applicable third party restrictions or limitations (it being understood that Service Provider shall have the right to grant a sublicense under the foregoing license to any Third Party Provider).

(c) ALL SERVICES AND INTELLECTUAL PROPERTY RIGHTS LICENSED HEREUNDER ARE PROVIDED ON AN "AS IS" BASIS WITH NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, INCLUDING WITH RESPECT TO MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR NON-INFRINGEMENT. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NO LICENSES OR OTHER RIGHTS TO ANY SOFTWARE, INTELLECTUAL PROPERTY RIGHTS, DATA OR OTHER ASSETS ARE GRANTED TO EITHER PARTY HERETO UNDER THIS AGREEMENT, WHETHER BY IMPLICATION, ESTOPPEL, EXHAUSTION OR OTHERWISE, AND EACH PARTY HERETO RETAINS AND RESERVES ALL RIGHTS NOT EXPRESSLY GRANTED UNDER THIS AGREEMENT.

(d) The parties hereto acknowledge and agree that, as between the parties, Service Provider shall solely own all right, title and interest in and to all Intellectual Property Rights (other than Trademarks) authored, conceived, developed or reduced to practice by any Service Provider Party (whether solely or jointly with others) in connection with the Services ("**Developed Intellectual Property**"), *provided* that L Brands shall own all right, title and interest in and to all Developed Intellectual Property exclusively used in the L Brands Business ("**L Brands Developed Intellectual Property**"). L Brands hereby irrevocably assigns, and shall cause the other Service Recipients to assign, to Service Provider all of its or their right, title and interest in and to all Developed Intellectual Property (other than L Brands Developed Intellectual Property), and hereby waives any and all moral rights that it or they may have in all such Developed Intellectual Property. Service Provider hereby irrevocably assigns, and shall cause the other Service Provider Parties to assign, to L Brands all of its or their right, title and interest in and to all L Brands Developed Intellectual Property, and hereby waives any and all moral rights that it or they may have in any L Brands Developed Intellectual Property. The parties hereto agree to execute all other documents and take all actions as may be necessary or desirable to enable the other party to prosecute, perfect, enforce, defend, register and/or record its right, title and interest in, to and under the Developed Intellectual Property or L Brands Developed Intellectual Property, as applicable.

Section 2.10. *Data Ownership and Data Protection*. As between the parties hereto, the applicable Service Recipient shall be the owner of all data collected, used, stored or otherwise processed by or on behalf of such Service Recipient under this Agreement to the extent related to the L Brands Business. Service Provider shall, and L Brands shall cause the Service Recipients to, comply with the Data Processing Addendum attached as Annex A hereto and all applicable privacy and data protection laws that are or that may in the future be applicable to the provision of Services hereunder.

Section 2.11. *Information Technology*. L Brands shall cause each Service Recipient, its employees and any subcontractors to: (a) not attempt to obtain access to or use any information technology systems of any Service Provider Party, or any data owned by any Service Provider Party, or any data used or processed by any Service Provider Party (other than any data of any Service Recipient), except to the extent required to receive the Services; (b) maintain reasonable security measures to protect the systems of each Service Provider Party to which it has access pursuant to this Agreement from access by unauthorized third parties, and any "back door", "time bomb", "Trojan Horse", "worm", "drop dead device", "virus" or other computer software routine intended or designed to disrupt, disable, harm or otherwise impede in any manner the operation of such systems; (c) not permit access or use of information technology systems of any Service Provider Party by a third party other than as authorized by prior written consent of Service Provider; (d) not disable, damage or erase or disrupt or impair the normal operation of the information technology systems of any Service Provider Party; and (e) comply with the security policies and procedures of each Service Provider Party (to the extent previously provided to each Service Recipient in writing). Each party hereto shall promptly notify the other party in the event it or any of its respective Affiliates becomes aware of or suspects that there has been a breach of security or a loss, theft or unauthorized access, use or disclosure of any information technology systems (collectively, "**IT Breach**") of any Service Provider Party or any Service Recipient to the extent such (i) IT Breach could adversely affect the provision or receipt of the Services hereunder or such other party's data or Confidential Information or (ii) notice is required by Applicable Law.

Section 2.12. *Policies and Procedures*. L Brands shall cause each Service Recipient and its employees, officers, directors, advisors and representatives (collectively, "**Representatives**") and any subcontractors to comply with the internal policies, procedures, rules and regulations of the Service Provider Parties (as may be updated from time to time) applicable to (a) the use of the Service Provider Parties' information technology systems, computers, networks, telephone systems, software, data, equipment or other facilities in connection with the Services or (b) such Service Recipient's conduct while on a Service Provider Party's premises or utilizing a Service Provider Party's facilities in connection with the Services, in each case to the extent such policies, procedures, rules or regulations are generally applicable to such Service Provider Party's own organization.

Section 2.13. *Access to Information*. (a) Subject to Applicable Law, L Brands shall, and shall cause the other Service Recipients to, with respect to any Service during the Term of such Service, upon reasonable advance notice, afford Service Provider and its Representatives, including Service Provider's internal and external auditors, reasonable access, during normal business hours, to the employees, properties, books and records and other documents of the Service Recipients that are reasonably requested by Service Provider in connection with the provision and receipt of such Service hereunder.

(b) Subject to Applicable Law, Service Provider shall, upon reasonable advance notice, afford L Brands' internal audit associates and L Brands' current external audit firm (who has executed an appropriate confidentiality agreement reasonably acceptable to Service Provider) reasonable access, during normal business hours, to the information technology systems used by Service Provider with respect to the provision of any Service hereunder solely during the Term of such Service and solely for the purpose of performing audit procedures to support the audit of L Brands' financial statements and L Brands' internal control environment, including L Brands' Report on Internal Control over Financial Reporting. L Brands' internal audit associates and L Brands' external audit firm shall be authorized to maintain documentation supporting the findings of their respective audit procedures. If L Brands wishes to use a new external audit firm for its 2021 or 2022 fiscal year audits, L Brands must obtain prior written consent from Service Provider, and such new firm must execute an appropriate confidentiality agreement reasonable acceptable to Service Provider, before such new firm is granted access to Service Provider's information technology systems pursuant to this Section 2.13(b).

Section 2.14. *Transition Governance*. Service Provider, on the one hand, and L Brands, on the other hand, shall each designate a service manager (that party's "**Service Manager**"), who shall be directly responsible for coordinating and managing for the party he or she represents all activities undertaken by such party hereunder, including making available to the other party the information, facilities, resources and other support services required for the performance of, or receipt of, the Services in accordance with the terms of this Agreement. The Service Managers shall meet or confer, by telephone or in person, from time to time as necessary, and at least once per month or otherwise as the parties agree, during the term of this Agreement in order to promote open and efficient communication regarding effective and coordinated performance of, and the resolution of questions and issues related to, the Services. The Service Managers shall also discuss progress in the transition of the Services hereunder and may establish a set of procedures, including frequency of meetings and reporting, and other reasonable structures for their cooperation and the cooperation of the parties in the execution of their obligations pursuant to this Agreement. Service Provider, on the one hand, and L Brands, on the other hand, may, in its sole discretion, replace its respective Service Manager from time to time with a substitute upon notice to the other party.

ARTICLE 3
SERVICE FEES

Section 3.01. *Fees for Services*.

(a) In consideration for the Services provided under this Agreement, L Brands shall pay to Service Provider (or the Service Provider Party designated by Service Provider) the fees for each Service, as calculated below.

(b) Each Service Schedule indicates, with respect to each Service listed therein, whether the costs to be charged to the Service Recipients for such Service are determined by (i) the customary billing method described in Section 3.02 ("**Customary Billing**"), (ii) the pass-through billing method described in Section 3.03 ("**Pass-Through Billing**"), (iii) the percentage of net sales method described in Section 3.04 ("**Percent of Sales Billing**"), (iv) the fixed fee method described in Section 3.05 ("**Fixed Fee Billing**"), (v) a specific billing method to be mutually agreed upon by the applicable Service Recipients and Service Provider ("**Specific Billing**") or (vi) some combination thereof. The amounts calculated by the Service Provider pursuant to the Customary Billing, Pass-Through Billing, Percent of Sales Billing, Fixed Fee Billing and Specific Billing methods applicable to Services provided to the Service Recipients and charged to the Service Recipients as provided herein, together with any and all Disengagement Costs incurred in connection with the provision of any and all Disengagement Services, are collectively referred to herein as the "Service Fees."

(c) The Service Fees calculated pursuant to each of the specific billing methods described herein may include without limitation (and without duplication) one or more of the following costs: (i) direct (i.e., out-of-pocket) costs incurred by the Service Provider Parties in providing the Services, (ii) subject to the express terms of any applicable Service Schedule, a reasonably and fairly allocated portion of costs or expenses (including the allocable portion of the compensation, benefits and other employment-related costs relating to the TSA Employees (including with respect to participation by such TSA Employees in any VS H&W Plan (as defined in the Employee Matters Agreement)) and service-specific overhead costs and the costs of depreciation of new and existing assets) incurred by one or more of the Service Provider Parties in providing services to one or more of the Service Provider and its Affiliates and the Service Recipients (each, an "**Allocated Cost**"), and (iii) third party costs, including but not limited to Third Party Consent Costs, incurred by one or more of the Service Provider Parties in providing the Services (each of (i)-(iii), a "**Cost Component**," and collectively, the "**Cost Components**"). To the extent expressly set forth in the Service Schedules, the Service Fees may include a cost-plus billing method based upon the aggregate costs incurred by Service Provider or its Affiliates relative to a particular Service plus a percentage of such costs in consideration of Service Provider's or its Affiliates' procurement and administration ("**Administrative Charge**") of such Service.

(d) The parties hereto intend and agree that this Agreement provides for the orderly and efficient separation of the L Brands Business from the VS Business following the Distribution Time and that the methods of calculation of the Service Fees hereunder shall permit the Service Provider (or its Affiliates, if so designated) to receive full reimbursement for all overhead, administrative and supervisory costs and expenses incurred directly or indirectly by the Service Provider Parties in connection with the provision of the Services consistent with the manner in which the Service Provider Party charges and/or receives reimbursement from its Affiliates from time to time (including one or more of the Cost Components, together with any other amounts agreed to by the parties hereto) as provided in the applicable Service Schedule or as otherwise agreed by the parties hereto. It is further understood and agreed that when any Service Fees for Services hereunder are to be determined or agreed upon by Service Provider and L Brands (whether before or after the Distribution Time), such Service Fees shall, except as otherwise set forth in this Agreement, in all events include all pertinent Cost Components and any other amounts therefor mutually agreed to by the parties hereto, including any Administrative Charge to the extent expressly set forth in the Service Schedule.

Section 3.02. *Customary Billing*. The Service Fees to which the Customary Billing method applies shall, subject to Section 3.01(c) and (d), be calculated on a basis that is substantially equivalent to the basis on which costs are attributed (whether through direct or indirect charges, allocations or otherwise) from time to time, now or in the future, to other companies or businesses operated by Service Provider for the same or comparable services (including one or more of the Cost Components); provided, that (i) in respect of any particular Services, if Service Provider does not generally attribute costs associated with the same or comparable services to other companies or businesses operated by Service Provider as provided above, then the Customary Billing method for such Services shall be equivalent to the market value of all Services provided by Service Provider personnel and other Persons (including all Cost Components) which are reasonably allocable to the provision of such Services to the Service Recipients and (ii) if Service Provider provides financial relief from time to time to any companies or businesses operated by Service Provider with respect to any costs, fees, expenses and/or allocations that are otherwise generally allocated to or paid by companies or businesses operated by Service Provider, the Service Recipients shall not be entitled to the same financial relief.

Section 3.03. *Pass-Through Billing*. The costs of Services to which the Pass-Through Billing method applies shall, subject to Section 3.01(c) and (d), be equal to the aggregate amount of the third-party costs and expenses incurred (which costs shall include but not be limited to adjustments for attributable rebates and Third Party Consent Costs) by any Service Provider Party on behalf of the Service Recipients.

Section 3.04. *Percent of Sales Billing*. The costs of Services to which the Percent-of-Sales Billing method applies shall, subject to Section 3.01(c) and (d), be equal to the amount obtained by multiplying (x) the aggregate cost incurred each month by the Service Provider and its Affiliates in providing such Services to one or more businesses of Service Provider or its Affiliates and to all Service Recipients by (y) the Net Sales Ratio for such month. "**Net Sales Ratio**" means the net sales of the applicable Service Recipients for a particular month divided by the aggregate net sales of all businesses of Service Provider, combined with (i) the net sales of the Service Recipient to which costs for such month are being allocated and (ii) the net sales of any Service Recipient other than the Service Recipient identified in clause (i) receiving such Services to which costs for such month are being allocated. In order to permit Service Provider to calculate the billing method provided for in this Section 3.04 (and for no other purpose), the applicable Service Recipient shall provide Service Provider with all reasonably necessary sales information not later than the close of business on the first Business Day immediately following such calendar month.

Section 3.05. *Fixed Fee Billing*. The cost of Services to which the Fixed Fee Billing method applies shall be in the amount set forth in the applicable Service Schedule.

Section 3.06. *Invoicing of Fees*. (a) Service Provider shall invoice, or shall cause the applicable Service Provider Party to invoice, L Brands on a monthly basis (not later than the fifteenth day of the following month), for the Service Costs and any applicable Disengagement Costs incurred in the prior month, including reasonable supporting data. Service Provider shall use its commercially reasonable efforts to cause invoices to be presented to L Brands on the schedule set forth in this Section 3.06, but no delay in presentation of an invoice shall affect L Brands' obligation to pay the full amount of such invoice, when presented, on the terms set forth herein.

(b) Except as specifically provided on the applicable Service Schedule, L Brands shall pay, or shall cause to be paid, each invoice delivered pursuant to Section 3.06(a) on or before the date (each, a "**Payment Date**") that is 30 days after the date of receipt of such invoice. Such payments shall be made by wire transfer of immediately available funds to an account designated by Service Provider.

(c) If L Brands fails to pay the full amount of any invoice under this Agreement within 15 days of the applicable Payment Date, L Brands shall be obligated to pay, in addition to the amount due on such Payment Date, interest on such amount at the rate of 12% per annum, compounded monthly from the applicable Payment Date through the date of payment; provided that such interest rate shall not exceed the maximum rate permitted by Applicable Law. All payments made shall be applied first to unpaid interest and then to amounts invoiced but unpaid. If L Brands fails to pay the full amount of any invoice within 30 days of the applicable Payment Date, such failure shall be considered a material breach of this Agreement, and to the extent the aggregate amount of such overdue unpaid invoices exceeds $1,000,000, Service Provider may, after 10 days' prior notice to L Brands, elect to suspend, without liability, its obligations hereunder to cause to be provided any or all Services to L Brands until such time as such invoices have been paid in full.

(d) If any Service requires any Service Provider Party to make any payment to any third party on behalf of any Service Recipient or any of its Affiliates, L Brands shall deposit, by wire transfer of immediately available funds to an account designated by Service Provider, the amount of such payment at least one Business Day prior to the date on which such payment is to be made; provided that, notwithstanding anything to the contrary in this Agreement, Service Provider shall have no obligation to cause any such payment to be made unless and until L Brands deposits the full amount of any such payment in accordance with this Section 3.06(d).

Section 3.07. *Right to Set Off*. Notwithstanding anything in this Agreement or the L Brands to VS TSA to the contrary and without limiting any of L Brands' or any of its Affiliates' other remedies under contract or Applicable Law, L Brands shall have the right, but not the obligation, to set off any payments that are past due by Service Provider or any member of the VS Group under the L Brands to VS TSA and not yet paid by Service Provider or any such VS Group member against any Service Fees that have become payable and not yet been paid by L Brands hereunder; provided that such set off amount shall be identified in reasonable detail in the next applicable invoice sent to Service Provider. Except as set forth herein, L Brands hereby unconditionally and irrevocably waives any rights of set off, netting, offset, recoupment or similar right that L Brands has or may have with respect to the payment of the Service Fees or any other payments to be made by L Brands pursuant to this Agreement.

Section 3.08. *Taxes*. (a) L Brands shall bear and pay all applicable sales, use, transaction, consumption, excise, services, value added, transfer, payroll, employment and other similar Taxes (and any related interest, penalty, addition to tax or additional amount imposed) incurred or imposed with respect to the provision of the Services, to this Agreement or to any payment hereunder ("**Service Taxes**"), whether or not such Service Taxes are shown on any invoices. If any Service Provider Party pays any portion of such Service Taxes, L Brands shall reimburse such Service Provider Party within five (5) days of receipt of evidence that such Service Taxes have been paid. Any Service Taxes shall be incremental to other payments or charges identified in this Agreement.

(b) All sums payable under this Agreement shall be paid free and clear of all deductions or withholdings unless such deduction or withholding is required by Applicable Law, in which event L Brands shall promptly inform the Service Provider Party of such required deduction or withholding and the amount of the payment due from L Brands shall be increased to an amount that after any deduction or withholding leaves an amount equal to the payment that would have been due if no such deduction or withholding had been required. L Brands shall pay (or cause to be paid) such deducted or withheld amounts over to the applicable Governmental Authority in accordance with the requirements of Applicable Law and provide the applicable Service Provider Party with an official receipt confirming payment.

Section 3.09. *Audits*. Throughout the term of this Agreement and for one year thereafter, L Brands shall have the right once within each calendar year, at its own expense and on 30 days' advance written notice to Service Provider, to have an independent auditor reasonably acceptable to Service Provider (and who has executed an appropriate confidentiality agreement reasonably acceptable to Service Provider) audit the books and records of Service Provider or any of its Affiliates for the sole purpose of certifying the accuracy of the Service Fees and Cost Components charged by Service Provider to the Service Recipients in accordance with the terms of this Agreement for the preceding calendar year; *provided* that (i) any such audit shall take place during reasonable business hours on a mutually agreed upon date, (ii) such auditor shall in no event be entitled to any contingency fee (or otherwise have any portion of its compensation be directly or indirectly determined based on the outcome of such audit) and (iii) no such books and records may be audited more than one time. Service Provider may designate competitively sensitive information which such auditor may see and review but which it may not disclose to L Brands and all such books and records, and any applicable audit report and findings, shall be the Confidential Information of Service Provider. L Brands shall provide to Service Provider a copy of each such audit report promptly after its receipt thereof. In the event that any such audit indicates any overpayment or underpayment of amounts paid to Service Provider by any Service Recipient, the applicable party shall pay to the other party (within 30 days following the date of delivery of such audit report to Service Provider) the amount of such overpayment or underpayment, as the case may be, plus (if the overpayment or underpayment amount exceeds $250,000.00) interest accruing monthly from the date of such overpayment or underpayment until such amount is paid at 12% per annum, compounded monthly from the relevant payment due date through the date of payment (provided that such interest rate shall not exceed the maximum rate permitted by Applicable Law). If either party hereto has a good faith dispute with respect to the findings of such audit, the parties shall follow the dispute resolution procedures set forth in Section 9.07.

ARTICLE 4
RETENTION AND TRANSFER OF CERTAIN TSA EMPLOYEES

Section 4.01. *Employment of Transition Employees*. Notwithstanding anything to the contrary in this Agreement or in the Employee Matters Agreement:

(a) Service Provider or an Affiliate of Service Provider shall retain in its employ each Transition Employee until the Transition Date applicable to such Transition Employee (unless the employment of the relevant Transition Employee is otherwise terminated by such Transition Employee or by the employer of such Transition Employee in the ordinary course of business); and

(b) L Brands shall, or shall cause one of its Affiliates to, offer employment to each Transition Employee, effective as of the Transition Date applicable to such Transition Employee, in accordance with Section 4.02 below.

(c) For these purposes:

(i) "**Transition Employee**" means each TSA Employee with respect to whom Service Provider and L Brands have mutually identified and agreed in writing will transfer employment from Service Provider or one of its Affiliates to L Brands or one of its Affiliates.

(ii) "**Transition Date**" means, with respect to each Transition Employee who accepts an offer of employment from L Brands or its applicable Affiliate pursuant to this Article 4, the date on which such Transition Employee's employment commences with L Brands or an applicable Affiliate of L Brands, which shall be the earliest of (A) the first day immediately following the last day of the applicable Term, as identified in the applicable Service Schedule, (B) the termination of (x) the applicable Service in which such Transition Employee is engaged or (y) this Agreement, in each case pursuant to Section 7.01 or (C) any other day mutually agreed upon in writing by L Brands and Service Provider.

Section 4.02. *Transfer of Transition Employees*.

(a) Each of Service Provider and L Brands will cooperate in good faith to mutually identify the Transition Employees as promptly as practicable following the date of this Agreement.

(b) L Brands shall, or shall cause an Affiliate of L Brands to, offer employment to each Transition Employee on terms and conditions consistent with (i) the Employee Matters Agreement and (ii) the terms and conditions of employment applicable to such Transition Employee as of immediately prior to the applicable Transition Date. Subject to such Transition Employee's acceptance of such offer, such employment shall commence effective as of the Transition Date applicable to such Transition Employee. Such offer of employment shall be communicated by L Brands (or its applicable Affiliate) to such Transition Employee in a reasonable amount of time prior to such Transition Date in accordance with procedures to be mutually determined by Service Provider and L Brands.

(c) Subject to such Transition Employee's acceptance of such offer of employment, such Transition Employee shall be deemed a Delayed L Brands Transfer Employee (as defined in the Employee Matters Agreement), effective as of such Transition Employee's applicable Transition Date, for all purposes under the Employee Matters Agreement, and the provisions of Employee Matters Agreement shall apply with respect to such Transition Employee.

(d) As provided under the Employee Matters Agreement, and without limiting any other provisions of this Agreement or the Employee Matters Agreement, L Brands (or its applicable Affiliate) will take all measures that are required or appropriate in order to (i) effectuate the transfer of employment of each Transition Employee to L Brands (or its applicable Affiliate) as of the Transition Date applicable to such Transition Employee (including by making an offer of employment to such Transition Employee in accordance with the terms of this Article 4) and (ii) avoid and mitigate, to the maximum extent possible, the incurrence of any severance obligations or termination-related obligations (including by the provision of all appropriate notices, assurances and offers of employment and the assignment and assumption of obligations or undertakings with respect to the employment, compensation, benefits, protections or other obligations relating to any such Transition Employee).

(e) Service Provider and L Brands shall reasonably cooperate to (i) enable L Brands and its applicable Affiliates to communicate with the Transition Employees and receive information with respect to the terms of employment of the Transition Employees as necessary and appropriate to facilitate L Brands' obligations under this Article 4 and (ii) transfer and assign to L Brands (or its applicable Affiliate), and effectuate the assumption by L Brands (or its applicable Affiliate), all employment- and benefit-related obligations of the Service Provider (and its Affiliates) with respect to each Transition Employee who accepts and commences employment with L Brands (or its applicable Affiliate) in accordance with the Employee Matters Agreement, other than the obligations expressly retained by the Service Provider (and its Affiliates) pursuant to the Employee Matters Agreement. L Brands shall notify Service Provider in writing of each offer of employment made by L Brands (or its applicable Affiliate) to each Transition Employee, including the date of the offer, the proposed employment date and the terms and conditions of the offer.

(f) Each of Service Provider and L Brands agree and acknowledge that, to the extent applicable and mutually agreed between the parties hereto, each applicable Service Schedule shall set forth the terms and conditions relating to the allocation of responsibility between Service Provider and L Brands with respect to any severance or other termination-related payments or benefits that may become payable to any TSA Employees.

ARTICLE 5
CONFIDENTIALITY

Section 5.01. *Confidentiality*. From and after the Effective Date, each party hereto shall hold, and cause its Representatives to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law (in which event the disclosing party first notifies the other party hereto of such process or requirement and allows such party a reasonable opportunity to seek a protective order or other appropriate remedy to prevent such disclosure), all documents and information concerning the other party hereto provided to it pursuant to this Agreement ("**Confidential Information**"), and shall not, without the prior written consent of the other party hereto, disclose or use any Confidential Information of the other party hereto except as necessary in the performance of its obligations under this Agreement; provided that the term "Confidential Information" (a) does not include information that is or becomes generally available to the public (other than as a result of a breach of this Agreement), (b) does not include information that was available to the receiving party or any of its Affiliates on a non-confidential basis prior to its disclosure to such receiving party or its Affiliates pursuant to this Agreement (except that this clause (b) shall not apply to information of either party hereto in the possession of the other party prior to the date hereof by virtue of their previous Affiliate relationship), (c) does not include information that is or becomes available to the receiving party or any of its Affiliates from a third party not known by the receiving party or its Affiliates to be bound by a confidentiality agreement or any legal, fiduciary or other obligation restricting disclosure of such information and (d) does not include information that is or was independently developed by the receiving party or any of its Affiliates without use of Confidential Information or otherwise violating this Agreement. Nothing in this Section 5.01 shall limit any other confidentiality obligations among the parties to this Agreement pursuant to any other agreement among such parties.

Section 5.02. *No Rights to Confidential Information*. Each party hereto acknowledges that it will not acquire any right, title or interest in or to any Confidential Information of the other party hereto by reason of this Agreement or the provision or receipt of Services hereunder.

Section 5.03. *Third Party Non-Disclosure Agreements*. To the extent that any third party proprietor of information or software to be disclosed or made available to any Service Recipient in connection with the performance of Services requires a specific form of non-disclosure agreement as a condition of its consent to use of the same for the benefit of such Service Recipient or to permit any Service Recipient access to such information or software, L Brands shall cause such Service Recipient to execute (and will cause such Service Recipient's employees to execute, if required) any such form.

Section 5.04. Safeguards. Each party hereto agrees to establish and maintain administrative, physical and technical safeguards, information technology and data security procedures and other protections against the destruction, loss, unauthorized access or alteration of the other party's Confidential Information which are no less rigorous than those otherwise maintained for its own Confidential Information.

ARTICLE 6
INDEMNIFICATION; LIMITATION OF LIABILITY

Section 6.01. *Indemnification*. (a) L Brands agrees to indemnify and hold harmless Service Provider and each other Service Provider Party, their respective Affiliates and their and their respective Representatives (collectively, the "**Service Provider Indemnitees**") from and against any and all damage, loss and expense (including reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding whether involving a third party claim or a claim solely between the parties hereto) ("**Damages**") asserted against or incurred by any Service Provider Indemnitee as a result or arising out of (i) a Service Recipient's or any of its Affiliates' breach of this Agreement, (ii) the provision of the Services by such Service Provider Indemnitee or the use of the Services by a Service Recipient or any of its Affiliates or (iii) a Service Recipient's or any of its Affiliates' gross negligence, fraud or willful misconduct; *provided* that L Brands shall not be responsible for any Damages to the extent Service Provider is required to indemnify a Service Recipient Indemnitee pursuant to Section 6.01(b).

(b) Service Provider agrees to indemnify and hold harmless each Service Recipient, its Affiliates and its and their respective Representatives (collectively, the "**Service Recipient Indemnitees**") from and against any and all Damages asserted against or incurred by any Service Recipient Indemnitee as a result or arising out of (i) a Service Provider Party's breach of this Agreement or (ii) a Service Provider's gross negligence, fraud or willful misconduct; *provided* that Service Provider shall not be responsible for any Damages to the extent L Brands is required to indemnify a Service Provider Indemnitee pursuant to Section 6.01(a).

Section 6.02. *Third Party Claim Procedures*. (a) The party seeking indemnification under Section 6.01 (the "**Indemnified Party**") agrees to give prompt notice in writing to the party against whom indemnity is to be sought (the "**Indemnifying Party**") of the assertion of any claim or the commencement of any suit, action or proceeding by any third party ("**Third Party Claim**") in respect of which indemnity may be sought under such Section. Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have materially and adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and, subject to the limitations set forth in this Section, shall be entitled to control and appoint lead counsel for such defense, in each case at its own expense.

(c) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of this Section 6.02, (i) the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of such Third Party Claim, if the settlement does not release the Indemnified Party and its Affiliates from all liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its Affiliates and (ii) the Indemnified Party shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of its choice for such purpose. The fees and expenses of such separate counsel shall be paid by the Indemnified Party.

(d) Each party hereto shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Third Party Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

Section 6.03. *Direct Claim Procedures*. In the event an Indemnified Party has a claim for indemnity under Section 6.01 against an Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party agrees to give prompt notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have materially and adversely prejudiced the Indemnifying Party. If the Indemnifying Party does not notify the Indemnified Party within 30 days following the receipt of a notice with respect to any such claim that the Indemnifying Party disputes its indemnity obligation to the Indemnified Party for any Damages with respect to such claim, such Damages shall be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall promptly pay to the Indemnified Party any and all Damages arising out of such claim. If the Indemnifying Party has timely disputed its indemnity obligation for any Damages with respect to such claim, the parties shall follow the dispute resolution procedures set forth in Section 9.07.

Section 6.04. *Calculation of Damages*. The amount of any Damages payable under Section 6.01 by the Indemnifying Party shall be net of any amounts recovered by the Indemnified Party under applicable insurance policies or from any other Person alleged to be responsible therefor. If the Indemnified Party receives any amounts under applicable insurance policies, or from any other Person alleged to be responsible for any Damages, subsequent to an indemnification payment by the Indemnifying Party, then such Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made or expense incurred by such Indemnifying Party in connection with providing such indemnification payment up to the amount received by the Indemnified Party, net of any expenses incurred by such Indemnified Party in collecting such amount.

Section 6.05. *No Warranties*. Except as expressly set forth in this Agreement, neither party hereto makes, and no party hereto is relying on, any warranty, express or implied, with respect to the Services and each party hereto hereby specifically disclaims any implied warranty of reasonable care or workmanlike effort.

Section 6.06. *Limitation of Liability; Exclusion of Damages*. (a) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT FOR A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS HEREUNDER OR A PARTY'S GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT, NO PARTY HERETO WILL BE LIABLE FOR ANY (I) PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR TREBLED DAMAGES (IN EACH CASE, EXCEPT TO THE EXTENT PAYABLE TO A THIRD PARTY IN RESPECT OF A THIRD PARTY PROCEEDING BASED ON A FINAL JUDGMENT OF A COURT OF COMPETENT JURISDICTION) OR (II) LOST PROFITS, DIMINUTION IN VALUE, MULTIPLE-BASED OR OTHER DAMAGES CALCULATED BASED ON A MULTIPLE OF ANOTHER FINANCIAL MEASURE, IN EACH CASE, ARISING OUT OF OR RELATING TO THIS AGREEMENT EVEN IF THE OTHER PARTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) NOTWITHSTANDING ANYTHING ELSE HEREIN TO THE CONTRARY, EXCEPT FOR SERVICE PROVIDER'S GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT, THE MAXIMUM AGGREGATE LIABILITY OF SERVICE PROVIDER TO THE SERVICE RECIPIENTS OR TO ANY THIRD PARTY UNDER OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED AND SHALL BE LIMITED TO THE FEES ACTUALLY RECEIVED BY SERVICE PROVIDER FOR THE SERVICES HEREUNDER (THE "**CAP**"); *PROVIDED* THAT, WITH RESPECT TO ANY DAMAGES FOR WHICH SERVICE PROVIDER IS OBLIGATED TO INDEMNIFY L BRANDS UNDER SECTION 6.01(b) AND THAT RELATE TO DATA PRIVACY, CYBERSECURITY OR OTHER SIMILAR MATTERS, IF SERVICE PROVIDER, USING COMMERCIALLY REASONABLE EFFORTS AND EXERCISING GOOD FAITH, IS ABLE TO RECOVER AN AMOUNT GREATER THAN THE CAP FROM ITS APPLICABLE THIRD-PARTY SERVICE PROVIDERS, SUCH EXCESS RECOVERY SHALL BE PASSED THROUGH TO L BRANDS ON A PRO-RATA BASIS TO THE EXTENT OF SUCH DAMAGES.

ARTICLE 7
TERMINATION OF SERVICES

Section 7.01. *Termination*. (a) Notwithstanding Section 2.01, except as expressly set forth otherwise in the applicable Service Schedule, L Brands may, at any time during the term of this Agreement and for any reason, terminate Service Provider's obligations to cause to be provided any or all Services, or any part of any Service, by giving at least 60 days' prior written notice of such termination to Service Provider; provided that in the event L Brands elects to terminate any (but not all) of the Services, (i) Service Provider may, within 10 Business Days following its receipt of such termination notice, provide L Brands with written notice of all applicable Dependent Services, (ii) upon receiving Service Provider's notice pursuant to the foregoing clause (i), L Brands may provide notice within 5 Business Days of such receipt of its withdrawal of its termination notice and (iii) if L Brands does not withdraw its termination notice within such 5 Business Day period, the Dependent Services shall automatically terminate upon the effective date of termination of such terminated Service. If L Brands notifies Service Provider of its intent to terminate any Service in part or reduce any Service, the Service Fees shall be reduced accordingly. For the avoidance of doubt, subject to the first sentence of this Section 7.01(a), if L Brands elects to terminate the provision of less than all Services, Service Provider shall continue to be obligated to cause to be provided any and all remaining Services.

(b) Service Provider may terminate its obligations to cause to be provided any or all Services at any time if L Brands shall have failed to perform any of its material obligations under this Agreement relating to any such Service (including the failure to provide any access, information or data required to effectuate such Service), but only if Service Provider shall have notified L Brands in writing of such failure and such failure shall have continued for a period of 30 days after receipt by L Brands of such written notice.

(c) If the performance of any Service subjects any Service Provider Party to a reasonable risk of violating an Applicable Law or would reasonably be expected to, individually or in the aggregate, materially and adversely affect the business of Service Provider or its Affiliates, then the relevant Service Provider Party (i) in the case of a violation of an Applicable Law, may immediately upon Service Provider providing written notice of such fact and the applicable Dependent Services to L Brands (it being understood that Service Provider shall provide L Brands with as much advance notice as is reasonably practicable under the circumstances and permitted by Applicable Law), suspend performance of such Service and any and all Dependent Services without liability to Service Provider or any Service Provider Party and (ii) in the case of a material and adverse effect to the business of Service Provider or its Affiliates, may, upon Service Provider providing written notice of such fact to L Brands sufficiently in advance to permit L Brands (acting reasonably) to arrange for replacement services, suspend performance of such Service without liability; *provided* that, (A) following delivery of such notice, the parties hereto will cooperate in good faith to promptly amend this Agreement to the extent necessary to eliminate such violation of Applicable Law or such effect while as nearly as possible accomplishing the purpose of the intended Service in a mutually satisfactory manner and (B) L Brands shall not be obligated to pay for any such suspended Services during the pendency of any Service Provider Party's suspension of such Services (it being understood that L Brands shall remain liable for any Service Costs incurred or accrued for such Services prior to such suspension). If the parties hereto are unable to agree upon such an amendment to this Agreement within 30 days of such notification, then either party hereto may terminate its obligation with respect to such suspended Services upon written notice to the other party hereto; provided that the applicable Dependent Services shall also automatically terminate upon the effective date of termination of such suspended Services.

(d) L Brands may terminate Service Provider's obligation to cause to be provided any Service at any time if Service Provider shall have failed to perform any of its material obligations under this Agreement relating to such Service, but only if L Brands shall have notified Service Provider in writing of such failure and such failure shall have continued for a period of 30 days after receipt by Service Provider of such written notice.

(e) Subject to Section 7.02, this Agreement shall terminate in its entirety on the date when no additional Services are to be provided as set forth in each applicable Service Schedules, as the same may hereafter be amended.

Section 7.02. *Effect of Termination*. Other than as required by Applicable Law, upon expiration or termination of any or all Service(s) pursuant to Section 7.01 or otherwise pursuant to this Agreement, Service Provider shall have no further obligation to cause to be provided the terminated Service(s) and L Brands shall have no obligation to pay any Service Fees relating to such terminated Service(s); provided that, notwithstanding such termination, the Service Recipients shall remain liable to Service Provider for (a) Service Costs incurred prior to the effective date of the expiration or termination of such Service(s), (b) the Disengagement Costs relating to the termination of such Service(s), and (c) in the case of a termination under Section 7.01(a), Section 7.01(b) or Section 7.01(c), without duplication of any Disengagement Costs, any fees, costs and expenses incurred by Service Provider (or any of its Affiliates) between the time of such termination and the time the provision of such Service(s) would have terminated under this Agreement absent such early termination (including early termination charges, kill fees, wind-down costs, reasonable minimum volume make-up fees and other fees and costs, in each case actually payable or that have been paid in advance by any Service Provider Party to a third party, and unamortized costs that Service Provider or its Affiliates previously incurred or are required to pay to a third party for services, equipment, licenses or other assets used for the provisions of such terminated Service) (collectively, "**Termination Fees**") to the extent Service Provider or such other Service Provider Party cannot avoid the incurrence of any such Termination Fees using commercially reasonable efforts. For clarity, no Disengagement Costs are payable in case of a termination under Section 7.01(d) or upon the expiration of the Term of any Service. All amounts payable pursuant to this Section 7.02 shall be invoiced to and payable by L Brands within 30 days after the date of invoice and otherwise in accordance with Section 3.06. Notwithstanding any expiration or termination pursuant to Section 7.01, Section 2.10 (but solely with respect to the first sentence), Section 3.08 and Articles 4, 5, 6, 7, and 9 shall survive any such expiration or termination indefinitely.

ARTICLE 8
REPRESENTATIONS AND WARRANTIES

Section 8.01. *Representations and Warranties of Service Provider*. Service Provider represents and warrants to L Brands that:

(a) Service Provider is an entity duly organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the laws of its jurisdiction of organization and has all corporate powers required to carry on its business as now conducted.

(b) The execution, delivery and performance by Service Provider of this Agreement and the consummation of the transactions contemplated hereby by Service Provider are within Service Provider's corporate powers and have been duly authorized by all necessary corporate action on the part of Service Provider. This Agreement constitutes a valid and binding agreement of Service Provider enforceable against Service Provider in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

(c) The execution, delivery and performance by Service Provider of this Agreement and the consummation of the transactions contemplated hereby by Service Provider require no action by or in respect of, or filing with, any Governmental Authority other than any such action or filing that has already been taken or made or as to which the failure to make or obtain would not reasonably be expected to materially impede or delay the performance by Service Provider of its obligations hereunder.

Section 8.02. *Representations and Warranties of L Brands*. L Brands represents and warrants to Service Provider that:

(a) L Brands is a corporation duly incorporated, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the laws of Delaware and has all corporate powers required to carry on its business as now conducted.

(b) The execution, delivery and performance by L Brands of this Agreement and the consummation of the transactions contemplated hereby by L Brands are within L Brands' corporate powers and have been duly authorized by all necessary corporate action on the part of L Brands. This Agreement constitutes a valid and binding agreement of L Brands, enforceable against L Brands accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

(c) The execution, delivery and performance by L Brands of this Agreement and the consummation of the transactions contemplated hereby by L Brands require no action by or in respect of, or filing with, any Governmental Authority other than any such action or filing that has already been taken or made or as to which the failure to make or obtain would not reasonably be expected to materially impede or delay the performance by L Brands of its obligations hereunder.

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Notices*. Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission, mail, or e-mail transmission to the following addresses:

if to Service Provider, to:

Victoria's Secret & Co.
4 Limited Parkway East
Reynoldsburg, Ohio 43068
Attention: [__]
E-mail: [__]

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

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: William H. Aaronson
Cheryl Chan
E-mail: william.aaronson@davispolk.com
cheryl.chan@davispolk.com

if to L Brands, to:

L Brands, Inc.
Three Limited Parkway
Columbus, Ohio 43230
Attention: Tim Faber
E-mail: TFaber@lb.com

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

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: William H. Aaronson
Cheryl Chan
E-mail: william.aaronson@davispolk.com
cheryl.chan@davispolk.com

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 9.02. *Amendments; No Waivers*. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as set forth in Section 6.06, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.03. *Expenses*. Except as otherwise provided herein, all third-party fees, costs and expenses paid or incurred in connection with this Agreement shall be paid by the party hereto incurring such fees, cost or expenses.

Section 9.04. *Independent Contractor Status*. Nothing in this Agreement shall constitute or be deemed to constitute a partnership or joint venture between the parties hereto. Neither party hereto is now, nor shall it be made by this Agreement, an agent, employee or legal representative of the other party hereto or any of its Affiliates for any purpose. Each party hereto acknowledges and agrees that neither party hereto shall have authority or power to bind the other party hereto or any of its Affiliates or to contract in the name of, or create a liability against, the other party hereto or any of its Affiliates in any way or for any purpose, to accept any service of process upon the other party hereto or any of its Affiliates or to receive any notices of any kind on behalf of the other party hereto or any of its Affiliates. Each party hereto is and shall be an independent contractor in the performance of Services hereunder and nothing herein shall be construed to be inconsistent with this status.

Section 9.05. *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither this Agreement nor any right, remedy, obligations or liability arising hereunder or by reason hereof nor any of the documents executed in connection herewith may be assigned by any party hereto without the consent of the other party, which consent may be granted or withheld in the discretion of such other party. Notwithstanding the foregoing, either party hereto may assign or transfer this Agreement and all of its rights and obligations hereunder to an Affiliate or to any third party that acquires all or substantially all of such party's assets or business to which this Agreement relates (whether by sale of assets, stock, merger, consolidation, reorganization or otherwise); provided that this Agreement and the Services shall not apply to any other business of such third party acquirer.

Section 9.06. *Governing Law*. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware, without regard to the conflicts of law rules of such state.

Section 9.07. *Dispute Resolution*. (a) With respect to matters relating to the Services or under this Agreement requiring dispute resolution (each, a "**Dispute**"), the disputing party shall notify the other party hereto of such Dispute in writing and, upon the non-disputing party's receipt of such written notice, the parties' respective Service Managers shall attempt to resolve such Dispute in good faith within 30 days of such receipt, and if such Service Managers are unable to resolve such Dispute in such 30 day period, then such Service Managers shall escalate such Dispute to each party's Chief Financial Officer for resolution.

(b) If the parties' Chief Financial Officers are unable to resolve such Dispute within 30 days following such receipt of such notice, then either party hereto shall initiate a non-binding mediation by providing written notice ("**Mediation Notice**") to the other party hereto within five Business Days following the expiration of such 30 day period.

(c) Upon receipt of a Mediation Notice, the applicable Dispute shall be submitted within five Business Days following such receipt of such Mediation Notice for non-binding mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association ("**Arbitration Association**"), and the parties hereto agree to bear equally the costs of such mediation (including any fees or expenses of the applicable mediator); *provided*, however, that each party hereto shall bear its own costs in connection with participating in such mediation. The parties hereto agree to participate in good faith in such mediation for a period of 45 days or such longer period as the parties hereto may mutually agree following receipt of such Mediation Notice (the "**Mediation Period**").

(d) In connection with such mediation, the parties hereto shall cooperate with the Arbitration Association and with one another in selecting a neutral mediator with relevant industry experience and in scheduling the mediation proceedings during the applicable Mediation Period. If the parties hereto are unable to agree on a neutral mediator within five Business Days of submitting a Dispute for mediation pursuant to Section 9.07(c), application shall be made by the parties to the Arbitration Association for the Arbitration Association to select and appoint a neutral mediator on the parties' behalf in accordance with the Commercial Mediation Rules of the Arbitration Association.

(e) The parties hereto further agree that all information, whether oral or written, provided in the course of any such mediation by either party hereto, their agents, employees, experts and attorneys, and by the applicable mediator and any employees of the mediation service, is confidential, privileged, and inadmissible for any purpose, including impeachment, in any Action involving the parties hereto; provided that any such information that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in such mediation.

(f) If the parties hereto cannot resolve the Dispute for any reason, on and following the expiration of the Mediation Period, either party may commence litigation in a court of competent jurisdiction pursuant to the provisions of Section 9.08. Nothing contained in this Agreement shall deny either party hereto the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an Action may be filed and maintained notwithstanding any ongoing efforts under this Section 9.07.

Section 9.08. *Jurisdiction*. The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the Chancery Court of the State of Delaware and any state appellate court therefrom within the State of Delaware (or if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any federal or state court sitting in the State of Delaware and any federal or state appellate court therefrom), and each of the parties hereto hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party hereto anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party hereto agrees that service of process on such party as provided in Section 9.01 shall be deemed effective service of process on such party.

Section 9.09. *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.10. *Counterparts; Effectiveness; Third Party Beneficiaries*. This Agreement may be signed in any number of counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including "pdf", "tif" or "jpg") and other electronic signatures (including DocuSign and AdobeSign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by Applicable Law. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. Until and unless each party hereto has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party hereto shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Except for the indemnification and release provisions of Article 6, neither this Agreement nor any provision hereof is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and permitted assigns.

Section 9.11. *Entire Agreement*. This Agreement, together with the other Distribution Documents, constitutes the entire agreement between the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein or in the other Distribution Documents has been made or relied upon by either party hereto with respect to the transactions contemplated by this Agreement.

Section 9.12. *Severability*. If any one or more of the provisions contained in this Agreement should be declared invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such a declaration, the parties hereto shall modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

Section 9.13. *Specific Performance*. The parties hereto acknowledge and agree that damages for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and irreparable harm would occur. In recognition of this fact, each party hereto agrees that, if there is a breach or threatened breach, in addition to any damages, the other non-breaching party to this Agreement, without posting any bond, shall be entitled to seek and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, attachment, or any other equitable remedy which may then be available to obligate the breaching party (i) to perform its obligations under this Agreement or (ii) if the breaching party is unable, for whatever reason, to perform those obligations, to take any other actions as are necessary, advisable or appropriate to give the other party to this Agreement the economic effect which comes as close as possible to the performance of those obligations (including transferring, or granting liens on, the assets of the breaching party to secure the performance by the breaching party of those obligations).

Section 9.14. *Interpretation*. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of its authorship of any of the provisions of this Agreement.

Section 9.15. *Integration*. The parties hereto agree that each of (a) this Agreement, (b) each of the Service Schedules, (c) the L Brands to VS Transition Services Agreement, dated as of the date hereof between L Brands and Service Provider (the "**L Brands to VS TSA**"), (d) each of the Service Schedules (as defined in the L Brands to VS TSA), and (e) all addenda, supplemental agreements, amendments and letter agreements executed in connection with the foregoing, ((a) through (e) collectively, the "**Integrated Agreements**") are integrated and non-severable parts of one and the same transaction among the parties hereto, each representing an essential, necessary and interdependent component of such transaction forming part of the consideration given by the parties hereto under and in connection with this Agreement, and the parties hereto agree that all of the Integrated Agreements comprising such transaction constitute one single agreement and are integrated and non-severable for all purposes at law and equity, including for purposes of section 365 of title 11 of the United States Code and New York law, and that any breach of any one of such agreements shall be deemed a breach under all such agreements. The Integrated Agreements embody the entire understanding of the parties hereto, and there are no further or other agreements or understandings, written or oral, in effect between the parties hereto, relating to the subject matter of this Agreement. In addition to, and without limitation of, the rights of the parties hereto set forth above or any right available in law or in equity, pursuant to contract or otherwise, in the event of the failure by a party to this Agreement or any Affiliate of such party to make timely payment of amounts due and owing (following the expiration of any relevant cure periods thereunder) under any of the Integrated Agreements, the Separation Agreement or any other agreement related to the transactions contemplated hereby and thereby (together, the "**Applicable Agreements**"), such amounts may at the election of the non-defaulting party be reduced by set-off against any sum or obligation (whether or not matured or contingent and irrespective of the currency or place of payment) owed by the non-defaulting party or any Affiliate of the non-defaulting party to the defaulting party or any Affiliate of the defaulting party under any Applicable Agreement.

[*Signature page follows*]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

VICTORIA'S SECRET & CO.

By: _____
Name:
Title:

L BRANDS, INC.

By: _____
Name:
Title:

Exhibit 10.3

FORM OF

TAX MATTERS AGREEMENT

between

L BRANDS, INC.,
on behalf of itself
and the members
of the L Brands Group

and

VICTORIA'S SECRET & CO.,
on behalf of itself
and the members
of the VS Group

Dated as of [__], 2021

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TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (the "**Agreement**") is entered into as of [__], 2021 between L Brands, Inc., a Delaware corporation ("**L Brands**"), on behalf of itself and the members of the L Brands Group, as defined below, and Victoria's Secret & Co., a Delaware corporation ("**VS**," and together with L Brands, the "**Parties**"), on behalf of itself and the members of the VS Group, as defined below.

W I T N E S S E T H:

WHEREAS, pursuant to the Tax laws of various jurisdictions, certain members of the VS Group presently file certain Tax Returns on an affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Internal Revenue Code of 1986, as amended (the "**Code**")) with certain members of the L Brands Group;

WHEREAS, L Brands and VS have entered into a Separation and Distribution Agreement, dated as of [__], 2021 (the "**Separation Agreement**"), pursuant to which the Contribution, the Distribution and other related transactions will be consummated;

WHEREAS, the Restructuring, together with the Contribution and the Distribution, are intended to qualify for the Intended Tax Treatment; and

WHEREAS, L Brands and VS desire to set forth their agreement on the rights and obligations of L Brands, VS and the members of the L Brands Group and the VS Group respectively, with respect to (a) the administration and allocation of U.S. federal, state, local and non-U.S. Taxes incurred in Taxable periods beginning prior to the Distribution Date, (b) Taxes resulting from the Distribution and transactions effected in connection with the Distribution and (c) various other Tax matters.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

Section 1. *Definitions*.

(a) As used in this Agreement:

"**Active Trade or Business**" means, (i) with respect to VS, the VS Business (as defined in the Separation Agreement), (ii) with respect to [__], the Subsidiary 1 Business (as defined in Schedule C-1) and (iii) with respect to [__], the Subsidiary 2 Business (as defined in Schedule C-2).

"**Affiliate**" has the meaning set forth in the Separation Agreement.

"**Agreement**" has the meaning set forth in the recitals hereto.

"**Applicable Law**" (or "**Applicable Tax Law**," as the case may be) means, with respect to any Person, any federal, state, county, municipal, local, multinational or foreign statute, treaty, law, common law, ordinance, rule, regulation, order, writ, injunction, judicial decision, decree, permit or other legally binding requirement of any Governmental Authority applicable to such Person or any of its respective properties, assets, officers, directors, employees, consultants or agents (in connection with such officer's, director's, employee's, consultant's or agent's activities on behalf of such Person).

"**Business Day**" has the meaning set forth in the Separation Agreement.

"**Cash Management Transfer**" means the transactions described on Schedule B and undertaken in anticipation of the Distribution.

"**Cash Management Transfer Taxes**" means any Tax (excluding any Tax imposed on, or measured by reference to, net income but including, for the avoidance of doubt, any withholding Tax imposed with respect to a Cash Management Transfer) incurred in connection with any Cash Management Transfer.

"**Closing of the Books Method**" means the apportionment of items between portions of a Taxable period based on a closing of the books and records on the close of the Distribution Date (in the event that the Distribution Date is not the last day of the Taxable period, as if the Distribution Date were the last day of the Taxable period), subject to adjustment for items accrued on the Distribution Date that are properly allocable to the Taxable period following the Distribution, as determined by L Brands in accordance with Applicable Law; *provided* that Taxes not based upon or measured by net or gross income or specific events shall be apportioned between the Pre- and Post-Distribution Periods on a *pro rata* basis in accordance with the number of days in each Taxable period.

"**Code**" has the meaning set forth in the recitals hereto.

"**Combined Group**" means any group consisting of at least one member that filed or was required to file (or will file or be required to file) a Tax Return on an affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Code) that includes at least one member of the L Brands Group and at least one member of the VS Group.

"**Combined Tax Return**" means a Tax Return filed in respect of U.S. federal, state, local or non-U.S. income Taxes for a Combined Group.

"**Company**" means L Brands or VS (or the appropriate member of each of their respective Groups), as appropriate.

"**Contribution**" has the meaning set forth in the Separation Agreement.

"**Distribution**" has the meaning set forth in the Separation Agreement.

"**Distribution Date**" has the meaning set forth in the Separation Agreement.

"**Distribution Documents**" has the meaning set forth in the Separation Agreement.

"**Distribution Taxes**" means any Taxes incurred solely as a result of the failure of the Intended Tax Treatment of the Restructuring, the Contribution or the Distribution.

"**Distribution Time**" has the meaning set forth in the Separation Agreement.

"**Escheat Payment**" has the meaning set forth in the Separation Agreement.

"**Equity Interests**" means any stock or other securities treated as equity for Tax purposes, options, warrants, rights, convertible debt, or any other instrument or security that affords any Person the right, whether conditional or otherwise, to acquire stock or to be paid an amount determined by reference to the value of stock.

"**Final Determination**" means (i) with respect to U.S. federal income Taxes, (A) a "determination" as defined in Section 1313(a) of the Code (including, for the avoidance of doubt, an executed IRS Form 906) or (B) the execution of an IRS Form 870-AD (or any successor form thereto), as a final resolution of Tax liability for any Taxable period, except that a Form 870-AD (or successor form thereto) that reserves the right of the taxpayer to file a claim for refund or the right of the IRS to assert a further deficiency shall not constitute a Final Determination with respect to the item or items so reserved; (ii) with respect to Taxes other than U.S. federal income Taxes, any final determination of liability in respect of a Tax that, under Applicable Tax Law, is not subject to further appeal, review or modification through proceedings or otherwise; (iii) with respect to any Tax, any final disposition by reason of the expiration of the applicable statute of limitations (giving effect to any extension, waiver or mitigation thereof); or (iv) with respect to any Tax, the payment of such Tax by any member of the L Brands Group or any member of the VS Group, whichever is responsible for payment of such Tax under Applicable Tax Law, with respect to any item disallowed or adjusted by a Taxing Authority; *provided*, in the case of this clause (iv), that the provisions of Section 15 hereof have been complied with, or, if such section is inapplicable, that the Company responsible under this Agreement for such Tax is notified by the Company paying such Tax that it has determined that no action should be taken to recoup such disallowed item, and the other Company agrees with such determination.

"**Governmental Authority**" has the meaning set forth in the Separation Agreement.

"**Group**" has the meaning set forth in the Separation Agreement.

"**Income Tax**" means any Tax imposed on, or measured by reference to, net income or gains.

"**Income Tax Return**" means any Tax Return in respect of an Income Tax.

"**Indemnitee**" means the Party which is entitled to seek indemnification from another Party pursuant to the provisions of Section 11.

"**Intended Tax Treatment**" means the qualification of (i) the Contribution and the Distribution, taken together, (A) as a reorganization described in Sections 355(a) and 368(a)(1)(D) of the Code, (B) as a transaction in which the stock distributed thereby is "qualified property" for purposes of Sections 355(c) and 361(c) of the Code, (C) as a transaction in which L Brands, VS and the holders of L Brands Common Stock recognize no income or gain for U.S. federal income Tax purposes pursuant to Sections 355, 361 and 1032 of the Code, other than, in the case of L Brands and VS, any intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code and, in the case of the holders of L Brands Common Stock, with respect to any fractional shares of VS Common Stock and (ii) the transactions described on Schedule A as being free from Tax to the extent set forth therein.

"**IRS**" means the United States Internal Revenue Service.

"**Joint Tax Return**" means any (i) Combined Tax Return or (ii) Tax Return that includes Tax Items attributable to both the L Brands Business and the VS Business.

"**L Brands**" has the meaning set forth in the recitals hereto.

"**L Brands Business**" has the meaning set forth in the Separation Agreement.

"**L Brands Compensatory Equity Interests**" means any options, stock appreciation rights, restricted stock, stock units or other rights with respect to the capital stock of L Brands that are granted on or prior to the Distribution Date by any member of the L Brands Group in connection with employee, independent contractor or director compensation or other employee benefits (including, for the avoidance of doubt, options, stock appreciation rights, restricted stock, restricted stock units, performance share units or other rights issued in respect of any of the foregoing by reason of the Distribution or any subsequent transaction).

"**L Brands Group**" has the meaning set forth in the Separation Agreement.

"**L Brands Separate Tax Return**" means any Separate Tax Return of or including any member of the L Brands Group.

"**L Brands Specified Tax Attributes**" means any Tax Attributes listed on Schedule D-1.

"**Person**" has the meaning set forth in Section 7701(a)(1) of the Code.

"**Post-Distribution Period**" means any Taxable period (or portion thereof) beginning after the Distribution Date.

"**Pre-2021 Period**" means any Taxable period ending on or before January 30, 2021.

"**Pre-2021 VS Separate Tax Return**" means any VS Separate Tax Return that relates solely to a Pre-2021 Period.

"**Pre-Distribution Period**" means any Taxable period (or portion thereof) ending on or before the Distribution Date.

"**Restructuring**" has the meaning set forth in the Separation Agreement.

"**Separate Tax Return**" means any Tax Return required to be filed by a member of the L Brands Group or a member of the VS Group that is not a Joint Tax Return.

"**Separation Agreement**" has the meaning set forth in the recitals hereto.

"**Specified Administrative Matter**" has the meaning set forth in Schedule E.

"**Specified Event**" means (i) any failure of the Intended Tax Treatment with respect to (A) the Restructuring, (B) the Contribution or (C) the Distribution or (ii) any event that results in (A) a liability for Taxes with respect to a Pre-Distribution Period imposed on any member of the L Brands Group and (B) a Tax Attribute with respect to any member of the VS Group.

"**Tax**" (and the correlative meaning, "**Taxes**," "**Taxing**" and "**Taxable**") means (i) any tax, including any net income, gross income, gross receipts, recapture, alternative or add-on minimum, sales, use, business and occupation, value-added, trade, goods and services, ad valorem, franchise, profits, net wealth, license, business royalty, withholding, payroll, employment, capital, excise, transfer, recording, severance, stamp, occupation, premium, property, asset, real estate acquisition, environmental, custom duty, impost, obligation, assessment, levy, tariff or other tax, governmental fee or other like assessment or charge of any kind whatsoever (including any Escheat Payment), together with any interest and any penalty, addition to tax or additional amount imposed by a Taxing Authority; or (ii) any liability of any member of the L Brands Group or the VS Group for the payment of any amounts described in clause (i) as a result of any express or implied obligation to indemnify any other Person.

"**Tax Attribute**" means a net operating loss, net capital loss, unused investment credit, unused foreign tax credit, excess charitable contribution, unused general business credit, alternative minimum tax credit or any other Tax Item that could reduce a Tax liability.

"**Tax Benefit**" means any refund, credit, offset or other reduction in otherwise required Tax payments.

"**Tax Adviser**" means Davis Polk & Wardwell LLP.

"**Tax Item**" means any item of income, gain, loss, deduction, credit, recapture of credit or any other item that can increase or decrease Taxes paid or payable.

"**Tax Opinion**" shall mean the legal opinion delivered to L Brands by the Tax Adviser with respect to certain U.S. federal income Tax consequences of the Restructuring, the Contribution and the Distribution.

"**Tax Proceeding**" means any Tax audit, dispute, examination, contest, litigation, arbitration, action, suit, claim, cause of action, review, inquiry, assessment, hearing, complaint, demand, investigation or proceeding (whether administrative, judicial or contractual).

"**Tax-Related Losses**" means, with respect to any Taxes imposed pursuant to any settlement, determination, judgment or otherwise, (i) all accounting, legal and other professional fees, and court costs incurred in connection with such Taxes, as well as any other out-of-pocket costs incurred in connection with such Taxes and (ii) all damages, costs, and expenses associated with stockholder litigation or controversies and any amount paid by any member of the L Brands Group or any member of the VS Group in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Taxing Authority, in each case, resulting from the failure of the Intended Tax Treatment of the Restructuring, the Contribution or the Distribution.

"**Tax Representation Letters**" means the representations provided by VS and L Brands to the Tax Adviser in connection with the rendering by the Tax Adviser of the Tax Opinion.

"**Tax Return**" means any Tax return, statement, report, form, election, bill, certificate, claim or surrender (including estimated Tax returns and reports, extension requests and forms, and information returns and reports), or statement or other document or written information filed or required to be filed with any Taxing Authority, including any amendment thereof and any appendix, schedule or attachment thereto.

"**Taxing Authority**" means any Governmental Authority (domestic or foreign), including, without limitation, any state, municipality, political subdivision or governmental agency, responsible for the imposition, assessment, administration, collection, enforcement or determination of any Tax.

"**Transfer Taxes**" means all U.S. federal, state, local or non-U.S. sales, use, privilege, transfer, documentary, stamp, duties, real estate transfer, controlling interest transfer, recording and similar Taxes and fees (including any penalties, interest or additions thereto) imposed upon any member of the L Brands Group or any member of the VS Group in connection with the Restructuring, the Contribution or the Distribution.

"**VS Business**" has the meaning set forth in the Separation Agreement.

"**VS Carried Item**" means any Tax Attribute of the VS Group that may or must be carried from one Taxable period to another prior Taxable period, or carried from one Taxable period to another subsequent Taxable period, under the Code or other Applicable Tax Law.

"**VS Common Stock**" has the meaning set forth in the Separation Agreement.

"**VS Compensatory Equity Interests**" means any options, stock appreciation rights, restricted stock, stock units or other rights with respect to the capital stock of VS that are granted on or prior to the Distribution Date by any member of the VS Group in connection with employee, independent contractor or director compensation or other employee benefits (including, for the avoidance of doubt, options, stock appreciation rights, restricted stock, restricted stock units, performance share units or other rights issued in respect of any of the foregoing by reason of the Distribution or any subsequent transaction).

"**VS Disqualifying Action**" means (a) any action (or the failure to take any action) by any member of the VS Group after the Distribution Time (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions), (b) any event (or series of events) after the Distribution Time involving the capital stock of VS or any assets of any member of the VS Group or (c) any breach by any member of the VS Group after the Distribution Time of any representation, warranty or covenant made by them in this Agreement, that, in each case, would affect the Intended Tax Treatment; *provided*, *however*, that the term "VS Disqualifying Action" shall not include any action entered into pursuant to any Distribution Document (other than this Agreement) or that is undertaken pursuant to the Restructuring, the Contribution or the Distribution.

"**VS Group**" has the meaning set forth in the Separation Agreement.

"**VS Post-2020 Separate Income Tax Return**" means any VS Separate Tax Return that is an Income Tax Return, other than a Pre-2021 VS Separate Tax Return.

"**VS Post-2020 Separate Non-Income Tax Return**" means any VS Separate Tax Return that is not a VS Separate Income Tax Return, other than a Pre-2021 VS Separate Tax Return.

"**VS Separate Tax Return**" means any Separate Tax Return of or including any member of the VS Group.

"**VS Specified Tax Attributes**" means any Tax Attributes listed on Schedule D-2.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Due Date	Section 12(a)
Internal Tax-Free Transactions	Schedule A
Past Practices	Section 4(f)(i)
Reimbursable Payment	Section 7(b)
Reimbursement Adjustment	Section 7(b)
Section 336(e) Election	Section 10(a)
Section 9(b)(iv)(F) Acquisition Transaction	Section 9(b)(iv)(F)
Tax Arbiter	Section 25
Tax Benefit Recipient	Section 8(c)

(c) All capitalized terms used but not defined herein shall have the same meanings as in the Separation Agreement. Any term used in this Agreement which is not defined in this Agreement or the Separation Agreement shall, to the extent the context requires, have the meaning assigned to it in the Code or the applicable Treasury Regulations thereunder (as interpreted in administrative pronouncements and judicial decisions) or in comparable provisions of Applicable Tax Law.

Section 2. *Sole Tax Sharing Agreement.* Any and all existing Tax sharing agreements or arrangements, written or unwritten, between any member of the L Brands Group, on the one hand, and any member of the VS Group, on the other hand, if not previously terminated, shall be terminated as of the Distribution Date without any further action by the Parties thereto. Following the Distribution, no member of the VS Group or the L Brands Group shall have any further rights or liabilities thereunder, and this Agreement and the Distribution Documents (to the extent such Distribution Documents reflect an agreement between the Parties as to Tax sharing) shall be the sole Tax sharing agreements between the members of the VS Group, on the one hand, and the members of the L Brands Group, on the other hand.

Section 3. *Allocation of Taxes*.

(a) *General Allocation Principles*. Except as provided in Section 3(c), all Taxes shall be allocated as follows:

(i) *Allocation of Taxes Reflected on Joint Tax Returns*. Except as provided in Section 3(b), L Brands shall be allocated all Taxes reported, or required to be reported, on any Joint Tax Return that any member of the L Brands Group or VS Group files or is required to file under the Code or other Applicable Tax Law; *provided, however,* that to the extent any such Joint Tax Return includes any Tax Item attributable to (A) any member of the VS Group or (B) the VS Business, in each case, in respect of any Post-Distribution Period, VS shall be allocated all Taxes attributable to such Tax Items as determined by L Brands in its reasonable discretion.

(ii) *Allocation of Taxes Reflected on Separate Tax Returns.*

(A) L Brands shall be allocated all Taxes reported, or required to be reported, on (x) an L Brands Separate Tax Return, (y) a Pre-2021 VS Separate Tax Return or (z) a VS Post-2020 Separate Non-Income Tax Return to the extent such Taxes are attributable to any Pre-Distribution Period (as determined in accordance with Section 3(b)).

(B) VS shall be allocated all Taxes reported, or required to be reported, on (x) a VS Post-2020 Separate Income Tax Return or (y) a VS Post-2020 Separate Non-Income Tax Return to the extent such Taxes are attributable to any Post-Distribution Period (as determined in accordance with Section 3(b)).

(iii) *Taxes Not Reported on Tax Returns*.

(A) L Brands shall be allocated any Tax attributable to any member of the L Brands Group that is not required to be reported on a Tax Return.

(B) VS shall be allocated any Tax attributable to any member of the VS Group that is not required to be reported on a Tax Return.

(b) *Allocation Conventions*.

(i) All Taxes allocated pursuant to Section 3(a), other than Income Taxes allocated pursuant to Section 3(a)(ii)(B)(x), shall be allocated in accordance with the Closing of the Books Method; *provided, however,* that if Applicable Tax Law does not permit a VS Group member to close its Taxable year on the Distribution Date, the Tax attributable to the operations of the members of the VS Group for any Pre-Distribution Period shall be the Tax computed using a hypothetical closing of the books consistent with the Closing of the Books Method (except to the extent otherwise agreed upon by L Brands and VS).

(ii) Any Tax Item of VS or any member of the VS Group arising from a transaction engaged in outside the ordinary course of business on the Distribution Date after the Distribution Time shall be allocable to VS and any such transaction by or with respect to VS or any member of the VS Group occurring after the Distribution Time shall be treated for all Tax purposes (to the extent permitted by Applicable Tax Law) as occurring at the beginning of the day following the Distribution Date in accordance with the principles of Treasury Regulations Section 1.1502-76(b) (assuming no election is made under Treasury Regulations Section 1.1502-76(b)(2)(ii) (relating to a ratable allocation of a year's Tax Items)); *provided* that the foregoing shall not include any action that is undertaken pursuant to the Restructuring, the Contribution or the Distribution.

(c) *Special Allocation Rules.* Notwithstanding any other provision in this Section 3, the following Taxes shall be allocated as follows:

(i) *Transfer Taxes*. Transfer Taxes shall be allocated 50% to VS and 50% to L Brands

(ii) *Taxes Relating to L Brands Compensatory Equity Interests*. Any Tax liability (including, for the avoidance of doubt, the satisfaction of any withholding Tax obligation) relating to the issuance, exercise, vesting or settlement of any L Brands Compensatory Equity Interest shall be allocated in a manner consistent with Section 7.

(iii) *Distribution Taxes and Tax-Related Losses*. Any liability for Distribution Taxes and Tax-Related Losses resulting from a VS Disqualifying Action shall be allocated in a manner consistent with Section 11(a)(iii).

(iv) *Section 965 Taxes*. Any installment payments required to be made pursuant to the election made by a member of the L Brands Group or a member of the VS Group (that was a member of such VS Group prior to the Distribution Date) under Section 965(h) of the Code, and any adjustments thereto, shall be allocated to L Brands.

(v) *Taxes Covered by Distribution Documents*. Subject to the preceding clauses of Section 3(c), any liability or other matter relating to Taxes that is specifically addressed in any Distribution Document shall be allocated or governed as provided in such Distribution Document.

(vi) *Cash Management Transfer Taxes*. Notwithstanding anything in this Agreement to the contrary, L Brands shall be allocated any and all Cash Management Transfer Taxes.

Section 4. *Preparation and Filing of Tax Returns*.

(a) *L Brands Prepared Tax Returns*. L Brands shall prepare and file, or cause to be prepared and filed, all (i) Joint Tax Returns, (ii) L Brands Separate Tax Returns and (iii) Pre-2021 VS Separate Tax Returns; *provided*, that to the extent any such Tax Return includes an MFE APA Period, such Tax Return shall be prepared in a manner consistent with the MFE APA. To the extent any Joint Tax Return reflects operations of the VS Group for a Taxable period that includes the Distribution Date, L Brands shall include in such Joint Tax Return the results of such member of the VS Group, as the case may be, on the basis of the Closing of the Books Method to the extent permitted by Applicable Tax Law. If a member of the VS Group is responsible for the filing of any such Tax Return under Applicable Tax Law, L Brands shall, subject to the procedures set forth in Sections 4(c), 4(d) and 4(e), deliver such prepared Tax Return to VS in advance of the applicable filing deadline.

(b) *VS Prepared Tax Returns*. VS shall prepare and file (or cause to be prepared and filed) any VS Post-2020 Separate Income Tax Return and any VS Post-2020 Separate Non-Income Tax Return.

(c) *Determination of Responsible Party*. L Brands, in consultation with VS, shall determine which Party or their respective Affiliates is required to file any Joint Tax Return or Separate Tax Return under Applicable Tax Law.

(d) *Provision of Information; Timing.* VS shall maintain all necessary information for L Brands (or any of its Affiliates) to file any Tax Return that L Brands is required or permitted to file under this Section 4, and shall provide to L Brands all such necessary information in accordance with the L Brands Group's past practice. L Brands shall maintain all necessary information for VS (or any of its Affiliates) to file any Tax Return that VS is required or permitted to file under this Section 4, and shall provide VS with all such necessary information in accordance with the L Brands Group's past practice.

(e) *Right to Review*.

(i) The Party responsible for preparing (or causing to be prepared) any Tax Return under this Section 4 shall make such Tax Return and related workpapers available for review by the other Party, if requested, to the extent (i) such Tax Return relates to Taxes for which the requesting Party would be liable under Section 3, (ii) such Tax Return relates to such Taxes described in clause (i) and the requesting Party would reasonably be expected to be liable in whole or in part for any additional Taxes owing as a result of adjustments to the amount of such Taxes reported on such Tax Return or (iii) such Tax Return relates to Taxes for which the requesting Party would reasonably be expected to have a claim for Tax Benefits under this Agreement. The Party responsible for preparing (or causing to be prepared) the relevant Tax Return shall (x) use its reasonable best efforts to make such portion of such Tax Return available for review as required under this paragraph sufficiently in advance of the due date for the filing of such Tax Return to provide the requesting Party with a meaningful opportunity to analyze and comment on such Tax Return and (y) use reasonable best efforts to have such Tax Return modified before filing, taking into account the Person responsible for payment of the Tax (if any) reported on such Tax Return and whether the amount of Tax liability allocable to the requesting Party with respect to such Tax Return is material. The Parties shall attempt in good faith to resolve any issues arising out of the review of such Tax Return.

(ii) Notwithstanding the foregoing, other than a VS Separate Non-Income Tax Return that relates solely to a Post-Distribution Period, VS shall submit a draft of any VS Separate Non-Income Tax Return that it is required to prepare and that is required to be filed after the Distribution Date to L Brands. With respect to such VS Separate Non-Income Tax Return, VS (A) shall make such Tax Return available for review as required under this paragraph sufficiently in advance of the due date for the filing of such Tax Return to provide L Brands with a meaningful opportunity to analyze and comment on such Tax Return, and (B) shall not file or cause to be filed any such Tax Return without the consent of L Brands, which consent shall not be unreasonably withheld or delayed.

(f) *Special Rules Relating to the Preparation of Tax Returns*.

(i) *General Rule*. Except as provided in this Section 4(f)(i), VS shall prepare (or cause to be prepared) any Tax Return, with respect to Taxable periods (or portions thereof) ending prior to or on the Distribution Date, for which it is responsible under this Section 4 in accordance with past practices, accounting methods, elections or conventions ("**Past Practices**") used by the members of the L Brands Group prior to the Distribution Date with respect to such Tax Return to the extent permitted by Applicable Law, and to the extent any items, methods or positions are not covered by Past Practices, as directed by L Brands in its sole discretion to the extent permitted by Applicable Law.

(ii) *Consistency with Intended Tax Treatment*. All Tax Returns that include any member of the L Brands Group or any member of the VS Group shall be prepared in a manner that is consistent with the Intended Tax Treatment.

(iii) *VS Separate Tax Returns*. With respect to any VS Post-2020 Separate Income Tax Return or any VS Post-2020 Separate Non-Income Tax Return, VS and the other members of the VS Group shall include such Tax Items in such Tax Return in a manner that is consistent with the inclusion of such Tax Items in any related Tax Return for which L Brands is responsible to the extent such Tax Items are allocated in accordance with this Agreement.

(iv) *Election to File Joint Tax Returns*. L Brands shall be entitled in its sole discretion to file any Combined Tax Return if the filing of such Tax Return is elective under Applicable Tax Law. Each member of any such Combined Group shall execute and file such consents, elections and other documents as may be required, appropriate or otherwise requested by L Brands in connection with the filing of such Joint Tax Returns.

(v) *Preparation of Transfer Tax Returns*. The Company required under Applicable Tax Law to file any Tax Returns in respect of Transfer Taxes shall prepare and file (or cause to be prepared and filed) such Tax Returns. If required by Applicable Tax Law, L Brands and VS shall, and shall cause their respective Affiliates to, cooperate in preparing and filing, and join the execution of, any such Tax Returns.

(g) *Payment of Taxes*. L Brands shall pay (or cause to be paid) to the proper Taxing Authority the Tax shown as due on any Tax Return for which a member of the L Brands Group is responsible for filing under this Section 4, and VS shall pay (or cause to be paid) to the proper Taxing Authority the Tax shown as due on any Tax Return for which a member of the VS Group is responsible for filing under this Section 4. If any member of the L Brands Group is required to make a payment to a Taxing Authority for Taxes allocated to VS under Section 3, VS shall pay the amount of such Taxes to L Brands in accordance with Section 11 and Section 12. If any member of the VS Group is required to make a payment to a Taxing Authority for Taxes allocated to L Brands under Section 3, L Brands shall pay the amount of such Taxes to VS in accordance with Section 11 and Section 12.

Section 5. *Apportionment of Earnings and Profits and Tax Attributes*.

(a) Any Tax Attributes arising in a Pre-Distribution Period will be allocated to (and the benefits and burdens of such Tax Attributes will inure to) the members of the L Brands Group and the members of the VS Group in accordance with L Brands' historical practice (including historical methodologies for making corporate allocations), the Code, Treasury Regulations, and any applicable state, local and foreign law, as determined by L Brands in its sole discretion.

(b) L Brands shall in good faith, based on information reasonably available to it, advise VS in writing, as soon as reasonably practicable after the close of the relevant Taxable period in which the Distribution occurs, of L Brands' estimate of the portion, if any, of any earnings and profits, previously taxed earnings and profits (within the meaning of Section 959 of the Code ("**PTI**"), Tax Attributes, Tax basis, overall foreign loss or other consolidated, combined or unitary attribute which L Brands determines is expected to be allocated or apportioned to the members of the VS Group under Applicable Tax Law. In the event of any adjustment to the previously delivered estimates of the portion of earnings and profits, Tax Attributes, Tax basis, overall foreign loss or other consolidated, combined or unitary attribute determined by L Brands, L Brands shall promptly advise VS in writing of such adjustment. For the avoidance of doubt, L Brands shall not be liable to any member of the VS Group for any failure of any determination under this Section 5(b) to be accurate under Applicable Tax Law, provided such determination was made in good faith. All members of the VS Group shall prepare all Tax Returns in accordance with the written notices provided by L Brands to VS pursuant to this Section 5(b).

(c) Except as otherwise provided herein, to the extent that the amount of any earnings and profits, PTI, Tax Attributes, Tax basis, overall foreign loss or other consolidated, combined or unitary attribute allocated to members of the L Brands Group or the VS Group pursuant to Section 5(b) is later reduced or increased by a Taxing Authority or as a result of a Tax Proceeding, such reduction or increase shall be allocated to the Company to which such earnings and profits, Tax Attributes, Tax basis, overall foreign loss or other consolidated, combined or unitary attribute was allocated pursuant to this Section 5, as determined by L Brands in good faith.

Section 6. *Utilization of Tax Attributes*.

(a) *Amended Returns.* Any amended Tax Return or claim for a refund with respect to any member of the VS Group may be made only by the Party responsible for preparing the original Tax Return with respect to such member of the VS Group pursuant to Section 4.

(b) *No Carryback Election*. The Parties hereby agree, except with respect to any L Brands Specified Tax Attribute (as to which L Brands shall have sole discretion), (i) not to make or cause to be made any election to claim (A) in any Pre-Distribution Period or (B) in any Joint Tax Return a VS Carried Item from a Post-Distribution Period and (ii) to elect, to the extent permitted by Applicable Tax Law, to forgo the right to carry back any VS Carried Item from a Post-Distribution Period to (A) a Pre-Distribution Period or (B) a Joint Tax Return.

(c) *VS Carrybacks.*

(i) If a member of the VS Group reasonably determines that it is required by Applicable Tax Law to carry back any VS Carried Item to (i) a Pre-Distribution Period or (ii) a Joint Tax Return, it shall notify L Brands in writing of such determination at least ninety (90) days prior to filing the Tax Return on which such carryback will be reflected. Such notification shall include a description in reasonable detail of the basis for any expected Tax Benefit and the amount thereof. If L Brands disagrees with such determination, the Parties shall resolve their disagreement pursuant to the procedures set forth in Section 25.

(ii) If a VS Carried Item (other than an L Brands Specified Tax Attribute) is carried back to (i) a Pre-Distribution Period or (ii) a Joint Tax Return pursuant to Section 6(c)(i), L Brands shall be required to make a payment to the VS Group in an amount equal to the Tax Benefit in respect of such VS Carried Item in accordance with Section 8(c).

(d) *Carryforwards to Separate Tax Returns.* If a portion or all of any Tax Attribute is allocated to a member of a Combined Group pursuant to Section 5 and carried forward to a VS Post-2020 Separate Income Tax Return, any Tax Benefits arising from such carryforward shall be retained by the VS Group. If a portion or all of any Tax Attribute is allocated to a member of a Combined Group pursuant to Section 5, and is carried forward to a L Brands Separate Tax Return, any Tax Benefits arising from such carryforward shall be retained by the L Brands Group.

Section 7. *Deductions and Reporting for Certain Awards*.

(a) *Deductions.* To the extent permitted by Applicable Tax Law, income Tax deductions with respect to the issuance, exercise, vesting or settlement after the Distribution Date of any L Brands Compensatory Equity Interests or VS Compensatory Equity Interests shall be claimed (i) in the case of an active officer or employee, solely by the Group that employs such Person at the time of such issuance, exercise, vesting, or settlement, as applicable; (ii) in the case of a former officer or employee, solely by the Group that was the last to employ such Person; and (iii) in the case of a director or former director (who is not an officer or employee or former officer or employee of a member of either Group), (x) solely by the L Brands Group if such person was, at any time before or after the Distribution, a director of any member of the L Brands Group, and (y) in any other case, solely by the VS Group.

(b) If, notwithstanding clause (a), it is reasonably likely that the VS Group will, under Applicable Tax Law, utilize a deduction for a Taxable period ending after the Distribution Date with respect to (i) the issuance, exercise, vesting or settlement after the Distribution Date of any L Brands Compensatory Equity Interests, or (ii) any liability with respect to compensation required to be paid or satisfied by, or otherwise allocated to, any member of the L Brands Group in accordance with any Distribution Document (the "**Reimbursable Payment**"), L Brands shall reduce the amount payable to the relevant member of the VS Group with respect to the Reimbursable Payment by [__]% (the "**Reimbursement Adjustment**").

(c) *Withholding and Reporting*. All applicable withholding and reporting responsibilities (including all income, payroll or other Tax reporting related to income to any current or former employee) with respect to the issuance, exercise, vesting or settlement of any L Brands Compensatory Equity Interests or VS Compensatory Equity Interests shall be the responsibility of the Party to which such responsibility has been prescribed by Section 8.04 of the Employee Matters Agreement. L Brands and VS acknowledge and agree that the Parties shall cooperate with each other and with third-party providers to effectuate withholding and remittance of Taxes, as well as required Tax reporting, in a timely manner.

Section 8. *Tax Benefits*.

(a) *L Brands Tax Benefits*. L Brands shall be entitled to any Tax Benefits (including, in the case of any refund received, any interest thereon actually received) received by any member of the L Brands Group or any member of the VS Group, other than any Tax Benefits (or any amounts in respect of Tax Benefits) to which VS is entitled pursuant to Section 8(b) (or, with respect to any VS Carried Item, Section 6). VS shall not be entitled to any Tax Benefits received by any member of the L Brands Group or the VS Group, except as set forth in Section 8(b).

(b) *VS Tax Benefits.* VS shall be entitled to any Tax Benefits (including, in the case of any refund received, any interest thereon actually received) received by any member of the L Brands Group or any member of the VS Group after the Distribution Date (i) with respect to any Tax allocated to a member of the VS Group under this Agreement (including, for the avoidance of doubt, any amounts allocated to VS pursuant to Section 3(c)(iii)) or (ii) resulting from a VS Specified Tax Attribute, in each case, other than (x) any Tax Benefits resulting from a VS Carried Item, which shall be governed by Section 6 and (y) any Tax Benefit resulting from an L Brands Specified Tax Attribute.

(c) A Company receiving (or realizing) a Tax Benefit to which another Company is entitled hereunder (a "**Tax Benefit Recipient**") shall pay over the amount of such Tax Benefit (including interest received from the relevant Taxing Authority, but net of any Taxes imposed with respect to such Tax Benefit and any other reasonable costs associated therewith) within thirty (30) days of receipt thereof (or from the due date for payment of any Tax reduced thereby); *provided, however*, that the other Company, upon the request of such Tax Benefit Recipient, shall repay the amount paid to the other Company (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) in the event that, as a result of a subsequent Final Determination, a Tax Benefit that gave rise to such payment is subsequently disallowed.

Section 9. *Certain Representations and Covenants*.

(a) *Representations*.

(i) VS and each other member of the VS Group represents that as of the date hereof, and covenants that as of the Distribution Date, there is no plan or intention:

(A) to liquidate VS or to merge or consolidate any member of the VS Group with any other Person subsequent to the Distribution;

(B) to sell, transfer or otherwise dispose of any material asset of any member of the VS Group, except in the ordinary course of business;

(C) to take or fail to take any action in a manner that is inconsistent with the written information and representations furnished by VS to the Tax Adviser in connection with the Tax Representation Letters or the Tax Opinion;

(D) to repurchase stock of VS other than in a manner that satisfies the requirements of Section 4.05(1)(b) of IRS Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by IRS Revenue Procedure 2003-48) and consistent with any representations made to the Tax Adviser in connection with the Tax Representation Letters;

(E) to take or fail to take any action in a manner that management of VS knows, or should know, is reasonably likely to contravene any agreement with a Taxing Authority entered into prior to the Distribution Date to which any member of the VS Group or the L Brands Group is a party; or

(F) to enter into any negotiations, agreements, or arrangements with respect to transactions or events (including stock issuances, pursuant to the exercise of options or otherwise, option grants, the adoption of, or authorization of shares under, a stock option plan, capital contributions, or acquisitions, but not including the Distribution) that could reasonably be expected to cause the Distribution to be treated as part of a plan (within the meaning of Section 355(e) of the Code) pursuant to which one or more Persons acquire directly or indirectly VS stock representing a 50% or greater interest within the meaning of Section 355(d)(4) of the Code.

(b) *Covenants.*

(i) VS shall not, and shall not permit any other member of the VS Group to, take or fail to take any action that constitutes a VS Disqualifying Action.

(ii) VS shall not, and shall not permit any other member of the VS Group to, take or fail to take any action that is inconsistent with the information and representations furnished by VS to the Tax Adviser in connection with the Tax Representation Letters or the Tax Opinion.

(iii) VS shall not, and shall not permit any other member of the VS Group to, take or fail to take any action in a manner that management of VS knows, or should know, is reasonably likely to contravene any agreement with a Taxing Authority entered into prior to the Distribution Date to which any member of the VS Group or the L Brands Group is a party.

(iv) During the two-year period following the Distribution Date:

(A) VS shall (v) maintain its status as a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, (w) not engage in any transaction that would result in it ceasing to be a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, (x) cause each other member of the VS Group whose Active Trade or Business is relied upon for purposes of qualifying the Distribution or any component of the Restructuring for the Intended Tax Treatment to maintain its status as a company engaged in such Active Trade or Business for purposes of Section 355(b)(2) of the Code and any such other Applicable Tax Law, (y) not engage in any transaction or permit any other member of the VS Group to engage in any transaction that would result in a member of the VS Group described in clause (x) hereof ceasing to be a company engaged in the relevant Active Trade or Business for purposes of Section 355(b)(2) of the Code or such other Applicable Tax Law, taking into account Section 355(b)(3) of the Code for purposes of each of clauses (v) through (y) hereof and (z) not dispose of or permit a member of the VS Group to dispose of, directly or indirectly, any interest in a member of the VS Group described in clause (x) hereof or permit any such member of the VS Group to make or revoke any election under Treasury Regulation Section 301.7701-3;

(B) VS shall not repurchase stock of VS in a manner contrary to the requirements of Section 4.05(1)(b) of IRS Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by IRS Revenue Procedure 2003-48) or inconsistent with any representations made by VS to the Tax Adviser in connection with the Tax Representation Letters;

(C) VS shall not, and shall not agree to, merge, consolidate or amalgamate with any other Person;

(D) VS shall not, and shall not permit any other member of the VS Group to, or to agree to, sell or otherwise issue to any Person, any Equity Interests of VS or of any other member of the VS Group; *provided*, *however*, that VS may issue Equity Interests to the extent such issuances 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 Regulations Section 1.355-7(d);

(E) VS shall not, and shall not permit any other member of the VS Group to (I) solicit any Person to make a tender offer for, or otherwise acquire or sell, the Equity Interests of VS or any member of the VS Group, (II) participate in or support any unsolicited tender offer for, or other acquisition, issuance or disposition of, the Equity Interests of VS or any member of the VS Group or (III) approve or otherwise permit any proposed business combination or any transaction which, in the case of clauses (I) or (II), individually or in the aggregate, together with any transaction occurring within the four-year period beginning on the date which is two years before the Distribution Date and any other transaction which is part of a plan or series of related transactions (within the meaning of Section 355(e) of the Code) that includes the Distribution, could result in one or more Persons acquiring (except for acquisitions that otherwise 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)) directly or indirectly stock representing a 40% or greater interest, by vote or value, in VS, [__] or [__] (or any successor thereto) (any such transaction, a "**Proposed Acquisition Transaction**"); *provided further* that any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in the restrictions in this clause (iv) and the interpretation thereof;

(F) if any member of the VS Group 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 25% instead of 40% (a "**Section 9(b)(iv)(F) Acquisition Transaction**") or, to the extent VS has the right to prohibit any Section 9(b)(iv)(F) Acquisition Transaction, proposes to permit any Section 9(b)(iv)(F) Acquisition Transaction to occur, in each case, VS shall provide L Brands, no later than 10 Business Days following the signing of any written agreement with respect to the Section 9(b)(iv)(F) Acquisition Transaction, a written description of such transaction (including the type and amount of Equity Interests to be issued or sold in such transaction) and a certificate of the board of directors of VS to the effect that the Section 9(b)(iv)(F) Acquisition Transaction is not a Proposed Acquisition Transaction; and

(G) VS shall not, and shall not permit any other member of the VS Group to, amend 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 the Equity Interests of VS (including, without limitation, through the conversion of one class of Equity Interests of VS into another class of Equity Interests of VS).

(H) VS shall not transfer, to any member of the VS Group that is treated as a corporation for U.S. federal income tax purposes, any asset that was transferred to VS in the Contribution.

(v) VS shall not take or fail to take, or permit any other member of the VS Group to take or fail to take, any action which prevents or could reasonably be expected to result in Tax treatment that is inconsistent with the Intended Tax Treatment.

(c) *VS Covenants Exceptions*. Notwithstanding the provisions of Section 9(b), VS and the other members of the VS Group may take any action that would reasonably be expected to be inconsistent with the covenants contained in Section 9(b), if either: (i) VS notifies L Brands of its proposal to take such action and VS and L Brands obtain a ruling from the IRS to the effect that such action will not affect the Intended Tax Treatment, *provided* that VS agrees in writing to bear any expenses associated with obtaining such a ruling and, *provided further* that the VS Group shall not be relieved of any liability under Section 11(a) of this Agreement by reason of seeking or having obtained such a ruling; or (ii) VS notifies L Brands of its proposal to take such action and obtains an unqualified opinion of counsel (A) from a Tax advisor recognized as an expert in federal income Tax matters and acceptable to L Brands in its sole discretion, (B) on which L Brands may rely and (C) to the effect that such action "will" not affect the Intended Tax Treatment, *provided* that the VS Group shall not be relieved of any liability under Section 11(a) of this Agreement by reason of having obtained such an opinion.

Section 10. *Tax Receivables Arrangements.*

(a) *Section 336(e) Election.* Pursuant to Treasury Regulations Sections 1.336-2(h)(1)(i) and 1.336-2(j), L Brands and VS agree that L Brands may make a timely protective election under Section 336(e) of the Code and the Treasury Regulations issued thereunder and under any comparable provisions of state, local or foreign law for each member of the VS Group that is a domestic corporation for U.S. federal income Tax purposes with respect to the Distribution (a "**Section 336(e) Election**"). It is intended that a Section 336(e) Election will have no effect unless the Distribution is a "qualified stock disposition," as defined in Treasury Regulations Section 1.336(e)-1(b)(6), by reason of the application of Treasury Regulations Section 1.336-1(b)(5)(i)(B) or Treasury Regulations Section 1.336-1(b)(5)(ii), or under any comparable provisions of state, local or foreign law in any other jurisdiction.

(b) *L Brands TRA*. If any Specified Event results in the imposition of a liability for Taxes (including any Taxes attributable to the Section 336(e) Election) that are not allocated to VS pursuant to Section 3, (i) L Brands shall be entitled to periodic payments from VS equal to the product of (x) 85% of the Tax Attributes arising from such Specified Event and (y) the percentage of Taxes arising from such Specified Event that are not allocated to VS pursuant to Section 3, and (ii) the Parties shall negotiate in good faith the terms of a tax receivable agreement to govern the calculation of such payments; *provided* that any such tax savings in clause (i) shall be determined using a "with and without" methodology (treating any Tax Attribute arising from any Specified Event as the last items claimed for any Taxable year, including after the utilization of any carryforwards). Notwithstanding the foregoing, L Brands may, at its sole discretion, waive its right to receive any and all payments pursuant to this Section 10(b).

Section 11. *Indemnities*.

(a) *VS Indemnity to L Brands*. Except in the case of any liabilities described in Section 11(b), VS and each other member of the VS Group shall jointly and severally indemnify L Brands and the other members of the L Brands Group against, and hold them harmless, without duplication, from:

(i) any Tax liability allocated to VS pursuant to Section 3;

(ii) any Tax liability and Tax-Related Losses attributable to a breach, after the Distribution Time, by VS or any other member of the VS Group of any representation, covenant or provision contained in this Agreement (including, for the avoidance of doubt, any Taxes and Tax-Related Losses resulting from any breach for which the conditions set forth in Section 9(c) are satisfied);

(iii) any Distribution Taxes and Tax-Related Losses attributable to a VS Disqualifying Action (including, for the avoidance of doubt, any Taxes and Tax-Related Losses resulting from any action for which the conditions set forth in Section 9(c) are satisfied); and

(iv) all liabilities, costs, expenses (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses), losses, damages, assessments, settlements or judgments arising out of or incident to the imposition, assessment or assertion of any Tax liability or damage described in (i), (ii) or (iii), including those incurred in the contest in good faith in appropriate proceedings relating to the imposition, assessment or assertion of any such Tax, liability or damage.

(b) *L Brands Indemnity to VS*. Except in the case of any liabilities described in Section 11(a), L Brands and each other member of the L Brands Group will jointly and severally indemnify VS and the other members of the VS Group against, and hold them harmless, without duplication, from:

(i) any Tax liability allocated to L Brands pursuant to Section 3;

(ii) any Taxes imposed on any member of the VS Group under Treasury Regulations Section 1.1502-6 (or similar or analogous provision of state, local or foreign law) solely as a result of any such member being or having been a member of a Combined Group; and

(iii) all liabilities, costs, expenses (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses), losses, damages, assessments, settlements or judgments arising out of or incident to the imposition, assessment or assertion of any Tax liability or damage described in (i) or (ii), including those incurred in the contest in good faith in appropriate proceedings relating to the imposition, assessment or assertion of any such Tax, liability or damage.

(c) *Discharge of Indemnity*. VS, L Brands and the members of their respective Groups shall discharge their obligations under Section 11(a) or Section 11(b) hereof, respectively, by paying the relevant amount in accordance with Section 12, within thirty (30) Business Days of demand therefor or, to the extent such amount is required to be paid to a Taxing Authority prior to the expiration of such thirty (30) Business Days, at least ten (10) Business Days prior to the date by which the demanding party is required to pay the related Tax liability. Any such demand shall include a statement showing the amount due under Section 11(a) or Section 11(b), as the case may be. Notwithstanding the foregoing, if any member of the VS Group or any member of the L Brands Group disputes in good faith the fact or the amount of its obligation under Section 11(a) or Section 11(b), then no payment of the amount in dispute shall be required until any such good faith dispute is resolved in accordance with Section 25 hereof; *provided*, *however*, that any amount not paid within thirty (30) Business Days of demand therefor shall bear interest as provided in Section 12.

(d) *Tax Benefits*. If an indemnification obligation of any member of the L Brands Group or any member of the VS Group, as the case may be, under this Section 11 arises in respect of an adjustment that makes allowable to an Indemnitee any Tax Benefit which would not, but for such adjustment, be allowable, then any such indemnification obligation shall be an amount equal to (i) the amount otherwise due but for this Section 11(d), minus (ii) the reduction in actual cash Taxes payable by the Indemnitee in the Taxable year such indemnification obligation arises, determined on a "with and without" basis.

Section 12. *Payments*.

(a) *Timing*. All payments to be made under this Agreement (excluding, for the avoidance of doubt, any payments to a Taxing Authority described herein) shall be made in immediately available funds. Except as otherwise provided, all such payments will be due thirty (30) Business Days after the receipt of notice of such payment or, where no notice is required, thirty (30) Business Days after the fixing of liability or the resolution of a dispute (the "**Due Date**"). Payments shall be deemed made when received. Any payment that is not made on or before the Due Date shall bear interest at the rate equal to the "prime" rate as published on such Due Date in the Wall Street Journal, Eastern Edition, for the period from and including the date immediately following the Due Date through and including the date of payment. With respect to any payment required to be made under this Agreement, L Brands has the right to designate, by written notice to VS, which member of the L Brands Group will make or receive such payment.

(b) *Treatment of Payments*. To the extent permitted by Applicable Tax Law, any payment made by L Brands or any member of the L Brands Group to VS or any member of the VS Group, or by VS or any member of the VS Group to L Brands or any member of the L Brands Group, pursuant to this Agreement, the Separation Agreement or any other Distribution Document that relates to Taxable periods (or portions thereof) ending on or before the Distribution Date shall be treated by the parties hereto for all Tax purposes as a distribution by VS to L Brands, or a capital contribution from L Brands to VS, as the case may be; *provided, however,* that any payment made pursuant to Section [__] of the Separation Agreement shall instead be treated as if the party required to make a payment of received amounts had received such amounts as agent for the other party; *provided further* that any payment made pursuant to Section [__] of the Transition Services Agreement shall instead be treated as a payment for services. In the event that a Taxing Authority asserts that a party's treatment of a payment described in this Section 12(b) should be other than as required herein, such party shall use its reasonable best efforts to contest such assertion in a manner consistent with Section 15 of this Agreement.

(c) *No Duplicative Payment.* It is intended that the provisions of this Agreement shall not result in a duplicative payment of any amount required to be paid under the Separation Agreement or any other Distribution Document, and this Agreement shall be construed accordingly.

Section 13. *Guarantees*. L Brands and VS, as the case may be, each hereby guarantees and agrees to otherwise perform the obligations of each other member of the L Brands Group or the VS Group, respectively, under this Agreement.

Section 14. *Communication and Cooperation*.

(a) *Consult and Cooperate.* L Brands and VS shall consult and cooperate (and shall cause each other member of their respective Groups to consult and cooperate) fully at such time and to the extent reasonably requested by the other party in connection with all matters subject to this Agreement. Such cooperation shall include, without limitation:

(i) the retention, and provision on reasonable request, of any and all information including all books, records, documentation or other information pertaining to Tax matters relating to the VS Group (or, in the case of any Tax Return of the L Brands Group, the portion of such return that relates to Taxes for which the VS Group may be liable pursuant to this Agreement), any necessary explanations of information, and access to personnel, until one year after the expiration of the applicable statute of limitation (giving effect to any extension, waiver or mitigation thereof);

(ii) the execution of any document that may be necessary (including to give effect to Section 15) or helpful in connection with any required Tax Return or in connection with any audit, proceeding, suit or action; and

(iii) the use of the parties' 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 foregoing.

(b) *Provide Information.* Except as set forth in Section 15, L Brands and VS shall keep each other reasonably informed with respect to any material development relating to the matters subject to this Agreement.

(c) *Tax Attribute Matters.* L Brands and VS shall promptly advise each other with respect to any proposed Tax adjustments that are the subject of an audit or investigation, or are the subject of any proceeding or litigation, and that may affect any Tax liability or any Tax Attribute (including, but not limited to, basis in an asset or the amount of earnings and profits) of any member of the VS Group or any member of the L Brands Group, respectively.

(d) *Confidentiality and Privileged Information*. Any information or documents provided under this Agreement shall be kept confidential by the party receiving the information or documents, except as may otherwise be necessary in connection with the filing of required Tax Returns or in connection with any audit, proceeding, suit or action. Without limiting the foregoing (and notwithstanding any other provision of this Agreement or any other agreement), (i) no member of the L Brands Group or VS Group, respectively, shall be required to provide any member of the VS Group or L Brands Group, respectively, or any other Person access to or copies of any information or procedures other than information or procedures that relate solely to VS, the business or assets of any member of the VS Group, or matters for which VS or L Brands Group, respectively, has an obligation to indemnify under this Agreement, and (ii) in no event shall any member of the L Brands Group or the VS Group, respectively, be required to provide any member of the VS Group or L Brands Group, respectively, or any other Person access to or copies of any information if such action could reasonably be expected to result in the waiver of any privilege. Notwithstanding the foregoing, in the event that L Brands or VS, respectively, determines that the provision of any information to any member of the VS Group or L Brands Group, respectively, could be commercially detrimental or violate any law or agreement to which L Brands or VS, respectively, is bound, L Brands or VS, respectively, shall not be required to comply with the foregoing terms of this Section 14(d) except to the extent that it is able, using commercially reasonable efforts, to do so while avoiding such harm or consequence (and shall promptly provide notice to L Brands or VS, to the extent such access to or copies of any information is provided to a Person other than a member of the L Brands Group or VS Group (as applicable)).

Section 15. *Audits and Contest*.

(a) *Notice*. Each of L Brands or VS shall promptly notify the other in writing upon the receipt of any notice of Tax Proceeding from the relevant Taxing Authority or upon becoming aware of an actual or potential Tax Proceeding by a Taxing Authority that may affect the liability of any member of the VS Group or the L Brands Group, respectively, for Taxes under Applicable Law or this Agreement; *provided*, that a Party's right to indemnification under this Agreement shall not be limited in any way by a failure to so notify, except to the extent that the indemnifying Party is prejudiced by such failure.

(b) *L Brands Control*. Notwithstanding anything in this Agreement to the contrary but subject to Sections 15(d) and 15(e), L Brands shall have the right to control all matters relating to any Joint Tax Return, any L Brands Separate Tax Return, any Pre-2021 VS Separate Tax Return, any VS Post-2020 Separate Non-Income Tax Return (to the extent related to Taxes attributable to a Pre-Distribution Period) and any Tax Return, or any Tax Proceeding, with respect to any Tax matters of a Combined Group or any member of a Combined Group (as such). L Brands shall have absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any Tax matter described in the preceding sentence; *provided, however*, that to the extent that any Tax Proceeding relating to such a Tax matter is reasonably likely to give rise to an indemnity obligation of VS under Section 11 hereof, (i) L Brands shall keep VS informed of all material developments and events relating to any such Tax Proceeding described in this proviso and (ii) at its own cost and expense, VS shall have the right to participate in (but not to control) the defense of any such Tax Proceeding.

(c) *VS Assumption of Control; Non-Distribution Taxes*. If L Brands determines that the resolution of any matter pursuant to a Tax Proceeding (other than a Tax Proceeding relating to Distribution Taxes) is reasonably likely to have an adverse effect on the VS Group with respect to any Post-Distribution Period, L Brands, in its sole discretion, may permit VS to elect to assume control over disposition of such matter at VS's sole cost and expense; *provided, however*, that if VS so elects, it will (i) be responsible for the payment of any liability arising from the disposition of such matter notwithstanding any other provision of this Agreement to the contrary and (ii) indemnify the L Brands Group for any increase in a liability and any reduction of a Tax asset of the L Brands Group arising from such matter.

(d) *VS Participation; Distribution Taxes*. L Brands shall have the right to control any Tax Proceeding relating to Distribution Taxes, *provided* that L Brands shall keep VS fully informed of all material developments and shall permit VS a reasonable opportunity to participate in the defense of the matter.

(e) *Specified Administrative Proceeding*. Notwithstanding the foregoing subsections of this Section 15, VS shall (A) control the Specified Administrative Matter at its own cost and expense, (B) keep L Brands informed of all material developments and events relating to the Specified Administrative Matter and (C) permit L Brands a reasonable opportunity to participate in (but not to control) the Specified Administrative Matter. Subject to the foregoing, L Brands shall cooperate reasonably with VS in connection with the Specified Administrative Matter, including by (i) transferring to VS, upon reasonable request by VS, any and all information, including all books, records, documentation, information regarding vendor mark-ups or other information, pertaining to the Specified Tax Matter, (ii) executing and delivering such documents, agreements or other instruments as are reasonably required to perfect the entry into an MFE APA and (iii) consenting to VS's engagement of any legal, accounting or economic advisor in connection with such Specified Tax Matter.

Section 16. *Notices.* Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission, email transmission, or mail, to the following addresses:

if to L Brands or the L Brands Group, to:

L Brands Corporation
Three Limited Parkway
Columbus, Ohio 43230
Attention: [__]
Email: [__]

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

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: [__]
Email: [__]

if to VS or the VS Group, to:

Victoria's Secret & Co.
4 Limited Parkway East
Reynoldsburg, Ohio 43068
Attention: [__]
Email: [__]

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other party hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 17. *Costs and Expenses.* The Party that prepares any Tax Return shall bear the costs and expenses incurred in the preparation of such Tax Return. Except as expressly set forth in this Agreement or the Separation Agreement, (i) each Party shall bear the costs and expenses incurred pursuant to this Agreement to the extent the costs and expenses are directly allocable to a liability or obligation allocated to such Party and (ii) to the extent a cost or expense is not directly allocable to a liability or obligation, it shall be borne by the Party incurring such cost or expense. For purposes of this Agreement, costs and expenses shall include, but not be limited to, reasonable attorneys' fees, accountants' fees and other related professional fees and disbursements.

Section 18. *Effectiveness; Termination and Survival.* Except as expressly set forth in this Agreement, as between L Brands and VS, this Agreement shall become effective upon the consummation of the Distribution. All rights and obligations arising hereunder shall survive until they are fully effectuated or performed; *provided* that, notwithstanding anything in this Agreement to the contrary, this Agreement shall remain in effect and its provisions shall survive for one year after the full period of all applicable statutes of limitation (giving effect to any extension, waiver or mitigation thereof) and, with respect to any claim hereunder initiated prior to the end of such period, until such claim has been satisfied or otherwise resolved. This agreement shall terminate without any further action at any time before the Distribution upon termination of the Separation Agreement.

Section 19. *Specific Performance.* Each Party to this Agreement acknowledges and agrees that damages for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and irreparable harm would occur. In recognition of this fact, each Party agrees that, if there is a breach or threatened breach, in addition to any damages, the other nonbreaching Party to this Agreement, without posting any bond, shall be entitled to seek and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, attachment, or any other equitable remedy which may then be available to obligate the breaching Party (i) to perform its obligations under this Agreement or (ii) if the breaching Party is unable, for whatever reason, to perform those obligations, to take any other actions as are necessary, advisable or appropriate to give the other Party to this Agreement the economic effect which comes as close as possible to the performance of those obligations (including transferring, or granting liens on, the assets of the breaching party to secure the performance by the breaching party of those obligations).

Section 20. *Construction.* In this Agreement, unless the context clearly indicates otherwise:

(a) words used in the singular include the plural and words used in the plural include the singular;

(b) references to any Person include such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;

(c) except as otherwise clearly indicated, reference to any gender includes the other gender;

(d) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation";

(e) reference to any Article, Section, Exhibit or Schedule means such Article or Section of, or such Exhibit or Schedule to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition;

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

(g) reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement;

(h) reference to any law (including statutes and ordinances) means such law (including all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(i) relative to the determination of any period of time, "from" means "from and including," "to" means "to and including" and "through" means "through and including";

(j) the titles to Articles and headings of Sections contained in this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement;

(k) unless otherwise specified in this Agreement, all references to dollar amounts herein shall be in respect of lawful currency of the United States; and

(l) any capitalized term used in an Exhibit or Schedule but not otherwise defined therein shall have the meaning set forth in this Agreement.

Section 21. *Entire Agreement; Amendments and Waivers*.

(a) *Entire Agreement*.

(i) This Agreement and the other Distribution Documents constitute the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof and thereof. No representation, inducement, promise, understanding, condition or warranty not set forth herein or in the other Distribution Documents has been made or relied upon by any party hereto or any member of their Group with respect to the transactions contemplated by the Distribution Documents. This Agreement is an "**Ancillary Agreement**" as such term is defined in the Separation Agreement and shall be interpreted in accordance with the terms of the Separation Agreement in all respects, *provided* that in the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Separation Agreement, the terms of this Agreement shall control in all respects.

(ii) THE PARTIES ACKNOWLEDGE AND AGREE THAT NO REPRESENTATION, WARRANTY, PROMISE, INDUCEMENT, UNDERSTANDING, COVENANT OR AGREEMENT HAS BEEN MADE OR RELIED UPON BY ANY PARTY OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE OTHER DISTRIBUTION DOCUMENTS. WITHOUT LIMITING THE GENERALITY OF THE DISCLAIMER SET FORTH IN THE PRECEDING SENTENCE, NEITHER L BRANDS NOR ANY OF ITS AFFILIATES HAS MADE OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATIONS OR WARRANTIES IN ANY PRESENTATION OR WRITTEN INFORMATION RELATING TO THE VS BUSINESS GIVEN OR TO BE GIVEN IN CONNECTION WITH THE CONTEMPLATED TRANSACTIONS OR IN ANY FILING MADE OR TO BE MADE BY OR ON BEHALF OF L BRANDS OR ANY OF ITS AFFILIATES WITH ANY GOVERNMENTAL AUTHORITY, AND NO STATEMENT MADE IN ANY SUCH PRESENTATION OR WRITTEN MATERIALS, MADE IN ANY SUCH FILING OR CONTAINED IN ANY SUCH OTHER INFORMATION SHALL BE DEEMED A REPRESENTATION OR WARRANTY HEREUNDER OR OTHERWISE. VS ACKNOWLEDGES THAT L BRANDS HAS INFORMED IT THAT NO PERSON HAS BEEN AUTHORIZED BY L BRANDS OR ANY OF ITS AFFILIATES TO MAKE ANY REPRESENTATION OR WARRANTY IN RESPECT OF THE VS BUSINESS OR IN CONNECTION WITH THE CONTEMPLATED TRANSACTIONS, UNLESS IN WRITING AND CONTAINED IN THIS AGREEMENT OR IN ANY OF THE OTHER DISTRIBUTION DOCUMENTS TO WHICH THEY ARE A PARTY.

(b) *Amendments and Waivers*.

(i) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each of L Brands and VS, or in the case of a waiver, by the Party against whom the waiver is to be effective.

(ii) No failure or delay by any Party (or the applicable member of such Party's Group) in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

Section 22. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such state.

Section 23. *Jurisdiction*. The Parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the Chancery Court of the State of Delaware and any state appellate court therefrom within the State of Delaware (or if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any federal or state court sitting in the State of Delaware and any federal or state appellate court therefrom), and each of the Parties hereto hereby irrevocably consents to the exclusive jurisdiction of such courts in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any Party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each Party agrees that service of process on such Party as provided in Section 16 shall be deemed effective service of process on such Party.

Section 24. *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 25. *Dispute Resolution.* In the event of any dispute relating to this Agreement, the Parties shall work together in good faith to resolve such dispute within thirty (30) days. In the event that such dispute is not resolved, upon written notice by a Party after such thirty (30)-day period, the matter shall be referred to a U.S. Tax counsel or other Tax advisor of recognized national standing (the "**Tax Arbiter**") that will be jointly chosen by L Brands and VS; *provided, however*, that, if L Brands and VS do not agree on the selection of the Tax Arbiter after five (5) days of good faith negotiation, the Tax Arbiter shall consist of a panel of three U.S. Tax counsel or other Tax advisor of recognized national standing with one member chosen by L Brands, one member chosen by VS, and a third member chosen by mutual agreement of the other members within the following ten (10)-day period. Each decision of a panel Tax Arbiter shall be made by majority vote of the members. The Tax Arbiter may, in its discretion, obtain the services of any third party necessary to assist it in resolving the dispute. The Tax Arbiter shall furnish written notice to the Parties to the dispute of its resolution of the dispute as soon as practicable, but in any event no later than ninety (90) days after acceptance of the matter for resolution. Any such resolution by the Tax Arbiter shall be binding on the Parties, and the Parties shall take, or cause to be taken, any action necessary to implement such resolution. All fees and expenses of the Tax Arbiter shall be shared equally by the Parties to the dispute.

Section 26. *Counterparts; Effectiveness; Third-Party Beneficiaries.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each Party hereto shall have received a counterpart hereof signed by the other Party hereto. Until and unless each Party has received a counterpart hereof signed by the other Party hereto, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Except for Section 14(d) and the indemnification and release provisions of Section 11, neither this Agreement nor any provision hereof is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the Parties hereto and their respective successors and permitted assigns.

Section 27. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns; *provided* that neither Party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other Party hereto. If any Party or any of its successors or permitted assigns (i) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of such Party shall assume all of the obligations of such Party under the Distribution Documents.

Section 28. *Authorization*. Each of L Brands and VS hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, on its behalf and on behalf of each member of its Group, that this Agreement has been duly authorized by all necessary corporate action on the part of such Party and each member of its Group, that this Agreement constitutes a legal, valid and binding obligation of each such Party and each member of its Group, and that the execution, delivery and performance of this Agreement by such Party and each member of its Group does not contravene or conflict with any provision or law or of its charter or bylaws or any agreement, instrument or order binding on such Party or member of its Group.

Section 29. *Change in Tax Law.* Any reference to a provision of the Code, Treasury Regulations or any other Applicable Tax Law shall include a reference to any applicable successor provision of the Code, Treasury Regulations or other Applicable Tax Law.

Section 30. *Performance*. Each party shall cause to be performed all actions, agreements and obligations set forth herein to be performed by any member of such party's Group.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the day and year first written above.

L Brands on its own behalf and on behalf of the members of the L Brands Group

By: _____

Name:

Title:

VS on its own behalf and on behalf of the members of the VS Group

By: _____

Name:

Title:

Exhibit 10.4

FORM OF EMPLOYEE MATTERS AGREEMENT

by and between

L BRANDS, INC.

and

VICTORIA'S SECRET & CO.

Dated as of [__]

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EMPLOYEE MATTERS AGREEMENT

EMPLOYEE MATTERS AGREEMENT dated as of [__], 2021 (as the same may be amended from time to time in accordance with its terms, this "**Agreement**"), between L Brands, Inc., a Delaware corporation ("**L Brands**"), and Victoria's Secret & Co., a Delaware corporation ("**VS**") (each, a "**Party**" and together, the "**Parties**").

W I T N E S S E T H :

WHEREAS, the Board of Directors of L Brands (the "**L Brands Board**") has determined that it is in the best interests of L Brands and its stockholders to separate the VS Business from the L Brands Business;

WHEREAS, VS is a wholly owned Subsidiary of L Brands that has been incorporated for the sole purpose of, and has not engaged in activities except in preparation for, the Distribution (as defined below) and the transactions contemplated by this Agreement, the Separation Agreement (as defined below) and the other Ancillary Agreements;

WHEREAS, in furtherance of the foregoing, the L Brands Board has determined that it is in the best interests of L Brands and its stockholders to distribute to the holders of the issued and outstanding shares of common stock, par value $0.50 per share, of L Brands (the "**L Brands Common Stock**") as of the Record Date, by means of a *pro rata* dividend, 100% of the issued and outstanding shares of common stock, par value $0.01 per share, of VS (the "**VS Common Stock**"), on the basis of one share of VS Common Stock for every [__] then issued and outstanding shares of L Brands Common Stock (the "**Distribution**");

WHEREAS, pursuant to the Separation Agreement, L Brands and VS have agreed to enter into this Agreement for the purpose of allocating between them assets, liabilities and responsibilities with respect to certain employee matters, including employee compensation and benefit plans and programs; and

WHEREAS, L Brands and VS have agreed that, except as otherwise expressly provided herein, the general approach and philosophy underlying this Agreement is to (a) allocate assets, Liabilities and responsibilities to the VS Group (as opposed to the L Brands Group) to the extent they relate to current or former employees and other service providers primarily related to the VS Business and (b) allocate assets, Liabilities and responsibilities (other than those described in clause (a) above) to the L Brands Group (as opposed to the VS Group).

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Separation Agreement, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions*. (a) For purposes of this Agreement, the following terms shall have the following meanings; *provided*, that capitalized terms used in this Agreement but not otherwise defined in this Agreement shall have the respective meanings ascribed to such terms in the Separation Agreement:

"**Adjusted L Brands Awards**" means, collectively, the Adjusted L Brands Options, the Adjusted L Brands PSUs and the Adjusted L Brands RSUs.

"**Adjusted L Brands Option**" means any L Brands Option adjusted pursuant to Section 8.03(b) hereto.

"**Adjusted L Brands PSU**" means any L Brands PSU adjusted pursuant to Section 8.02(b) hereto.

"**Adjusted L Brands RSU**" means any L Brands RSU adjusted pursuant to Section 8.01(b) hereto.

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

"**Code**" means the Internal Revenue Code of 1986.

"**Covered L Brands Service Provider**" means any L Brands Employee, L Brands Contractor, L Brands Director, New L Brands Employee or LB to VS TSA Service Employee.

"**Covered VS Service Provider**" means any VS Employee, VS Contractor, VS Director, New VS Employee or VS to LB TSA Service Employee.

"**Delayed LB Transfer Employee**" means each (a) L Brands TSA Employee whose employment transfers to a member of the L Brands Group following the Distribution Date as contemplated by, and in accordance with, the terms of the VS to L Brands Transition Services Agreement or any other applicable Ancillary Agreement and (b) any other individual who, upon mutual agreement of the Parties, transfers employment from the VS Group to the L Brands Group following the Distribution Date (whether in connection with any other Ancillary Agreement or otherwise). For the avoidance of doubt, a New L Brands Employee shall not be deemed a Delayed LB Transfer Employee.

"**Delayed Transfer Date**" means, with respect to any applicable Delayed LB Transfer Employee or Delayed VS Transfer Employee, the applicable date he or she commences employment with a member of the L Brands Group or the VS Group, respectively, following the Distribution Date. For the avoidance of doubt, in the case of any L Brands TSA Employee or VS TSA Employee whose employment transfers to a member of the L Brands Group or the VS Group in accordance with the VS to L Brands Transition Services Agreement or the L Brands to VS Transition Services Agreement, respectively, his or her Transition Date (as defined in the VS to L Brands Transition Services Agreement or the L Brands to VS Transition Services Agreement, respectively) shall constitute his or her Delayed Transfer Date for purposes of this Agreement.

"**Delayed VS Transfer Employee**" means each (a) VS Inactive Employee whose employment transfers to a member of the VS Group in accordance with Section 3.01(d) following the Distribution Date, (b) Sponsored VS Employee whose employment transfers to a member of the VS Group following the Distribution Date, (c) VS TSA Employee whose employment transfers to a member of the VS Group following the Distribution Date as contemplated by, and in accordance with, the terms of the L Brands to VS Transition Services Agreement or any other applicable Ancillary Agreement and (d) any other individual who, upon mutual agreement of the Parties, transfers employment from the L Brands Group to the VS Group following the Distribution Date (whether in connection with any other Ancillary Agreement or otherwise). For the avoidance of doubt, a New VS Employee shall not constitute a Delayed VS Transfer Employee.

"**Employee Plan**" means any (a) "employee benefit plan" as defined in Section 3(3) of ERISA, (b) compensation, employment, consulting, severance, termination protection, change in control, transaction bonus, retention or similar plan, agreement, arrangement, program or policy or (c) other plan, agreement, arrangement, program or policy providing for compensation, bonuses, profit-sharing, equity or equity-based compensation or other forms of incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangement), medical, dental, vision, prescription or fringe benefits, life insurance, relocation or expatriate benefits, perquisites, disability or sick leave benefits, employee assistance program, supplemental unemployment benefits or post-employment or retirement benefits (including compensation, pension, health, medical or insurance benefits), in each case whether or not written.

"**ERISA**" means the Employee Retirement Income Security Act of 1974.

"**FLSA**" means the Fair Labor Standards Act of 1938.

"**Former L Brands Employee**" means each individual who, as of immediately prior to the Distribution Date, is a former employee of any member of the L Brands Group (other than any VS Employee). For the avoidance of doubt, a Delayed VS Transfer Employee shall not constitute a Former L Brands Employee.

"**Former VS Employee**" means each individual who, as of immediately prior to the Distribution Date, is a former employee who was last actively employed primarily with respect to the VS Business by any member of the L Brands Group or the VS Group. For the avoidance of doubt, a Delayed LB Transfer Employee shall not constitute a Former VS Employee.

"**H&W Plan**" means any L Brands H&W Plan or VS H&W Plan.

"**Individual Retirement Account**" has the meaning set forth in Section 408 of the Code.

"**L Brands 401(k) Plan**" means any L Brands Plan that is a defined contribution plan intended to qualify under Section 401(a) of the Code and related trust intended to be exempt under Section 501(a) of the Code.

"**L Brands Awards**" means, collectively, the L Brands Options, the L Brands PSUs and the L Brands RSUs.

"**L Brands Bonus Plan**" means any L Brands Plan that is a cash bonus or cash incentive plan. For the avoidance of doubt, and without limitation, the following plans are considered L Brands Bonus Plans: (a) the L Brands, Inc. 2015 Cash Incentive Compensation Performance Plan (the "**L Brands 2015 Bonus Plan**") and (b) the L Brands Greater China Sales Incentive Scheme VSFA Store Leadership Team.

"**L Brands Compensation Committee**" means the Human Capital and Compensation Committee of the L Brands Board.

"**L Brands Contractor**" means each current or former individual independent contractor or consultant (other than a VS Contractor) of any member of the L Brands Group, and solely for purposes of Article 8, each non-employee L Brands Director.

"**L Brands Director**" means a member of the L Brands Board.

"**L Brands Employee**" means each individual who, (a) as of the Distribution Date, is (i) not a VS Employee and is (ii) either (x) actively employed by any member of the L Brands Group, (y) an inactive employee (including any employee on short- or long-term disability leave or other authorized leave of absence) of any member of the L Brands Group or (z) a Former L Brands Employee or (b) as of the applicable Delayed Transfer Date, is a Delayed LB Transfer Employee.

"**L Brands ESPP**" means the L Brands, Inc. Associate Stock Purchase Plan.

"**L Brands Equity Plans**" means, collectively, (a) the L Brands, Inc. 2020 Stock Option and Performance Incentive Plan, effective as of May 14, 2020, (b) the L Brands, Inc. 2015 Stock Option and Performance Incentive Plan, effective as of May 21, 2015 and (c) the Limited Brands, Inc. 2011 Stock Option and Performance Incentive Plan, effective as of July 21, 2011 (in each case, together with any successor plans thereto).

"**L Brands FSA**" means any L Brands Plan that is a flexible spending account for health and dependent care expenses under Sections 125 and 129 of the Code.

"**L Brands H&W Plan**" means any L Brands Plan that is (a) an "employee welfare benefit plan" or "welfare plan" (as defined under Section 3(1) of ERISA) or (b) a similar plan that is sponsored, maintained, administered, contributed to or entered into outside of the United States. For the avoidance of doubt, L Brands FSAs are L Brands H&W Plans.

"**L Brands Option**" means each option to acquire L Brands Common Stock granted under the L Brands Equity Plans.

"**L Brands Participant**" means any individual who is an L Brands Employee or L Brands Contractor, and any beneficiary, dependent or alternate payee of such individual, as the context requires.

"**L Brands Plan**" means any Employee Plan (other than a VS Plan) sponsored, maintained, administered, contributed to or entered into by any member of the L Brands Group. For the avoidance of doubt, no VS Plan is an L Brands Plan.

"**L Brands Post-Distribution Stock Value**" means the value of L Brands Common Stock immediately following the Distribution Date, determined based on the methodology specified by the L Brands Compensation Committee.

"**L Brands Pre-Distribution Stock Value**" means the value of L Brands Common Stock immediately prior to the Distribution Date, determined based on the methodology specified by the L Brands Compensation Committee.

"**L Brands PSU**" means each award of restricted stock units with respect to L Brands Common Stock granted under the L Brands Equity Plans that are subject to performance-based vesting conditions.

"**L Brands RSU**" means each award of restricted stock units with respect to L Brands Common Stock granted under the L Brands Equity Plans (other than L Brands PSUs).

"**L Brands Specified Rights**" means any and all rights to enjoy, benefit from or enforce any and all restrictive covenants, including covenants relating to non-disclosure, non-solicitation, non-competition, confidentiality or Intellectual Property, pursuant to any Employee Plan covering or with any VS Employee, VS Contractor, L Brands Employee or L Brands Contractor and to which any member of the VS Group or L Brands Group is a party (other than VS Specified Rights).

"**L Brands TSA Employee**" means each (a) Transition Employee (as defined in the VS to L Brands Transition Services Agreement) and (b) other individual who, on or after the Distribution Date, is employed by a member of the VS Group and whose employment is mutually agreed by the Parties to transfer to a member of the L Brands Group following the Distribution Date in connection with the VS to L Brands Transition Services Agreement or any other applicable Ancillary Agreement.

"**LB to VS TSA Service Employee**" means each TSA Employee (as defined under the L Brands to VS Transition Services Agreement).

"**New L Brands Employee**" means any employee externally hired by any member of the L Brands Group following the Distribution Date.

"**New VS Employee**" means any employee externally hired by any member of the VS Group following the Distribution Date.

"**Non-U.S. LB Defined Contribution Plan**" means any Employee Plan that is a defined contribution plan that provides benefits on retirement, and such other benefits as are provided for under the plan, to Non-U.S. LB Participants whether (i) exclusively or together with other participants and (ii) such plan is sponsored or maintained by a member of the L Brands Group, by a member of the VS Group or by any other Person.

"**Non-U.S. LB Participant**" means any L Brands Participant who is not a U.S. LB Participant.

"**Non-U.S. VS Defined Contribution Plan**" means any Employee Plan that is a defined contribution plan that provides benefits on retirement, and such other benefits as are provided for under the plan, to Non-U.S. VS Participants whether (i) exclusively or together with other participants and (ii) such plan is sponsored or maintained by a member of the VS Group, by a member of the L Brands Group or by any other Person.

"**Non-U.S. VS Participant**" means any VS Participant who is not a U.S. VS Participant.

"**Restricted Period**" means the period beginning on the Distribution Date and ending on the 24-month anniversary of the Distribution Date (or, with respect to any applicable LB to VS TSA Service Employee or VS to LB TSA Service Employee, if later, the date of the expiration or termination of the applicable Service (as defined in the L Brands to VS Transition Services Agreement or the VS to L Brands Transition Services Agreement, respectively) in which such LB to VS TSA Service Employee or VS to LB TSA Service Employee, as applicable, is engaged).

"**Separation Agreement**" means the Separation and Distribution Agreement dated as of [__], 2021, by and between L Brands and VS, to which this Agreement is Exhibit E, as may be amended from time to time in accordance with its terms, together with all schedules and exhibits thereto.

"**Sponsored VS Employee**" means any VS Employee working on a visa or work permit sponsored by a member of the L Brands Group as of immediately prior to the Distribution Date.

"**U.S. LB Participant**" means any L Brands Participant who is employed or engaged (or, in the case of former employees, individual independent contractors or consultants, was last actively employed or engaged, as applicable) in the United States (which, for the avoidance of doubt, shall not include Puerto Rico for these purposes).

"**U.S. LB Plan**" means any L Brands Plan that primarily covers U.S. LB Participants.

"**U.S. VS Participant**" means any VS Participant who is employed or engaged (or, in the case of former employees, individual independent contractors or consultants, was last actively employed or engaged, as applicable) in the United States (which, for the avoidance of doubt, shall not include Puerto Rico for these purposes).

"**U.S. VS Plan**" means any VS Plan that primarily covers U.S. VS Participants.

"**VS 2021 Bonus Plan**" means the Victoria's Secret & Co. 2021 Cash Incentive Compensation Performance Plan.

"**VS 401(k) Plan**" means any VS Plan that is a defined contribution plan intended to qualify under Section 401(a) of the Code and related trust intended to be exempt under Section 501(a) of the Code.

"**VS Active Employee**" means any individual actively employed primarily with respect to the VS Business by any member of the L Brands Group or the VS Group.

"**VS Awards**" means, collectively, the VS Options, the VS PSUs and the VS RSUs.

"**VS Board**" means the Board of Directors for VS.

"**VS Contractor**" means each individual independent contractor or consultant who, as of the Distribution Date, (a) is actively and primarily providing services with respect to the VS Business by any member of the L Brands Group or the VS Group or (b) who was last actively and primarily providing services with respect to the VS Business by any member of the L Brands Group or the VS Group.

"**VS Director**" means a member of the VS Board.

"**VS Employee**" means each individual who, (a) as of the Distribution Date, is (i) a VS Active Employee, (ii) subject to Section 3.01(d) with respect to VS Inactive Employees, an inactive employee (including any employee on short- or long-term disability leave or other authorized leave of absence) primarily employed with respect to the VS Business by any member of the L Brands Group or the VS Group, (iii) VS Furloughed Employee or (iv) a Former VS Employee, or (b) as of the applicable Delayed Transfer Date, is a Delayed VS Transfer Employee.

"**VS Furloughed Employee**" means each individual who, as of the Distribution Date, (a) is primarily employed with respect to the VS Business by any member of the VS Group and (b) is on a temporary leave of employment due to a furlough.

"**VS H&W Plan**" means any VS Plan that is (a) an "employee welfare benefit plan" or "welfare plan" (as defined under Section 3(1) of ERISA) or (b) a similar plan that is sponsored, maintained, administered, contributed to or entered into outside of the United States. For the avoidance of doubt, VS FSAs are VS H&W Plans.

"**VS Inactive Employee**" means each VS Employee who is on a leave of absence protected under the Family Medical Leave Act and/or receiving long-term or short-term disability benefits under an L Brands H&W Plan as of immediately prior to the Distribution Date.

"**VS Participant**" means any individual who is a VS Employee or VS Contractor, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

"**VS Plan**" means any Employee Plan (a) that is or was sponsored, maintained, administered, contributed to or entered into by any member of the VS Group, whether before, as of or after the Distribution Date or (b) for which Liabilities transfer to any member of the VS Group under this Agreement or pursuant to Applicable Law as a result of the Distribution.

"**VS Specified Rights**" means any and all rights to enjoy, benefit from or enforce any and all restrictive covenants, including covenants relating to non-disclosure, non-solicitation, non-competition, confidentiality or Intellectual Property, applicable or related, in whole or in part, to the VS Business pursuant to any Employee Plan covering or with any VS Employee or VS Contractor and to which any member of the VS Group or L Brands Group is a party; *provided*, that, with respect to any Intellectual Property existing, conceived, created, developed or reduced to practice prior to the Distribution Date, the foregoing rights to enjoy, benefit from or enforce any restrictive covenants related to Intellectual Property is limited to those restrictive covenants related to Intellectual Property included in the VS Assets.

"**VS Stock Value**" means the value of VS Common Stock determined based on the methodology specified by the L Brands Compensation Committee.

"**VS to LB TSA Service Employee**" means each TSA Employee (as defined under the VS to L Brands Transition Services Agreement).

"**VS TSA Employee**" means each (a) Transition Employee (as defined in the L Brands to VS Transition Services Agreement) and (b) other individual who, on or after the Distribution Date, is employed by a member of the L Brands Group and whose employment is mutually agreed by the Parties to transfer to a member of the VS Group following the Distribution Date in connection with the L Brands to VS Transition Services Agreement or any other applicable Ancillary Agreement.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	**Section**
Agreement	Preamble
August 2021 Retention Bonus	Section 7.03
Distribution	Recitals
Forfeited LB Awards	Section 8.05(a)
Forfeited VS Awards	Section 8.05(b)
L Brands	Preamble
L Brands Board	Recitals
L Brands Change in Control	Section 8.04(c)(i)
L Brands Common Stock	Recitals
L Brands Retained Employee Liabilities	Section 2.01(a)(iii)
Other L Brands Cash Bonuses	Section 7.01(b)
Paid Time Off	Section 6.05(a)
Party/Parties	Preamble
Personnel Records	Section 9.01
Replacement LB Award	Section 8.05(b)
Replacement VS Award	Section 8.05(a)
Spring 2021 L Brands Cash Bonuses	Section 7.01(a)
Vendor Contract	Section 11.03(a)
VS	Preamble
VS Assumed Employee Liabilities	Section 2.01(b)
VS Bonus Plan	Section 7.02(a)
VS Cash Bonuses	Section 7.02(a)
VS Change in Control	Section 8.04(c)(ii)
VS Common Stock	Recitals
VS Equity Plan	Section 8.04(a)
VS ESPP	Section 8.06
VS FSAs	Section 6.03
VS Option	Section 8.03(a)(ii)
VS PSU	Section 8.02(a)
VS RSU	Section 8.01(a)

ARTICLE 2

GENERAL ALLOCATION OF LIABILITIES; INDEMNIFICATION

Section 2.01. *Allocation of Employee-Related Liabilities*.

(a) Subject to the terms and conditions of this Agreement, effective as of the Distribution Date, L Brands shall, or shall cause the applicable member of the L Brands Group to, assume and retain, and no member of the VS Group shall have any further obligation with respect to, any and all Liabilities (i) relating to, arising out of or in respect of any L Brands Participant (including, for the avoidance of doubt, any Former L Brands Employee) or any L Brands Plan, in each case, other than any VS Assumed Employee Liabilities (as defined below), (A) whether arising before, on or after the Distribution Date, (B) whether based on facts occurring before, on or after the Distribution Date and (C) irrespective of which Person such Liabilities are asserted against or which Person such Liabilities attached to as a matter of Applicable Law or contract or (ii) expressly assumed or retained, as applicable, by any member of the L Brands Group pursuant to this Agreement (collectively, "L Brands Retained Employee Liabilities"). For the avoidance of doubt, (1) any Liabilities relating to any Actions that are L Brands Liabilities, including those listed on Schedule 1.01(e) to the Separation Agreement relating to LB Participants or LB Plans shall constitute L Brands Retained Employee Liabilities and (2) all L Brands Retained Employee Liabilities are L Brands Liabilities for purposes of the Separation Agreement.

(b) Subject to the terms and conditions of this Agreement, effective as of the Distribution Date, VS shall, or shall cause the applicable member of the VS Group to, assume, and no member of the L Brands Group shall have any further obligation with respect to, any and all Liabilities (i) relating to, arising out of or in respect of any VS Participant (including, for the avoidance of doubt, any Former VS Employee) or any VS Plan, in each case, (x) whether arising before, on or after the Distribution Date, (y) whether based on facts occurring before, on or after the Distribution Date and (z) irrespective of which Person such Liabilities are asserted against or which Person such Liabilities attached to as a matter of Applicable Law or contract or (ii) expressly assumed or retained, as applicable, by any member of the VS Group pursuant to this Agreement (collectively, "VS Assumed Employee Liabilities"), including without limitation, in the case of clause (i) above:

(A) employment, separation or retirement agreements or arrangements to the extent applicable to any VS Participant;

(B) wages, salaries, incentive compensation, commissions, bonuses and other compensation payable to any VS Participants, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses and other compensation are or may have been earned;

(C) severance or similar termination-related pay or benefits applicable to any VS Participant relating to the termination or alleged termination of any VS Participant's employment or service with the VS Group or L Brands Group that occurs prior to, at or after the Distribution;

(D) claims made by or with respect to any VS Participant in connection with any employee benefit plan, program or policy, without regard to when such claim is in respect of;

(E) subject to Section 6.04, workers' compensation and unemployment compensation benefits for all VS Participants;

(F) change in control, transaction bonus, retention and stay bonuses payable to any VS Participants;

(G) any Applicable Law (including ERISA and the Code) to the extent related to participation by any VS Participant in any Employee Plan;

(H) any Actions, allegations, demands, assessments, settlements or judgments relating to or involving any VS Participant (including, without limitation, those relating to labor and employment, wages, hours, overtime, employee classification, hostile workplace, civil rights, discrimination, harassment, affirmative action, work authorization, immigration, safety and health, information privacy and security, workers' compensation, continuation coverage under group health plans, wage payment, hiring practice and the payment and withholding of Taxes);

(I) any costs or expenses incurred in designing, establishing and administering any VS Plans or payroll or benefits administration for VS Participants; and

(J) the employer portion of any employment, payroll or similar Taxes relating to any of the foregoing or any VS Participant.

For the avoidance of doubt, (1) any Liabilities relating to any Actions that are VS Liabilities, including those listed on Schedule 1.01(l) to the Separation Agreement relating to VS Participants or VS Plans shall constitute VS Assumed Employee Liabilities and (2) all VS Assumed Employee Liabilities are VS Liabilities for purposes of the Separation Agreement.

Section 2.02. *Indemnification*. For the avoidance of doubt, the provisions of Article 5 of the Separation Agreement shall apply to and govern the indemnification rights and obligations of the Parties with respect to the matters addressed by this Agreement.

Section 2.03. *No Duplicate Reimbursements*. For the avoidance of doubt, and notwithstanding anything to the contrary in this Agreement or any other Ancillary Agreement, neither Party shall be required to reimburse the other Party for any amounts under this Agreement if and to the extent that such Party (or an applicable member of its Group) has otherwise previously reimbursed the other Party (or an applicable member of its Group) for such amounts pursuant to the L Brands to VS Transition Services Agreement or the VS to L Brands Transition Services Agreement, as applicable.

ARTICLE 3
EMPLOYEES AND CONTRACTORS; EMPLOYEE AGREEMENTS

Section 3.01. *Transfers of Employment.*

(a) Except as provided for in this Section 3.01, effective as of or prior to the Distribution Date, (A) the employment of each VS Employee (other than any applicable Delayed VS Transfer Employee), to the extent employed at such time, will be transferred to or continued by, as applicable, a member of the VS Group and (B) the employment of each L Brands Employee (other than any applicable Delayed LB Transfer Employee), to the extent employed at such time, will be continued by a member of the L Brands Group. Before the Distribution Date, the Parties shall mutually cooperate in good faith and use their reasonable best efforts to cause all such transfers of employment contemplated by this Section 3.01(a) to occur no later than the Distribution Date. For the avoidance of doubt, effective as of the Distribution Date, all VS Furloughed Employees shall be employed by a member of the VS Group and shall constitute a VS Employee for all purposes of this Agreement and, to the extent applicable, upon such employee's return to active service following the end of the applicable furlough period, such VS Furloughed Employee shall commence employment with a member of the VS Group.

(b) Effective as of the applicable Delayed Transfer Date, (i) the employment of each applicable Delayed VS Transfer Employee, to the extent employed by a member of the L Brands Group at such time, shall transfer to a member of the VS Group, and (ii) the employment of each applicable Delayed LB Transfer Employee, to the extent employed by a member of the VS Group at such time, shall transfer to a member of the L Brands Group. Following the Distribution Date, the Parties shall mutually cooperate in good faith and use their reasonable best efforts to cause all such transfers of employment contemplated by this Section 3.01(b) to occur in the manner contemplated by this Agreement or any other applicable Ancillary Agreement, including, to the extent (x) required by Applicable Law, (y) required by any applicable Ancillary Agreement or (z) otherwise determined by the Parties to be necessary or appropriate, by having the applicable Party (or an applicable member of its Group) make an offer of employment to such Delayed VS Transfer Employee or Delayed LB Transfer Employee, as the case may be, on terms and conditions of employment consistent with (A) this Agreement, (B) the L Brands to VS Transition Services Agreement, the VS to L Brands Transition Services Agreement or such other applicable Ancillary Agreement, as applicable, and (C) the terms and conditions of employment applicable to such employee as of immediately prior to the applicable Delayed Transfer Date.

(c) Notwithstanding anything to the contrary herein, except as expressly provided in this Agreement, (i) each Delayed VS Transfer Employee shall be deemed to be a VS Employee for all purposes of this Agreement, effective as of the Delayed Transfer Date applicable to such Delayed VS Transfer Employee, and (ii) each Delayed LB Transfer Employee shall be deemed to be an L Brands Employee for all purposes of this Agreement, effective as of the Delayed Transfer Date applicable to such Delayed LB Transfer Employee, in each case including, without limitation, for purposes of determining the allocation of Liabilities set forth in Article 2 of this Agreement and plan participation pursuant to Article 4 of this Agreement. Accordingly, subject to the express terms of this Agreement (including, without limitation, Section 3.01(d) and Section 3.05) or any reimbursement provisions set forth in the L Brands to VS Transition Service Agreement, the VS to L Brands Transition Services Agreement or any other applicable Ancillary Agreement, unless and until an applicable Delayed Transfer Date occurs with respect to any VS Inactive Employee, Sponsored VS Employee, VS TSA Employee or L Brands TSA Employee, as applicable, (i) the L Brands Group shall be responsible for the cost of any compensation, benefits, severance and other employment-related costs in respect of any VS Inactive Employee, Sponsored VS Employee and VS TSA Employee prior to the applicable Delayed Transfer Date and (ii) the VS Group shall be responsible for the cost of any compensation, benefits, severance and other employment-related costs in respect of any L Brands TSA Employee prior to the applicable Delayed Transfer Date.

(d) Notwithstanding anything to the contrary in this Agreement, each VS Inactive Employee will continue to be employed by a member of the L Brands Group until such individual returns to active service; *provided* that, in the event that such VS Inactive Employee returns to active service with the L Brands Group on or before the 12-month anniversary of the Distribution Date, VS will make an offer of employment to such VS Inactive Employee on terms and conditions of employment consistent with (i) this Agreement and (ii) the terms and conditions of employment applicable to such VS Inactive Employee at such time. For the avoidance of doubt, (x) effective on or before the Distribution Date, the employment of each VS Employee who is on an approved leave of absence (other than any VS Inactive Employee) will continue with or be transferred to, as applicable, the VS Group in accordance with Section 3.01(a), (y) all costs relating to any compensation, benefits, severance or other employment-related costs in respect of VS Inactive Employees will constitute VS Assumed Employee Liabilities and (z) any VS Inactive Employee who does not return to active service with L Brands on or before the 12-month anniversary of the Distribution Date will not be considered a VS Employee for purposes of this Agreement, and the Parties shall mutually cooperate in good faith to determine the status of such employee.

(e) To the extent required, each of the Parties hereto agrees to execute, and to use their reasonable best efforts to have the applicable employees execute, any such documentation or consents as may be necessary or desirable to reflect or effectuate any such assignments or transfers contemplated by this Section 3.01.

(f) Effective as of the Distribution Date, (i) VS shall adopt or maintain, and shall cause each member of the VS Group to adopt or maintain, leave of absence programs and (ii) VS shall honor, and shall cause each member of the VS Group to honor, all terms and conditions of authorized leaves of absence which have been granted to any VS Participant before the Distribution Date, including such leaves that are to commence on or after the Distribution Date.

(g) In the event that the Parties reasonably determine following the Distribution Date that (i) any individual employed outside the United States who is an L Brands Employee has inadvertently become or remained (as applicable) employed by a member of the VS Group due to the operation of transfer of undertakings or similar Applicable Law, the Parties shall cooperate and take such actions as may be reasonably necessary in order to cause the employment of such individual to be promptly transferred to a member of the L Brands Group, and L Brands shall reimburse the applicable members of the VS Group for all compensation, benefits, severance and other employment-related costs incurred by the VS Group members in employing and transferring such individuals or (ii) any individual employed outside the United States who is a VS Employee has inadvertently become or remained (as applicable) employed by a member of the L Brands Group due to the operation of transfer of undertakings or similar Applicable Law, the Parties shall cooperate and take such actions as may be reasonably necessary in order to cause the employment of such individual to be promptly transferred to a member of the VS Group, and VS shall reimburse the applicable members of the L Brands Group for all compensation, severance, benefits and other employment-related costs incurred by the L Brands Group members in employing and transferring such individuals.

Section 3.02. *Contractors*. With respect to any independent contractor or consulting agreements with VS Contractors or L Brands Contractors to which a VS Group member or an L Brands Group member, respectively, is not a party, or which do not otherwise transfer to a VS Group member or an L Brands Group member, respectively, by operation of Applicable Law, the Parties shall use reasonable best efforts to assign, effective on or before the Distribution Date, the applicable agreements to a member of the VS Group or a member of the L Brands Group, as applicable, in the applicable jurisdiction, and VS or L Brands, as applicable, shall, or shall cause a member of the VS Group or a member of the L Brands Group, respectively, to assume and perform any obligations under such independent contractor and consulting agreements with respect to VS Contractors and L Brands Contractors, respectively.

Section 3.03. *Employee Agreements.*

(a) With respect to any employment, retention, severance, restrictive covenant or similar agreements with VS Employees to which a member of the VS Group is not a party, or which do not otherwise transfer to a VS Group member by operation of Applicable Law, the Parties shall use reasonable best efforts to assign, effective on or before the Distribution Date (or, with respect to Delayed VS Transfer Employee, effective as of the applicable Delayed Transfer Date) the applicable employment, retention, severance, restrictive covenant or similar agreement, as applicable, to a member of the VS Group in the applicable jurisdiction, and VS shall, or shall cause a member of the VS Group to assume and perform such agreements in accordance with their terms, in each case as if originally entered into by such applicable member of the VS Group, and the L Brands Group shall cease to have any Liabilities or responsibilities with respect thereto; *provided*, *however*, that this Section 3.03(a) shall not apply to any employment, retention, severance, restrictive covenant or similar agreements with any VS Employees who are employed in a jurisdiction outside of the United States in which the Parties do not intend for such agreements to be transferred to the VS Group.

(b) With respect to any employment, retention, severance, restrictive covenant or similar agreements with L Brands Employees to which a member of the L Brands Group is not a party, or which do not otherwise transfer to an L Brands Group member by operation of Applicable Law, the Parties shall use reasonable best efforts to assign, effective on or before the Distribution Date (or, with respect to Delayed LB Transfer Employee, effective as of the applicable Delayed Transfer Date) the applicable employment, retention, severance, restrictive covenant or similar agreement, as applicable, to a member of the L Brands Group in the applicable jurisdiction, and L Brands shall, or shall cause a member of the L Brands Group to assume and perform such agreements in accordance with their terms, in each case as if originally entered into by such applicable member of the L Brands Group, and the VS Group shall cease to have any Liabilities or responsibilities with respect thereto; *provided*, *however*, that this Section 3.03(b) shall not apply to any employment, retention, severance, restrictive covenant or similar agreements with any L Brands Employees who are employed in a jurisdiction outside of the United States in which the Parties do not intend for such agreements to be transferred to the L Brands Group.

(c) From and after the Distribution Date (or, if applicable, the Delayed Transfer Date), each of VS and L Brands hereby agrees to comply with and honor any employment, services, retention or severance agreement between any member of the VS Group or the L Brands Group, as the case may be, on the one hand, and any VS Employee or VS Contractor or L Brands Employee or L Brands Contractor, respectively, on the other hand, and assumes responsibility for, and, to the extent applicable, L Brands or the relevant member of the L Brands Group and VS or the relevant member of the VS Group, respectively, shall cease to be responsible for or to otherwise have any Liability in respect of, such agreements.

Section 3.04. *Assignment of Specified Rights*. To the extent permitted by Applicable Law and the applicable agreement, if any, effective as of the Distribution Date, (a) L Brands hereby assigns, to the maximum extent possible, on behalf of itself and the L Brands Group, the VS Specified Rights, to VS (and VS shall be a third party beneficiary with respect thereto) and (b) VS hereby assigns, to the maximum extent possible, on behalf of itself and the VS Group, the L Brands Specified Rights, to L Brands (and L Brands shall be a third party beneficiary with respect thereto).

Section 3.05. *Sponsored VS Employees*. Each of VS and L Brands shall, and shall cause the members of the VS Group and the L Brands Group, respectively, to, cooperate in good faith with each other and the applicable Governmental Authorities with respect to the process of obtaining work authorization for each Sponsored VS Employee to work with VS or a VS Group member, including but not limited to, petitioning the applicable Governmental Authorities for the transfer of each Sponsored VS Employee's (as well as any spouse or dependent thereof, as applicable) visa or work permit, or the grant of a new visa or work permit, to any VS Group member. Any costs or expenses incurred with the foregoing shall constitute VS Assumed Employee Liabilities. In the event that it is not legally permissible for a Sponsored VS Employee to continue work with the VS Group from and after the Distribution Date, the Parties shall reasonably cooperate to provide for the services of such Sponsored VS Employee to be made available exclusively to the VS Group under an employee secondment or similar arrangement, which such costs incurred by the L Brands Group (including those relating to compensation and benefits in respect of such Sponsored VS Employee) shall constitute VS Assumed Employee Liabilities.

Section 3.06. *Transfer-Related Termination Liabilities*.

(a) Except as expressly contemplated by this Agreement, neither the Distribution, nor any assignment, transfer or continuation of the employment of any employees as contemplated by this Article 3 (or any other Ancillary Agreement) shall be deemed a termination of employment or service of any L Brands Participant or VS Participant for purposes of this Agreement or any L Brands Award, VS Award, L Brands Bonus Plan, VS Bonus Plan, L Brands Equity Plan, VS Equity Plan or any employment, severance, retention, consulting or similar agreements, plans, policies or arrangements. Each of the Parties shall cooperate in good faith and use reasonable best efforts to avoid and mitigate, to the maximum extent possible, the incurrence of any severance or other termination-related obligations (including, without limitation, by the provision of all appropriate notices, assurances and offers of employment and the assignment and assumption of obligations or undertakings with respect to employment, compensation, benefits, protections or other obligations) in connection with the Distribution and any assignment or transfer of employment contemplated by this Agreement or any other Ancillary Agreement.

(b) Without limiting the generality of Section 3.06(a):

(i) in the event that any severance or other termination-related payments become payable as a result of the transfer of the employment of a VS Employee contemplated by this Article 3, the VS Group shall be solely responsible for all such severance and termination-related payments, and such amounts shall constitute VS Assumed Employee Liabilities; and

(ii) in the event that any severance or other termination-related payments become payable as a result of the transfer of the employment of an L Brands Employee contemplated by this Article 3, the L Brands Group shall be solely responsible for all such severance and termination-related payments, and such amounts shall constitute L Brands Retained Employee Liabilities.

ARTICLE 4
PLANS

Section 4.01. *General; Plan Participation.*

(a) Except as otherwise expressly provided in this Agreement, subject to the terms of the L Brands to VS Transition Services Agreement and the VS to L Brands Transition Services Agreement, as applicable, effective as of immediately prior to the Distribution Date, (i)(A) all VS Participants shall cease any participation in, and benefit accrual under, the L Brands Plans and (B) all members of the VS Group shall cease to be participating employers under the L Brands Plans and shall have no further obligations with respect to any L Brands Plans and (ii) to the extent applicable, (A) all L Brands Participants shall cease any participation in, and benefit accrual under, the VS Plans and (B) all members of the L Brands Group shall cease to be participating employers under the VS Plans, and shall have no further obligations with respect to any VS Plans.

(b) Subject to, and in accordance with, the terms of this Agreement and the L Brands to VS Transition Services Agreement, to the extent necessary to comply with its obligations under this Agreement or any other Ancillary Agreement, VS or a member of the VS Group shall adopt, or cause to be adopted, at VS's expense, VS Plans for the benefit of VS Participants to be effective from and after the Distribution Date (or, if applicable, the Delayed Transfer Date).

(c) Prior to the Distribution Date, L Brands and VS shall take all actions necessary to effectuate the actions contemplated by this Section 4.01 and to cause (i) the applicable VS Group member to have in effect the applicable VS Plans no later than the Distribution Date (or the applicable Delayed Transfer Date), except as otherwise set forth in this Agreement or in the L Brands to VS Transition Services Agreement, (ii) the applicable VS Group Member to assume or retain all Liabilities with respect to each VS Plan and the applicable L Brands Group member to assume or retain all Liabilities with respect to each L Brands Plan, in each case, effective as of the Distribution Date and (iii) all assets of any VS Plan to be transferred to or retained by the applicable VS Group member in the applicable jurisdiction and all assets of any L Brands Plan to be transferred to or retained by the applicable L Brands Group member in the applicable jurisdiction, in each case, effective as of the Distribution Date. Effective as of the Distribution Date, no member of the L Brands Group shall be considered a fiduciary for any VS Plans and no member of the VS Group shall be considered a fiduciary for any L Brands Plans.

(d) Notwithstanding anything to the contrary herein, except as expressly provided in this Agreement, each Delayed LB Transfer Employee and each Delayed VS Transfer Employee shall continue to be eligible to participate in VS Plans and L Brands Plans, respectively, during the period from the Distribution Date until the applicable Delayed Transfer Date, subject to the terms of such VS Plans and L Brands Plans, respectively.

(e) For the avoidance of doubt, (i) any requirement in this Agreement that the VS Group will have established any applicable VS Plan effective as of the Distribution Date (or, if applicable, the Delayed Transfer Date), or that any VS Participant shall commence participation in any VS Plan effective as of the Distribution Date (or, if applicable, the Delayed Transfer Date), in each case shall be subject to the express terms of the L Brands to VS Transition Services Agreement and (ii) to the extent applicable, any requirement in this Agreement that the L Brands Group will have established any applicable L Brands Plan effective as of the Distribution Date (or, if applicable, the Delayed Transfer Date), or that any L Brands Participant shall commence participation in any L Brands Plan effective as of the Distribution Date (or, if applicable, the Delayed Transfer Date), in each case shall be subject to the express terms of the VS to L Brands Transition Services Agreement.

(f) The Parties agree that, to the extent the terms of this Agreement do not expressly prescribe the treatment of any specific compensation or benefits matter (including, without limitation, regarding the treatment of participation in any Employee Plans or the allocation of any Liabilities hereunder) applicable to any Delayed LB Transfer Employee or Delayed VS Transfer Employee, as the case may be, the Parties will reasonably cooperate in good faith to cause such matter to be treated in a manner consistent with the corresponding treatment provided under this Agreement of such matter as applicable to any Delayed VS Transfer Employee or Delayed LB Transfer Employee, respectively (or, if no such corresponding treatment is provided under the terms of this Agreement, then such matter shall otherwise be treated in accordance with the general approach and philosophy regarding the allocation of assets and Liabilities under the terms of this Agreement, as expressly set forth in the recitals to this Agreement).

Section 4.02. *Service Credit*.

(a) From and after the Distribution Date (or, if applicable, the Delayed Transfer Date), to the extent permitted by Applicable Law:

(i) for purposes of determining eligibility to participate, vesting and benefit accrual under any VS Plan in which a VS Employee is eligible to participate on and following the Distribution Date (or, if applicable, the Delayed Transfer Date), such VS Employee's service with any member of the L Brands Group or the VS Group, as the case may be, prior to the Distribution Date (or, if applicable, the Delayed Transfer Date) shall be treated as service with the VS Group, to the extent recognized by the L Brands Group or the VS Group, as applicable, under an analogous L Brands Plan or VS Plan, as applicable, prior to the Distribution Date (or, if applicable the Delayed Transfer Date); *provided*, *however*, that such service shall not be recognized to the extent that such recognition would result in any duplication of benefits; and

(ii) for purposes of determining eligibility to participate, vesting and benefit accrual under any L Brands Plan in which an L Brands Employee is eligible to participate on and following the Distribution Date (or, if applicable, the Delayed Transfer Date), such L Brands Employee's service with any member of the L Brands Group or the VS Group, as the case may be, prior to the Distribution Date (or, if applicable, the Delayed Transfer Date) shall be treated as service with the L Brands Group, to the extent recognized by the L Brands Group or the VS Group, as applicable, under an analogous L Brands Plan or VS Plan, as applicable, prior to the Distribution Date (or, if applicable, the Delayed Transfer Date); *provided*, *however*, that such service shall not be recognized to the extent that such recognition would result in any duplication of benefits.

(b) Notwithstanding anything to the contrary herein, unless otherwise required by Applicable Law, (i) the VS Plans covering New VS Employees (which, for the avoidance of doubt, does not include any Delayed VS Transfer Employees) will not be required to recognize such employee's prior service with the L Brands Group (if any) and (ii) the L Brands Plans covering New L Brands Employees (which, for the avoidance of doubt, does not include any Delayed LB Transfer Employees) will not be required to recognize such employee's prior service with the VS Group (if any).

ARTICLE 5
DEFINED CONTRIBUTION RETIREMENT PLANS

Section 5.01. *401(k) Plan.*

(a) Effective as of the Distribution Date, VS or another member of the VS Group will adopt the VS 401(k) Plan. The VS 401(k) Plan will have terms and features (including employer contribution provisions) that are substantially similar to the L Brands 401(k) Plan, except (i) that the VS 401(k) Plan will not provide for a VS stock fund as a prospective investment election alternative (other than, for the avoidance of doubt, any "frozen" VS stock fund or "frozen" L Brands stock fund thereunder) or (ii) as may otherwise be mutually agreed between the Parties. From and after the Distribution Date, the applicable member of the VS Group shall be responsible for the administration of the VS 401(k) Plan, and no member of the L Brands Group shall have any Liability or obligation (including any administration obligation) with respect to the VS 401(k) Plan or any member of the VS Group with respect to the VS 401(k) Plan. A member of the VS Group will be solely responsible for taking all necessary, reasonable, and appropriate actions (including the submission of the VS 401(k) Plan to the Internal Revenue Service for a determination of tax-qualified status) to establish, maintain and administer the VS 401(k) Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code.

(b) Effective as of the Distribution Date (or, in the case of the Delayed VS Transfer Employees, the applicable Delayed Transfer Date), each VS Participant who actively participates in the L Brands 401(k) Plan immediately prior to such date will (i) cease active participation in the L Brands 401(k) Plan and (ii) become eligible to participate in the VS 401(k) Plan. For the avoidance of doubt, (A) all employee pre-tax deferrals and employer contributions with respect to such active VS Participants will be made to the VS 401(k) Plan on and following the Distribution Date (or, if applicable, the Delayed Transfer Date) and (B) any VS Participants who are inactive or former participants under the L Brands 401(k) Plan as of immediately prior to the Distribution Date will not become eligible to participate in the VS 401(k) Plan in accordance with this Section 5.01(b) (and, for the avoidance of doubt, will continue participating under the L Brands 401(k) Plan, subject to the terms of the L Brands 401(k) Plan).

(c) On or as soon as reasonably practicable following the Distribution Date (but not later than 180 days thereafter), the account balances (whether vested or unvested) of all VS Participants (other than Delayed VS Transfer Employees) that are active participants in the L Brands 401(k) Plan as of immediately prior to the Distribution Date and any associated Liabilities will be transferred from the L Brands 401(k) Plan to the VS 401(k) Plan via a trust-to-trust transfer. The transfer of assets will be in cash or in kind (as determined by L Brands) and will be made in accordance with Applicable Law, including the Code and ERISA. For the avoidance of doubt, the account balances of any VS Participants who are inactive or former participants under the L Brands 401(k) Plan will not be transferred to the VS 401(k) Plan pursuant to this Section 5.01(c), and will instead remain under the L Brands 401(k) Plan (and such inactive or former participants will not become eligible to participate in the VS 401(k) Plan in accordance with Section 5.01(b)). Effective as of and following the time in which the applicable trust-to-trust transfer is complete, VS and/or the VS 401(k) Plan shall assume all Liabilities of L Brands under the L Brands 401(k) Plan with respect to all applicable participants in the L Brands 401(k) Plan whose account balances (whether vested or unvested) were transferred to the VS 401(k) Plan pursuant to this Section 5.01(c), and L Brands and the L Brands 401(k) Plan shall have no Liabilities to provide such participants with benefits under the L Brands 401(k) Plan following such transfer.

(d) On or as soon as reasonably practicable following any applicable Delayed Transfer Date:

(i) each Delayed VS Transfer Employee will be eligible to elect a distribution of his or her account balance under the L Brands 401(k) Plan, including a voluntary "rollover distribution" of such Delayed VS Transfer Employee's eligible account balance under the L Brands 401(k) Plan to either the VS 401(k) Plan or an Individual Retirement Account (or, for the avoidance of doubt, such Delayed VS Transfer Employee may otherwise continue to maintain his or her account under the L Brands 401(k) Plan in accordance with the terms of the L Brands 401(k) Plan), as determined by each such Delayed VS Transfer Employee; *provided* that any portion of such Delayed VS Transfer Employee's account balance under the L Brands 401(k) Plan to be "rolled over" to the VS 401(k) Plan shall be done in the form of cash (i.e., no in-kind or L Brands Common Stock transfers will be permitted). In the event that a Delayed VS Transfer Employee elects to roll over his or her account balance from the L Brands 401(k) Plan to the VS 401(k) Plan, VS agrees to cause the VS 401(k) Plan to accept such rollover, to the extent permitted by Applicable Law; and

(ii) each Delayed LB Transfer Employee will be eligible to elect a distribution of his or her account balance under the VS 401(k) Plan, including a voluntary "rollover distribution" of such Delayed LB Transfer Employee's eligible account balance under the VS 401(k) Plan to either the L Brands 401(k) Plan or an Individual Retirement Account (or, for the avoidance of doubt, such Delayed LB Transfer Employee may otherwise continue to maintain his or her account under the VS 401(k) Plan in accordance with the terms of the VS 401(k) Plan), as determined by each such Delayed LB Transfer Employee; *provided* that any portion of such Delayed VS Transfer Employee's account balance under the VS 401(k) Plan to be "rolled over" to the L Brands 401(k) Plan shall be done in the form of cash (i.e., no in-kind or VS Common Stock transfers will be permitted). In the event that a Delayed LB Transfer Employee elects to roll over his or her account balance from the VS 401(k) Plan to the L Brands 401(k) Plan, L Brands agrees to cause the L Brands 401(k) Plan to accept such rollover, to the extent permitted by Applicable Law.

In connection with the actions contemplated by this Section 5.01(d), the Parties shall cooperate in good faith to determine the treatment of any portion of a Delayed VS Transfer Employee's account balance under the L Brands 401(k) Plan or a Delayed LB Transfer Employee's account balance under the VS 401(k) Plan, in each case that is unvested as of immediately prior to the applicable Delayed Transfer Date.

(e) Effective as of the Distribution Date, with respect to VS Participants who become eligible to participate in the VS 401(k) Plan as of the Distribution Date in accordance with Section 5.01(b) (other than, for the avoidance of doubt, any Delayed Transfer Employees who become eligible to participate in the VS 401(k) Plan as of any subsequent applicable Delayed Transfer Date), the Parties will cooperate in good faith to cause the VS 401(k) Plan to recognize and maintain such VS Participant's elections (to the extent applicable and reasonable), including investment and payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders in effect under the L Brands 401(k) Plan as of immediately prior to the Distribution Date, subject to the terms of the VS 401(k) Plan and Applicable Law. For the avoidance of doubt, with respect to any Delayed VS Transfer Employees who become eligible to participate in the VS 401(k) Plan or any Delayed LB Transfer Employees who become eligible to participate in the L Brands 401(k) Plan, in each case, effective as of the applicable Delayed Transfer Date, such employees shall be required to submit new plan elections with the applicable plan administrator in accordance with the terms of the VS 401(k) Plan and the L Brands 401(k) Plan, respectively, in connection with their initial participation thereunder.

(f) All contributions to be made to the L Brands 401(k) Plan with respect to employee deferrals, matching contributions and employer contributions for VS Participants who are active participants in the L Brands 401(k) Plan (other than any Delayed VS Transfer Employees) as of immediately prior to the Distribution Date that relate to a time period ending on or prior to the Distribution Date, determined in accordance with the terms and provisions of the L Brands 401(k) Plan and Applicable Law, shall be the responsibility of VS under the VS 401(k) Plan. Without limiting the generality of the immediately preceding sentence, (i) with respect to any 2021 annual retirement contribution to be made under the L Brands 401(k) Plan relating to any VS Participants who are active participants in the L Brands 401(k) Plan as of immediately prior to the Distribution Date (other than any Delayed VS Transfer Employees), the amount of such 2021 annual retirement contribution shall be calculated in accordance with the terms of the L Brands 401(k) Plan based on eligible earnings for the full year (i.e., for the both the pre- and post-Distribution period), and shall be the responsibility of VS under the VS 401(k) Plan, and (ii) subject to any agreement between the Parties made in accordance with Section 5.01(g) below, with respect to any 2021 annual retirement contribution to be made under the L Brands 401(k) relating to any other eligible participant under the L Brands 401(k) Plan (other than those VS Participants described in clause (i)), the amount of such 2021 annual retirement contribution shall be calculated in accordance with the terms of the L Brands 401(k) Plan, and shall be the responsibility of L Brands under the L Brands 401(k) Plan.

(g) The Parties shall cooperate in good faith to determine the treatment of any contributions to be made to the L Brands 401(k) Plan or VS 401(k) Plan, as applicable, with respect to employee deferrals, matching contributions and employer contributions for Delayed VS Transfer Employees and Delayed LB Transfer Employees, respectively, relating to a time period ending on or prior to the applicable Delayed Transfer Date.

(h) Prior to the Distribution Date, the Parties shall cooperate in good faith to determine the allocation (if any) between the L Brands 401(k) Plan and the VS 401(k) Plan of the forfeiture account balance under the L Brands 401(k) Plan outstanding as of immediately prior to the Distribution Date and, to the extent applicable, the mechanics for transferring the applicable allocable portion of such account from the L Brands 401(k) Plan to the VS 401(k) Plan.

Section 5.02. *Non-U.S. Defined Contribution Plans*. As set forth in Article 10, the Parties shall reasonably cooperate in good faith to effect the provisions of this Agreement with respect to any Non-U.S. VS Defined Contribution Plans and Non-U.S. LB Defined Contribution Plans (including with respect to the creation of any "mirror" plans), which in all cases shall be consistent with the general approach and philosophy regarding the allocation of assets and Liabilities (as expressly set forth in the recitals to this Agreement).

ARTICLE 6
HEALTH AND WELFARE BENEFIT PLANS; PAID TIME OFF

Section 6.01. *Health and Welfare Benefit Plans.*

(a) Subject to the terms of the L Brands to VS Transition Services Agreement, effective as of the Distribution Date (or, in the case of any Delayed VS Transfer Employee, the applicable Delayed Transfer Date), VS or another member of the VS Group will provide all health and welfare benefits under VS H&W Plans to VS Participants and, to the extent necessary, establish certain VS H&W Plans having terms and features (including benefit coverage options and employer contribution provisions) that are substantially similar to the terms and features of the corresponding L Brands H&W Plans in which such VS Participants participated prior to the Distribution Date (or the Delayed Transfer Date, as applicable), except as may otherwise be mutually agreed between the Parties. Notwithstanding the foregoing, the VS Group will not be required to establish any voluntary employees' beneficiary association (VEBA).

(b) Without limiting the generality of Section 4.01, effective as of the Distribution Date (or, in the case of Delayed VS Transfer Employees or Delayed LB Transfer Employees, the applicable Delayed Transfer Date), except as otherwise provided by the terms of the L Brands to VS Transition Services Agreement, the VS to L Brands Transition Services Agreement or any other applicable Ancillary Agreement:

(i) (A) VS Participants shall cease to actively participate in the L Brands H&W Plans, (B) VS shall cause VS Participants who participate in (or who are otherwise entitled to present or future benefits under) an L Brands H&W Plan as of immediately prior to the Distribution Date (or the Delayed Transfer Date, as applicable) to be automatically enrolled in, and covered by, a corresponding VS H&W Plan, and (C) VS shall use reasonable best efforts to cause the VS H&W Plans to recognize all elections and designations (including coverage and contribution elections and beneficiary designations, continuation coverage and conversion elections, and qualified medical child support orders and other orders issued by courts of competent jurisdiction) in effect with respect to VS Participants as of immediately prior to the Distribution Date (or, if applicable, the Delayed Transfer Date) under the corresponding L Brands H&W Plan for the remainder of the period or periods for which such elections are by their terms applicable, subject to the terms of the applicable VS H&W Plan; and

(ii) (A) L Brands Participants shall cease to actively participate in the VS H&W Plans, (B) L Brands shall cause L Brands Participants who participate in (or who are otherwise entitled to present or future benefits under) a VS H&W Plan as of immediately prior to the Distribution Date (or the Delayed Transfer Date, as applicable) to be automatically enrolled in, and covered by, a corresponding L Brands H&W Plan, and (C) L Brands shall use reasonable best efforts to cause the L Brands H&W Plans to recognize all elections and designations (including coverage and contribution elections and beneficiary designations, continuation coverage and conversion elections, and qualified medical child support orders and other orders issued by courts of competent jurisdiction) in effect with respect to L Brands Participants as of immediately prior to the Distribution Date (or, if applicable, the Delayed Transfer Date) under the corresponding VS H&W Plan for the remainder of the period or periods for which such elections are by their terms applicable, subject to the terms of the applicable L Brands H&W Plan.

(c) Subject to the terms of the applicable VS H&W Plan and Applicable Law, VS shall use its reasonable best efforts to (i) waive all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to VS Participants under any VS H&W Plan in which any such VS Participant may be eligible to participate on or after the Distribution Date (or, if applicable, the Delayed Transfer Date) to the extent that such conditions, exclusions and waiting periods are not applicable to or had been previously satisfied by any such VS Participant under the corresponding L Brands H&W Plans and (ii) credit VS Participants under any applicable VS H&W Plan for any coinsurance or deductibles paid under any corresponding L Brands H&W Plan prior to the date such VS Participant becomes a participant in such applicable VS H&W Plan, if any, with respect to the calendar year in which such participation commences. Such credit, if any, shall be given for the purpose of satisfying any applicable coinsurance or deductible requirements under any of the applicable VS H&W Plans in which such VS Participant is eligible to participate after the Distribution Date (or, if applicable, the Delayed Transfer Date).

(d) Subject to the terms of the applicable L Brands H&W Plan and Applicable Law, L Brands shall use its reasonable best efforts to (i) waive all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to Delayed LB Transfer Employees under any L Brands H&W Plan in which any such Delayed LB Transfer Employee may be eligible to participate on or after his or her Delayed Transfer Date to the extent that such conditions, exclusions and waiting periods are not applicable to or had been previously satisfied by any such Delayed LB Transfer Employee under the corresponding VS H&W Plans and (ii) credit Delayed LB Transfer Employees under any applicable L Brands H&W Plan for any coinsurance or deductibles paid under any corresponding VS H&W Plan prior to the date such Delayed LB Transfer Employee becomes a participant in such applicable L Brands H&W Plan, if any, with respect to the calendar year in which such participation commences. Such credit, if any, shall be given for the purpose of satisfying any applicable coinsurance or deductible requirements under any of the applicable L Brands H&W Plans in which such Delayed LB Transfer Employee is eligible to participate after the applicable Delayed Transfer Date.

(e) Neither the transfer nor other movement of employment or service from any member of the L Brands Group to any member of the VS Group or from any member of the VS Group to the L Brands Group, as the case may be, at any time before the Distribution Date shall constitute or be treated as a "status change" under the L Brands H&W Plans or the VS H&W Plans.

Section 6.02. *Health and Welfare Benefit Plan Claims.*

(a) Except as otherwise expressly provided in this Agreement, effective as of the Distribution Date (or, in the case of Delayed VS Transfer Employees, the applicable Delayed Transfer Date), (A) all Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred prior to the Distribution Date (or the applicable Delayed Transfer Date) by each VS Participant under the L Brands H&W Plans shall remain Liabilities of the L Brands Group and shall be deemed to be L Brands Retained Employee Liabilities and (B) all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred on or after the Distribution Date (or the applicable Delayed Transfer Date) by each VS Participant shall be retained or assumed by the respective VS H&W Plans, and no portion of the Liability shall be treated as an L Brands Retained Employee Liability.

(b) Except as otherwise expressly provided in this Agreement, effective as of the Distribution Date (or, in the case of Delayed LB Transfer Employees, the applicable Delayed Transfer Date), (A) all Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred prior to the Distribution Date (or the applicable Delayed Transfer Date) by each L Brands Participant under the VS H&W Plans shall remain Liabilities of the VS Group and shall be deemed to be VS Assumed Employee Liabilities and (B) all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred on or after the Distribution Date (or the applicable Delayed Transfer Date) by each L Brands Participant shall be retained or assumed by the respective L Brands H&W Plans, and no portion of the Liability shall be treated as an VS Assumed Employee Liability.

(c) Without limiting the generality Section 3.01(c), (i) notwithstanding Section 6.02(a)(i), any and all costs, expenses or Liabilities relating to participation by any Delayed VS Transfer Employee in any L Brands H&W Plan during the period from the Distribution Date to the applicable Delayed Transfer Date shall be subject to reimbursement by VS to the L Brands Group in accordance with the terms of the L Brands to VS Transition Services Agreement (or any other applicable Ancillary Agreement) to the extent applicable and (ii) notwithstanding Section 6.02(b)(i), any and all costs, expenses or Liabilities relating to participation by any Delayed LB Transfer Employee in any VS H&W Plan during the period from the Distribution Date to the applicable Delayed Transfer Date shall be subject to reimbursement by L Brands to the VS Group in accordance with the terms of the VS to L Brands Transition Services Agreement (or any other applicable Ancillary Agreement) to the extent applicable.

(d) For purposes of this Section 6.02, (i) a medical, dental or vision benefit claim shall be "incurred" when the relevant service is provided or item purchased, (ii) a short- or long-term disability benefit claim shall be "incurred" when the applicable VS Participant or L Brands Participant, as applicable, commences short- or long-term disability leave and (iii) other benefit claims shall be "incurred" when any relevant benefit or payment is required to be provided or paid to the VS Participant or L Brands Participant, as applicable, regardless of the time of the circumstance or event giving rise to such claims.

Section 6.03. *Flexible Spending Account Plan Treatment*. Subject to the terms of the L Brands to VS Transition Services Agreement, effective as of the Distribution Date, VS shall establish or designate flexible spending accounts for health and dependent care expenses under Sections 125 and 129 of the Code (the "**VS FSAs**"). The Parties shall take all actions reasonably necessary or appropriate so that the account balances (positive or negative) under the L Brands FSAs of each VS Participant who has elected to participate therein in the year in which the Distribution Date (or, for any Delayed VS Transfer Employees, the applicable Delayed Transfer Date) occurs shall be transferred, effective as of the Distribution Date (or the Delayed Transfer Date, as applicable), from the L Brands FSAs to the corresponding VS FSAs. The VS FSAs shall assume responsibility as of the Distribution Date (or the applicable Delayed Transfer Date) for all outstanding dependent care and health care claims under the L Brands FSAs of each VS Participant for the year in which the Distribution Date (or the applicable Delayed Transfer Date) occurs and shall assume the rights of and agree to perform the obligations of the analogous L Brands FSA from and after the Distribution Date (or the applicable Delayed Transfer Date). The Parties shall cooperate in good faith to provide that the contribution elections of each such VS Participant as in effect immediately before the Distribution Date (or the applicable Delayed Transfer Date) remain in effect under the VS FSAs from and after the Distribution Date (or the applicable Delayed Transfer Date), subject to the terms of the VS FSAs. As soon as practicable after the Distribution Date (or, if applicable, the Delayed Transfer Date), with respect to the affected VS Participant, L Brands shall pay to VS (or its designee) the net aggregate amount of the account balances credited to VS FSAs under this Section 6.03, if such amount is positive, and VS shall pay L Brands (or its designee) the net aggregate amount of the account balances credited to the VS FSAs under this Section 6.03, if such amount is negative.

Section 6.04. *Workers' Compensation Liabilities.* All workers' compensation Liabilities relating to, arising out of or resulting from any claim by any VS Participant that result from an accident or from an occupational disease, to the extent incurred before the Distribution Date (or the applicable Delayed Transfer Date), shall be retained by L Brands and shall constitute L Brands Retained Employee Liabilities and (ii) all workers' compensation Liabilities relating to, arising out of or resulting from any claim by any VS Participant that result from an accident or from an occupational disease, to the extent incurred on or after the Distribution Date (or the applicable Delayed Transfer Date), shall be assumed by VS and shall constitute VS Assumed Employee Liabilities. The Parties shall cooperate with respect to any notification to appropriate Governmental Authorities of the disposition and the issuance of new, or the transfer of existing, workers' compensation insurance policies and contracts governing the handling of claims in accordance with this Section 6.04.

Section 6.05. *Paid Time Off.*

(a) Effective as of the Distribution Date (or, in the case, of any Delayed VS Transfer Employee, the applicable Delayed Transfer Date), the applicable VS Group member shall recognize, retain and assume all Liabilities with respect to vacation, holiday, sick leave, paid time off, floating holidays, personal days and other paid time off (collectively, "**Paid Time Off**") with respect to VS Participants accrued on or prior to the Distribution Date (or the Delayed Transfer Date, as applicable), and VS shall credit each such VS Participant with such accrual; *provided*, that if any such Paid Time Off is required under Applicable Law to be paid out to the applicable VS Participant in connection with the Distribution (or his or her date of employment transfer), such payment will be made by VS as of the Distribution Date (or the Delayed Transfer Date, as applicable), and VS will credit such VS Participant with unpaid Paid Time Off in respect thereof; *it being understood* that any amount of Paid Time Off required to be paid out to any VS Participant in connection with the Distribution or such employment transfer, as applicable, shall constitute VS Assumed Employee Liabilities.

(b) Effective as of the Distribution Date (or, in the case, of any Delayed LB Transfer Employee, the applicable Delayed Transfer Date), the applicable L Brands Group member shall recognize, retain and assume all Liabilities with respect to Paid Time Off with respect to L Brands Participants accrued on or prior to the Distribution Date (or the Delayed Transfer Date, as applicable), and L Brands shall credit each such L Brands Participant with such accrual; *provided*, that if any such Paid Time Off is required under Applicable Law to be paid out to the applicable L Brands Participant in connection with the Distribution (or his or her date of employment transfer), such payment will be made by L Brands as of the Distribution Date (or the Delayed Transfer Date, as applicable), and L Brands will credit such L Brands Participant with unpaid Paid Time Off in respect thereof; *it being understood* that any amount of Paid Time Off required to be paid out to any L Brands Participant in connection with the Distribution or such employment transfer, as applicable, shall constitute L Brands Retained Employee Liabilities.

Section 6.06. *COBRA.*

(a) Subject to the terms of the L Brands to VS Transition Services Agreement and the VS to L Brands Transition Services Agreement, as applicable:

(i) the L Brands Group shall administer the L Brands Group's compliance with the health care continuation coverage requirements of COBRA and the corresponding provisions of the L Brands H&W Plans with respect to VS Participants who incur a COBRA "qualifying event" occurring before the Distribution Date (or, in the case of any Delayed VS Transfer Employee, the applicable Delayed Transfer Date); *provided*, that, for the avoidance of doubt, any Liabilities related thereto shall constitute L Brands Retained Employee Liabilities. VS shall be solely responsible for all Liabilities incurred pursuant to COBRA and for administering, at VS' expense, compliance with the health care continuation coverage requirements of COBRA and the corresponding provisions of the VS H&W Plans with respect to VS Participants who incur a COBRA "qualifying event" that occurs at any time on or after the Distribution Date (or, in the case of Delayed VS Transfer Employees, the applicable Delayed Transfer Date); and

(ii) the VS Group shall administer the VS Group's compliance with the health care continuation coverage requirements of COBRA and the corresponding provisions of the VS H&W Plans with respect to Delayed LB Transfer Employees who incur a COBRA "qualifying event" occurring before the applicable Delayed Transfer Date; *provided*, that, for the avoidance of doubt, any Liabilities related thereto shall constitute VS Assumed Employee Liabilities. L Brands shall be solely responsible for all Liabilities incurred pursuant to COBRA and for administering, at L Brands' expense, compliance with the health care continuation coverage requirements of COBRA and the corresponding provisions of the L Brands H&W Plans with respect to Delayed LB Transfer Employees who incur a COBRA "qualifying event" that occurs at any time on or after the applicable Delayed Transfer Date.

(b) The Parties intend and agree that neither the Distribution, nor any assignment or transfer of the employment or services of any employee or individual independent contractor prior to the Distribution Date as contemplated under this Agreement, shall constitute a COBRA "qualifying event" for any purpose of COBRA, and the Parties shall cooperate in good faith to give effect to such intent.

Section 7.01. *L Brands Cash Bonus Plans*.

(a) Each VS Participant participating in the L Brands 2015 Bonus Plan, with respect to the spring 2021 performance period will remain eligible to receive a cash bonus in respect of such performance period in accordance with the terms of L Brands 2015 Bonus Plan (the "**Spring 2021 L Brands Cash Bonuses**"). Any Spring 2021 L Brands Cash Bonuses payable to VS Participants under the L Brands 2015 Bonus Plan will be paid by VS on behalf of L Brands in accordance with the terms of the L Brands 2015 Bonus Plan (including terms relating to the timing of payment); *provided* that (i) the L Brands Compensation Committee may, in its discretion, adjust the applicable performance conditions in light of the Distribution and (ii) L Brands will reimburse VS for the Spring 2021 L Brands Cash Bonuses paid by VS to VS Participants under this Section 7.01(a), which such reimbursement amount will constitute an L Brands Retained Employee Liability.

(b) Each VS Participant participating in any L Brands Bonus Plan other than the L Brands 2015 Bonus Plan with respect to any monthly or quarterly performance period during which the Distribution Date occurs will remain eligible to receive a cash bonus in respect of such applicable monthly or quarterly performance period in accordance with the terms of such L Brands Bonus Plan (the "**Other L Brands Cash Bonuses**"). Any Other L Brands Cash Bonuses payable to VS Participants under such L Brands Bonus Plans for such applicable monthly or quarterly performance period will be paid by VS on behalf of L Brands in accordance with the terms of the applicable L Brands Bonus Plan (including terms relating to the timing of payment); *provided* that the L Brands Compensation Committee may, in its discretion, adjust the applicable performance conditions in light of the Distribution. For the avoidance of doubt, unless otherwise mutually agreed by the Parties, L Brands will not be required to reimburse VS for the cost of such Other L Brands Cash Bonuses paid by VS to VS Participants under this Section 7.01(b).

Section 7.02. *VS Cash Bonus Plans*.

(a) Each VS Participant participating in any VS Plan that is a cash bonus or cash incentive plan, including, for the avoidance of doubt, the VS 2021 Bonus Plan, each Victoria's Secret Stores, LLC Store Management Fiscal Monthly Incentive Bonus Program and the 2019 RM Bonus and Incentive Program (each, a "**VS Bonus Plan**"), with respect to any performance period continuing as of the Distribution Date (or, if applicable, the Delayed Transfer Date) (the "**VS Cash Bonuses**") shall accrue service credit for any time the VS Participant is employed by or provides services to any member of the L Brands Group during the applicable performance period. Any VS Cash Bonuses payable to VS Participants under such VS Bonus Plans will be paid by VS in accordance with the terms of the applicable VS Bonus Plan (including with respect to the bonuses payable under the VS 2021 Bonus Plan in respect of the fall 2021 performance period), which such amounts shall constitute VS Assumed Employee Liabilities.

(b) Each VS Participant participating in any L Brands Bonus Plan as of immediately prior to the Distribution Date (or, in the case of a Delayed VS Transfer Employee, the applicable Delayed Transfer Date), will be eligible to participate in a VS Bonus Plan upon commencement of employment with a member of the VS Group, subject to the terms of such VS Bonus Plan, with respect to the remainder of the applicable performance period during which the Distribution Date (or, if applicable, the Delayed Transfer Date) occurs.

(c) Without limiting the generality of Section 7.02(b), effective as of the Distribution Date, VS shall establish a VS Bonus Plan (or otherwise permit participation in an existing VS Bonus Plan) for the benefit of each VS Participant (other than a Delayed VS Transfer Employee) participating in any L Brands Bonus Plan as of immediately prior to the Distribution Date for the remainder of the applicable performance period. As soon as practicable following the Distribution Date, the VS Compensation Committee shall establish the performance targets for the post-Distribution performance period under any such applicable VS Bonus Plans, including the fall 2021 performance period under the VS 2021 Bonus Plan.

Section 7.03. *L Brands 2021 Retention Bonus Program.* Each VS Participant who, as of immediately prior to the Distribution Date, is eligible to receive a cash retention bonus that is scheduled to become payable during August 2021 under any L Brands Plan or any employment or retention agreement applicable to such VS Participant (each, an "**August 2021 Retention Bonus**"), will remain eligible to receive his or her August 2021 Retention Bonus following the Distribution Date in accordance with the terms of the applicable L Brands Plan or employment or retention agreement. Any August 2021 Retention Bonuses that become payable to VS Participants will be paid by VS on behalf of L Brands in accordance with the terms of the applicable L Brands Plan or employment or retention agreement (including terms relating to the timing of payment); *provided* that L Brands will reimburse VS for the aggregate amount of the August 2021 Retention Bonuses paid by VS to VS Participants, which such reimbursement amount will constitute an L Brands Retained Employee Liability.

ARTICLE 8
TREATMENT OF OUTSTANDING EQUITY AWARDS

Section 8.01. *RSUs.*

(a) Effective as of the Distribution Date, each L Brands RSU that is outstanding as of immediately prior to the Distribution Date and held by a VS Participant who is not a Former VS Employee shall be converted into a restricted share unit with respect to VS Common Stock (each, a "**VS RSU**"). The number of shares of VS Common Stock subject to such VS RSU shall be determined by the L Brands Compensation Committee in a manner intended to preserve (and without enlarging) the value of such L Brands RSU by taking into account the relative values of the L Brands Pre-Distribution Stock Value and the VS Stock Value. Each such VS RSU shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding L Brands RSU as of immediately prior to the Distribution Date.

(b) Effective as of the Distribution Date, each L Brands RSU that is outstanding as of immediately prior to the Distribution Date and held by an L Brands Participant or a Former VS Employee shall be adjusted to reflect the Distribution and become an Adjusted L Brands RSU. The number of shares of L Brands Common Stock subject to such Adjusted L Brands RSU shall be determined by the L Brands Compensation Committee in a manner intended to preserve (and without enlarging) the value of such L Brands RSU by taking into account the relative values of the L Brands Pre-Distribution Stock Value and the L Brands Post-Distribution Stock Value. Each such Adjusted L Brands RSU shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding L Brands RSU as of immediately prior to the Distribution Date.

Section 8.02. *PSUs.*

(a) Effective as of the Distribution Date, each L Brands PSU that is outstanding as of immediately prior to the Distribution Date and held by a VS Participant who is not a Former VS Employee shall be converted into a performance share unit with respect to VS Common Stock (each, a "**VS PSU**"). The number of shares of VS Common Stock subject to such VS PSU shall be determined by the L Brands Compensation Committee in a manner intended to preserve (and without enlarging) the value of such L Brands PSU by taking into account the relative values of the L Brands Pre-Distribution Stock Value and the VS Stock Value. Each such VS PSU shall be subject to the same terms and conditions (including vesting and payment schedules); *provided* that (i) any such VS PSUs that correspond to L Brands PSUs granted prior to January 30, 2021 shall be deemed to have achieved the applicable performance-based vesting conditions at the target performance level and (ii) any such VS PSUs that correspond to L Brands PSUs granted on or following January 30, 2021 shall remain subject to the applicable performance-based vesting conditions (and applicable threshold, target and maximum performance payout levels) as were applicable to the corresponding L Brands PSUs as of immediately prior to the Distribution Date (subject to adjustment by the VS Compensation Committee following the Distribution Date in its discretion to reflect the Distribution in accordance with the terms of the applicable VS Equity Plan and the applicable award agreement thereunder).

(b) Effective as of the Distribution Date, each L Brands PSU that is outstanding as of immediately prior to the Distribution Date and held by an L Brands Participant or a Former VS Employee shall be adjusted to reflect the Distribution and become an Adjusted L Brands PSU. The number of shares of L Brands Common Stock subject to such Adjusted L Brands PSU shall be determined by the L Brands Compensation Committee in a manner intended to preserve (and without enlarging) the value of such L Brands PSU by taking into account the relative values of the L Brands Pre-Distribution Stock Value and the L Brands Post-Distribution Stock Value. Each such Adjusted L Brands PSU shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding L Brands PSU as of immediately prior to the Distribution Date; *provided* that, in the sole discretion of the L Brands Compensation Committee, the performance-based metrics underlying each such Adjusted L Brands PSU may be adjusted, as determined by the L Brands Compensation Committee, to reflect the Distribution.

Section 8.03. *Stock Options.*

(a) Effective as of the Distribution Date, each L Brands Option (whether vested or unvested) that is outstanding as of immediately prior to the Distribution Date and held by a VS Participant who is not a Former VS Employee shall be converted into an option to acquire VS Common Stock (each, a "**VS Option**") and shall be subject to the same terms and conditions (including vesting) as applicable to the corresponding L Brands Option as of immediately prior to the Distribution Date; *provided*, that from and after the Distribution Date, the number of shares of VS Common Stock subject to, and the exercise price per share of, such VS Option shall be determined by the L Brands Compensation Committee in a manner consistent with Section 409A of the Code and intended to preserve (and without enlarging) the value of such L Brands Option by taking into account (i) the exercise price per share of such L Brands Option and (ii) the relative values of the L Brands Pre-Distribution Stock Value and the VS Stock Value.

(b) Effective as of the Distribution Date, each L Brands Option (whether vested or unvested) that is outstanding as of immediately prior to the Distribution Date and held by an L Brands Participant or a Former VS Employee shall be adjusted to reflect the Distribution and become an Adjusted L Brands Option. The number of shares of L Brands Common Stock subject to, and the exercise price per share of, such Adjusted L Brands Option shall be determined by the L Brands Compensation Committee in a manner consistent with Section 409A of the Code and intended to preserve (and without enlarging) the value of such L Brands Option by taking into account (i) the exercise price per share of such L Brands Option and (ii) the relative values of the L Brands Pre-Distribution Stock Value and the L Brands Post-Distribution Stock Value. Each such Adjusted L Brands Option shall be subject to the same terms and conditions (including vesting) as applicable to the corresponding L Brands Option as of immediately prior to the Distribution Date.

(c) Notwithstanding anything to the contrary in this Section 8.03, the exercise price, the number of shares of L Brands Common Stock or VS Common Stock, as applicable, and the terms and conditions of exercise applicable to any Adjusted L Brands Option or VS Option, as the case may be, shall be determined in a manner consistent with the requirements of Section 409A of the Code.

Section 8.04. *Miscellaneous Terms and Actions; Tax Reporting and Withholding.*

(a) Effective as of the Distribution Date, VS shall adopt an equity incentive compensation plan for the benefit of eligible participants (as may be amended from time to time, and together with any successor plan, the "**VS Equity Plan**"). Prior to the Distribution Date, each of L Brands and VS shall take any actions necessary to give effect to the transactions contemplated by this Article 8, including, in the case of VS, the reservation, issuance and listing of shares of VS Common Stock as is necessary to effectuate the transactions contemplated by this Article 8. From and after the Distribution Date, (i) VS shall retain the VS Equity Plan, and all Liabilities thereunder shall constitute VS Assumed Employee Liabilities, and (ii) L Brands shall retain the L Brands Equity Plans, and all Liabilities thereunder shall constitute L Brands Retained Employee Liabilities. From and after the Distribution Date, all Adjusted L Brands Awards, regardless of by whom held, shall be granted under and subject to the terms of the L Brands Equity Plans and shall be settled by L Brands, and all VS Awards, regardless of by whom held, shall be granted under and subject to the terms of the VS Equity Plan and shall be settled by VS.

(b) From and after the Distribution Date, for purposes of the L Brands Awards converted into VS Awards or Adjusted L Brands Awards pursuant to this Article 8, (i) a VS Participant's employment with or service to any member of the VS Group and/or L Brands Group, as applicable, shall be treated as employment with and service to the VS Group and/or the L Brands Group, as applicable, (ii) any reference to "cause," "good reason," "disability," "willful" or other similar terms applicable to such Adjusted L Brands Awards shall be deemed to refer to the definitions of "cause," "good reason," "disability," "willful" or other similar terms set forth in the L Brands Equity Plans and (iii) any reference to "cause," "good reason," "disability," "willful" or other similar terms applicable to such VS Awards shall be deemed to refer to the definitions of "cause," "good reason," "disability," "willful" or other similar terms set forth in the VS Equity Plan.

(c) From and after the Distribution Date, (i) any reference to a "change in control," "change of control" or similar term applicable to any Adjusted L Brands Award contained in any applicable award agreement, employment or services agreement or the L Brands Equity Plans shall be deemed to refer to a "change in control," "change of control" or similar term as defined in such award agreement, employment or services agreement or the L Brands Equity Plans (an "**L Brands Change in Control**") and (ii) any reference to a "change in control," "change of control" or similar term applicable to any VS Award contained in any applicable award agreement, employment or services agreement or the VS Equity Plan shall be deemed to refer to a "change in control," "change of control" or similar term as defined in the VS Equity Plan (a "**VS Change in Control**").

(d) For the avoidance of doubt, except as expressly provided in this Article 8 (including, without limitation, pursuant to Section 8.05), neither the Distribution nor any assignment, transfer or continuation of the employment of employees as contemplated by Article 3 shall be deemed a termination of employment or service of any VS Participant or L Brands Participant for purposes of any L Brands Award or VS Award. The Distribution shall not be treated as an L Brands Change in Control or VS Change in Control for purposes of the L Brands Equity Plans or the VS Equity Plan, respectively, any applicable award agreements for an L Brands Award, Adjusted L Brands Award or VS Award outstanding thereunder, or any other applicable employment- or service-related agreement. Without limiting the generality of the foregoing, to the extent L Brands determines it necessary or desirable, each award agreement for an L Brands RSU, L Brands PSU or L Brands Option, as the case may be, shall be amended to expressly clarify the same.

(e) Unless otherwise required by Applicable Law, (i) the applicable member of the VS Group shall be responsible for all applicable income, payroll, employment and other similar tax withholding, remittance and reporting obligations in respect of VS Participants relating to any VS Awards and (ii) the applicable member of the L Brands Group shall be responsible for all applicable income, payroll, employment and other similar tax withholding, remittance and reporting obligations in respect of L Brands Participants relating to any Adjusted L Brands Awards.

(f) VS shall be responsible for the settlement of cash dividend equivalents on any VS Awards, and L Brands shall be responsible for the settlement of cash dividend equivalents on any Adjusted L Brands Awards.

(g) VS shall prepare and file with the SEC a registration statement on an appropriate form with respect to the shares of VS Common Stock subject to the L Brands Awards converted into VS Awards pursuant to this Article 8 and shall use its reasonable best efforts to have such registration statement declared effective on or before the Distribution Date and to maintain the effectiveness of such registration statement covering such VS Awards (and to maintain the current status of the prospectus contained therein) for so long as any such VS Awards remain outstanding.

(h) Prior to the Distribution Date, each Party shall take all such steps as may be required to cause any dispositions of L Brands Common Stock (including Adjusted L Brands Awards or any other derivative securities with respect to L Brands Common Stock) or acquisitions of VS Common Stock (including VS Awards or any other derivative securities with respect to VS Common Stock) resulting from the Distribution or the transactions contemplated by this Agreement or the Separation Agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to L Brands or who are or will become subject to such reporting requirements with respect to VS to be exempt under Rule 16b-3 promulgated under the Exchange Act. With respect to those individuals, if any, who, subsequent to the Distribution Date, are or become subject to the reporting requirements under Section 16(a) of the Exchange Act, as applicable, VS shall administer any L Brands Award converted into a VS Award pursuant to this Article 8 in a manner that complies with Rule 16b-3 promulgated under the Exchange Act to the extent such converted L Brands Award complied with such rule prior to the Distribution Date.

Section 8.05. *Treatment of Equity Awards Held by Delayed Transfer Employees.*

(a) Notwithstanding anything to the contrary herein, any L Brands Awards held by any Delayed VS Transfer Employees shall be adjusted into Adjusted L Brands Awards as of the Distribution Date in the manner set forth in Section 8.01(b), Section 8.02(b) or Section 8.03(b), as applicable. Upon the applicable Delayed Transfer Date, the applicable Delayed VS Transfer Employee will be deemed to have terminated employment with the L Brands Group for purposes of the L Brands Equity Plans and the applicable award agreements evidencing his or her Adjusted L Brands Awards and, to the extent unvested, will cease vesting and will forfeit his or her L Brands Awards (including any Adjusted L Brands Awards that remain outstanding as of such date and any L Brands Awards granted to such Delayed VS Transfer Employee following the Distribution Date) (collectively, the "**Forfeited LB Awards**"). As of the applicable Delayed Transfer Date, VS shall, on an award-by-award basis, grant each such Delayed VS Transfer Employee VS Awards corresponding to the type of each of the Forfeited LB Awards forfeited by such Delayed VS Transfer Employee on the Delayed Transfer Date, each with a dollar value equal to the intrinsic dollar value of the corresponding Forfeited LB Award (each such replacement award, a "**Replacement VS Award**"). For purposes of this Section 8.05(a), (i) the intrinsic dollar value of any Forfeited LB Award shall be equal to the product of (A) the volume-weighted average price of L Brands Common Stock on the New York Stock Exchange (as reported by Bloomberg L.P.) during the 20 trading days ending with the last trading day prior to the applicable Delayed Transfer Date (*minus*, in the case of any Forfeited LB Award that is an Adjusted L Brands Option, the exercise price per share applicable to such Forfeited LB Award) *multiplied by* (B) the number of shares of L Brands Common Stock underlying such Forfeited LB Award and (ii) the dollar value of any Replacement VS Award that is a VS Option will be determined based on a Black-scholes valuation of such VS Option or pursuant to such other valuation methodology mutually determined by the Parties. The Replacement VS Awards shall be subject to vesting and payment or settlement terms and conditions that are no less favorable to the applicable Delayed VS Transfer Employee than the vesting and payment or settlement terms and conditions in effect with respect to his or her corresponding Forfeited LB Awards (determined on an award-by-award basis) as of immediately prior to the applicable Delayed Transfer Date. For the avoidance of doubt, any L Brands Options (including any Adjusted L Brands Options granted pursuant to this Article 8) held by a Delayed VS Transfer Employee that are outstanding and vested as of the applicable Delayed Transfer Date will remain outstanding and exercisable following the applicable Delayed Transfer Date in accordance with the terms of the applicable L Brands Equity Plan and the applicable award agreement thereunder.

(b) Notwithstanding anything to the contrary herein, any L Brands Awards held by any Delayed LB Transfer Employees shall be adjusted into VS Awards as of the Distribution Date in the manner set forth in Section 8.01(a), Section 8.02(a) or Section 8.03(a), as applicable. Upon the applicable Delayed Transfer Date, the applicable Delayed LB Transfer Employee will be deemed to have terminated employment with the VS Group for purposes of the VS Equity Plan and the applicable award agreements evidencing his or her VS Awards and, to the extent unvested, will cease vesting and will forfeit his or her VS Awards (the "**Forfeited VS Awards**"). As of the applicable Delayed Transfer Date, L Brands shall, on an award-by-award basis, grant each such Delayed LB Transfer Employee L Brands Awards corresponding to the type of each of the Forfeited VS Awards forfeited by such Delayed LB Transfer Employee on the Delayed Transfer Date, each with a dollar value equal to the intrinsic dollar value of the corresponding Forfeited VS Award (including any VS Awards granted pursuant to this Article 8 that remain outstanding as of such date and any VS Awards granted to such Delayed LB Transfer Employee following the Distribution Date) (each such replacement award, a "**Replacement LB Award**"). For purposes of this Section 8.05(b), (i) the intrinsic dollar value of any Forfeited VS Award shall be equal to the product of (A) the volume-weighted average price of VS Common Stock on the New York Stock Exchange (as reported by Bloomberg L.P.) during the 20 trading days ending with the last trading day prior to the applicable Delayed Transfer Date (*minus*, in the case of any Forfeited VS Award that is a VS Option, the exercise price per share applicable to such Forfeited VS Award) *multiplied by* (B) the number of shares of VS Common Stock underlying such Forfeited VS Award and (ii) the dollar value of any Replacement LB Award that is an L Brands Option will be determined based on a Black-scholes valuation of such L Brands Option or pursuant to such other valuation methodology mutually determined by the Parties. The Replacement LB Awards shall be subject to vesting and payment or settlement terms and conditions that are no less favorable to the applicable Delayed LB Transfer Employee than the vesting and payment or settlement terms and conditions in effect with respect to his or her corresponding Forfeited VS Awards (determined on an award-by-award basis) as of immediately prior to the applicable Delayed Transfer Date. For the avoidance of doubt, any VS Options (including any VS Options granted pursuant to this Article 8) held by a Delayed VS Transfer Employee that are outstanding and vested as of the applicable Delayed Transfer Date will remain outstanding and exercisable following the applicable Delayed Transfer Date in accordance with the terms of the applicable VS Equity Plan and the applicable award agreement thereunder.

Section 8.06. *Employee Stock Purchase Plan.* Effective as of the Distribution Date (or, if applicable, the Delayed Transfer Date), each VS Participant shall cease participation in the L Brands ESPP. Effective as of the Distribution Date, VS shall adopt an employee stock purchase plan for the benefit of eligible VS Participants (the "**VS ESPP**").

ARTICLE 9
PERSONNEL RECORDS; PAYROLL AND TAX WITHHOLDING

Section 9.01. *Personnel Records*. To the extent permitted by Applicable Law, each of the VS Group and the L Brands Group shall be permitted by the other to access and retain copies of such records, data and other personnel-related information in any form ("**Personnel Records**") as may be necessary or appropriate to carry out their respective obligations under Applicable Law, the Separation Agreement or any of the Ancillary Agreements, and for the purposes of administering their respective employee benefit plans and policies. All Personnel Records shall be accessed, retained, held, used, copied and transmitted in accordance with all Applicable Laws, policies and agreements between the Parties.

Section 9.02. *Payroll; Tax Reporting and Withholding*.

(a) Subject to the obligations of the Parties as set forth in the L Brands to VS Transition Services Agreement or any other applicable Ancillary Agreement, effective as of no later than the Distribution Date (or, in the case of any Delayed VS Transfer Employees or Delayed LB Transfer Employees, as applicable, the applicable Delayed Transfer Date), (A) the members of the VS Group shall be solely responsible for providing payroll services (including for any payroll period already in progress) to the VS Employees and for any Liabilities with respect to garnishments of the salary and wages thereof and (B) the members of the L Brands Group shall be solely responsible for providing payroll services (including for any payroll period already in progress) to the L Brands Employees and for any Liabilities with respect to garnishments of the salary and wages thereof.

(b) To the extent permitted by Applicable Law, the Party that is responsible for making a payment hereunder shall be responsible for (i) making the appropriate withholdings, if any, attributable to such payments and (ii) preparing and filing all related required forms and returns with the appropriate Governmental Authority.

(c) With respect to VS Employees, the Parties shall (i) treat VS (or the applicable member of the VS Group) as a "successor employer" and L Brands (or the applicable member of the L Brands Group) as a "predecessor," within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code, for purposes of taxes imposed under the U.S. Federal Unemployment Tax Act or the U.S. Federal Insurance Contributions Act, and (ii) cooperate and use reasonable best efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53.

(d) With respect to Delayed LB Transfer Employees, the Parties shall (i) treat L Brands (or the applicable member of the L Brands Group) as a "successor employer" and VS (or the applicable member of the VS Group) as a "predecessor," within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code, for purposes of taxes imposed under the U.S. Federal Unemployment Tax Act or the U.S. Federal Insurance Contributions Act, and (ii) cooperate and use reasonable best efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53.

ARTICLE 10
NON-U.S. EMPLOYEES AND EMPLOYEE PLANS

Section 10.01. *Special Provisions for Employees and Employee Plans Outside of the United States*. From and after the date hereof, to the extent not addressed in this Agreement, the L Brands to VS Transition Services Agreement or the VS to L Brands Transition Services Agreement, the Parties shall reasonably cooperate in good faith to effect the provisions of this Agreement with respect to (a) Non-U.S. LB Participants and Non-U.S. VS Participants and (b) employee-, compensation- and benefits-related matters outside of the United States with respect to Non-U.S. LB Participants and Non-U.S. VS Participants, including under Non-U.S. LB Plans and Non-U.S. VS Plans, which in all cases shall be consistent with the general approach and philosophy regarding the allocation of assets and Liabilities (as expressly set forth in the recitals to this Agreement).

ARTICLE 11
GENERAL AND ADMINISTRATIVE

Section 11.01. *Sharing of Participant Information*. Without limiting the generality of any of the provisions of any other Ancillary Agreements, to the maximum extent permitted under Applicable Law, L Brands and VS shall, and shall cause each member of the L Brands Group and the VS Group, respectively, to reasonably cooperate with the other Party hereto to, (A) share with each other and their respective agents and vendors all participant information reasonably necessary for the efficient and accurate administration of each of the L Brands Plans and the VS Plans, (ii) provide prompt written notification regarding the termination of employment or service of any VS Participant or L Brands Participant to the extent relevant to the administration of an L Brands Plan or VS Plan, (iii) facilitate the transactions and activities contemplated by this Agreement and (iv) resolve any and all employment-related claims regarding VS Participants and L Brands Participants.

Section 11.02. *Cooperation.* Following the date of this Agreement, each of VS and L Brands shall, and shall cause the members of the VS Group and the L Brands Group, respectively, to, cooperate in good faith with respect to any employee compensation or benefits matters that either party reasonably determines require the cooperation of the other Party in order to accomplish the objectives of this Agreement (including, without limitation, relating to any audits by any Governmental Authorities); *provided* that nothing herein shall be deemed to require any member of the VS Group to administer any L Brands Plan or to require any member of the L Brands Group to administer any VS Plan, in each case at any time on or following the Distribution Date.

Section 11.03. *Vendor Contracts.* Prior to the Distribution Date, L Brands and VS will cooperate in good faith and use reasonable best efforts to (a) negotiate with the current third-party providers to separate and assign to the VS Group or VS Plan or the L Brands Group or L Brands Plan, as applicable, the applicable rights and obligations under each group insurance policy, health maintenance organization, administrative services contract, third-party administrator agreement, letter of understanding or arrangement that pertains to one or more L Brands Plans or VS Plans, respectively (each, a "**Vendor Contract**"), to the extent that such rights or obligations pertain to VS Participants or L Brands Participants, respectively, or, in the alternative, to negotiate with the current third-party providers to provide substantially similar services to a VS Plan or L Brands Plan, respectively, on substantially similar terms under separate contracts with a member of the VS Group or the VS Plans or L Brands Group or the L Brands Plans, respectively, as applicable and (b) to the extent permitted by the applicable third-party provider, obtain and maintain pricing discounts or other preferential terms under the applicable Vendor Contracts.

Section 11.04. *Data Privacy*. Notwithstanding anything to the contrary herein, the Parties agree that any applicable data privacy laws and any other obligations of the L Brands Group and the VS Group to maintain the confidentiality of any employee information held by any member of the L Brands Group or the VS Group, as applicable, or any information held in connection with any Employee Plans in accordance with Applicable Law will govern the disclosure of employee information between the Parties under this Agreement. Each of L Brands and VS will ensure that it has in place appropriate technical and organizational security measures to protect the personal data of the L Brands Participants and VS Participants, respectively.

Section 11.05. *Notices of Certain Events*. Each of VS and L Brands shall promptly notify and provide copies to the other of (a) written notice from any Person alleging that the approval or consent of such Person is or may be required in connection with the transactions contemplated by this Agreement, (b) any written notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement or the Separation Agreement and (c) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the VS Group or the L Brands Group, as the case may be, that relate to the consummation of the transactions contemplated by this Agreement; *provided*, that the delivery of any notice pursuant to this Section 11.05 shall not affect the remedies available hereunder to the Party receiving such notice.

Section 11.06. *No Third-Party Beneficiaries*. Notwithstanding anything to the contrary herein, nothing in this Agreement shall (a) create any obligation on the part of any member of the VS Group or any member of the L Brands Group to retain the employment or services of any current or former employee, director, independent contractor or other service provider, (b) be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any future, present, or former employee or service provider of any member of the L Brands Group or the VS Group (or any beneficiary or dependent thereof) under this Agreement, the Separation Agreement, any L Brands Plan or VS Plan or otherwise, (c) preclude VS or any VS Group member (or, in each case, any successor thereto), at any time after the Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing or otherwise altering in any respect any VS Plan, any benefit under any VS Plan or any trust, insurance policy or funding vehicle related to any VS Plan (in each case in accordance with the terms of the applicable arrangement), (d) preclude L Brands or any L Brands Group member (or, in each case, any successor thereto), at any time after the Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any L Brands Plan, any benefit under any L Brands Plan or any trust, insurance policy or funding vehicle related to any L Brands Plan (in each case in accordance with the terms of the applicable arrangement) or (e) confer any rights or remedies (including any third-party beneficiary rights) on any current or former employee or service provider of any member of the L Brands Group or the VS Group or any beneficiary or dependent thereof or any other Person, including, without limitation any L Brands Participants or VS Participants.

Section 11.07. *Fiduciary Matters*. L Brands and VS each acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other Applicable Law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 11.08. *Consent of Third Parties*. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor or Governmental Authority), the Parties shall cooperate in good faith and use reasonable best efforts to obtain such consent, and, if such consent is not obtained, to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the Parties shall negotiate in good faith to implement the provision in a mutually satisfactory manner. A Party's obligation to use its "reasonable best efforts" shall not require such party to take any action to the extent it would reasonably be expected to (a) jeopardize, or result in the loss or waiver of, any attorney-client or other legal privilege, (b) contravene any Applicable Law or fiduciary duty, (c) result in the loss of protection of any Intellectual Property or other proprietary information or (d) incur any non-routine or unreasonable cost or expense.

Section 11.09. *Section 409A*. The Parties shall cooperate in good faith so that the transactions contemplated by this Agreement and the Separation Agreement will not result in adverse tax consequences under Section 409A of the Code to any LB Participant or VS Participant in respect of their benefits under any Employee Plan.

ARTICLE 12
NON-SOLICIT AND NO-HIRE

Section 12.01. *No-Hire/Non-Solicitation of Employees*.

(a) During the applicable Restricted Period, VS shall not, and shall cause each member of the VS Group not to, (i) solicit or induce, or attempt to solicit or induce, any Covered L Brands Service Provider to terminate his or her employment or service relationship with any member of the L Brands Group or (ii) hire any L Brands Employee, New L Brands Employee or LB to VS TSA Service Employee who is or was employed by any member of the L Brands Group at any time prior to the expiration of the applicable Restricted Period (other than, for the avoidance of doubt, a VS Employee); *provided* that (A) the restrictions set forth in clause (i) of this Section 12.01(a) shall not prohibit any member of the VS Group from placing public advertisements or conducting any other form of general solicitation that is not specifically targeted toward a Covered L Brands Service Provider (*provided* that nothing in this proviso shall permit the hiring of an L Brands Employee, New L Brands Employee or LB to VS TSA Service Employee who responds to any such public advertisement or general solicitation which would otherwise be restricted by clause (ii) of this Section 12.01(a) (for the avoidance of doubt, the VS Group shall be permitted to hire any such employee who (I) is a retail store employee below the store manager level and (II) responds to any such public advertisement or general solicitation)), (B) the restrictions in clause (ii) of this Section 12.01(a) shall not apply to hiring (1) any L Brands Employee, New L Brands Employee or LB to VS TSA Service Employee who has ceased employment with the L Brands Group for a period of at least (x) six months, in the case of such employees who are at the manager level or above, and (y) three months, in the case of such employees who are below the manager level, (2) any L Brands Employee, New L Brands Employee or LB to VS TSA Service Employee, in each case who is a retail store employee below the store manager level, (3) any L Brands Employee, New L Brands Employee or LB to VS TSA Service Employee whose employment was involuntarily terminated by a member of the L Brands Group without cause or (4) any VS TSA Employee who is hired by a member of the VS Group in accordance with the terms of the L Brands to VS Transition Services Agreement. Notwithstanding anything to the contrary in this Section 12.01(a), subject to approval in the discretion of L Brands' Chief Executive Officer or L Brands' Chief Human Resources Officer, the limitations provided for in this Section 12.01(a) may be waived at the request of VS or any member of the VS Group.

(b) During the applicable Restricted Period, L Brands shall not, and shall cause each member of the L Brands Group not to, (i) solicit or induce, or attempt to solicit or induce, any Covered VS Service Provider to terminate his or her employment or service relationship with any member of the VS Group or (ii) hire any VS Employee, New VS Employee or VS to LB TSA Service Employee who is or was employed by any member of the VS Group at any time prior to the expiration of the applicable Restricted Period (other than, for the avoidance of doubt, any L Brands Employee); *provided* that (A) the restrictions set forth in clause (i) of this Section 12.01(b) shall not prohibit any member of the L Brands Group from placing public advertisements or conducting any other form of general solicitation that is not specifically targeted toward a Covered VS Service Provider (*provided* that nothing in this proviso shall permit the hiring of a VS Employee, New VS Employee or VS to LB TSA Service Employee who responds to any such public advertisement or general solicitation which would otherwise be restricted by clause (ii) of this Section 12.01(b) (for the avoidance of doubt, the L Brands Group shall be permitted to hire any such employee who (I) is a retail store employee below the store manager level and (II) responds to any such public advertisement or general solicitation)), (B) the restrictions in clause (ii) of this Section 12.01(b) shall not apply to hiring (1) any VS Employee, New VS Employee or VS to LB TSA Service Employee who has ceased employment with the VS Group for a period of at least (x) six months, in the case of such employees who are at the manager level or above, and (y) three months, in the case of such employees who are below the manager level, (2) any VS Employee, New VS Employee or VS to LB TSA Service Employee, in each case who is a retail store employee below the store manager level, (3) any VS Employee, New VS Employee or VS to LB TSA Service Employee whose employment was involuntarily terminated by a member of the VS Group without cause or (4) any L Brands TSA Employee who is hired by a member of the L Brands Group in accordance with the terms of the VS to L Brands Transition Services Agreement. Notwithstanding anything to the contrary in this Section 12.01(b), subject to approval in the discretion of VS' Chief Executive Officer or VS' Chief Human Resources Officer, the limitations provided for in this Section 12.01(b) may be waived at the request of L Brands or any member of the L Brands Group.

(c) Prior to the Distribution Date, L Brands' Chief Human Resources Officer and VS' Chief Human Resources Officer shall cooperate in good faith to determine whether any categories of employees or other service providers will be excluded from the restrictions set forth in Sections 12.01(a) and Section 12.01(b), if any.

ARTICLE 13
MISCELLANEOUS

Section 13.01. *General*. The provisions of Section 1.02 of the Separation Agreement and Article 6 of the Separation Agreement (other than Section 6.06 as it relates to Third-Party Beneficiaries of the Separation Agreement), in each case are hereby incorporated by reference into and deemed part of this Agreement and shall apply, *mutatis mutandis*, as if fully set forth in this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

L BRANDS, INC.

By: _____
Name:
Title:

VICTORIA'S SECRET & CO.

By: _____
Name:
Title:

[Signature Page – Employee Matters Agreement]

Exhibit 10.5

FORM OF

DOMESTIC TRANSPORTATION SERVICES AGREEMENT

dated as of

[__], 2021

by and between

MAST LOGISTICS SERVICES, LLC

and

VICTORIA'S SECRET & CO.

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DOMESTIC TRANSPORTATION SERVICES AGREEMENT

THIS DOMESTIC TRANSPORTATION SERVICES AGREEMENT (this "**Agreement**") is entered into this [__], 2021 (the "**Effective Date**") by and between Mast Logistics Services, LLC, a Delaware limited liability company ("**Service Provider**"), and Victoria's Secret & Co., a Delaware corporation ("**VS**") (each, a "**Party**" and together, the "**Parties**").

RECITALS:

WHEREAS, Service Provider has pre-existing contractual arrangements with certain carriers engaged in the business of transporting property in interstate, intrastate or foreign commerce and is in the business of providing other domestic transportation services;

WHEREAS, Service Provider has historically provided certain domestic transportation services to the VS Business (as defined herein);

WHEREAS, VS and L Brands, Inc. ("**L Brands**") have entered into that certain Separation and Distribution Agreement, dated as of [__], 2021 ("**Separation Agreement**") pursuant to which and on the terms and conditions set forth therein, among other things, L Brands has agreed to distribute the VS Business to the holders of the L Brands Common Stock (as defined in the Separation Agreement) as of the Record Date (as defined in the Separation Agreement);

WHEREAS, the Separation Agreement contemplates that Service Provider will, at the Distribution Time (as defined in the Separation Agreement), enter into this Agreement to provide certain domestic transportation services to VS on the terms and conditions set forth herein in connection with the transactions contemplated by the Separation Agreement; and

WHEREAS, following the Effective Date, Service Provider desires to continue to provide certain domestic transportation services to the VS Business pursuant to the terms and conditions of this Agreement and the VS Business desires to continue to receive such domestic transportation services.

NOW THEREFORE, in consideration of the mutual agreements hereinafter set forth, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINED TERMS

Section 1.01. *Defined Terms*. As used herein, the following terms shall have the following meanings:

"**Additional Products**" has the meaning set forth in Section 2.02.

"**Additional Services**" has the meaning set forth in Section 2.01(c).

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purposes of this definition, "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing.

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

"**Applicable Law**" means, with respect to any Person, any federal, state, local or foreign law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, directive, guidance, instruction, direction, permission, waiver, notice, condition, limitation, restriction or prohibition or other similar requirement enacted, adopted, promulgated, imposed, issued or applied by a Governmental Authority that is binding upon or applicable to such Person, its properties or assets or its business or operations.

"**Arbitration Association**" has the meaning set forth in Section 10.07(c).

"**Canada**" means Canada and its territories and possessions.

"**Confidential Information**" means, with respect to a Party, all technical and business information of such Party or any of its Affiliates that is disclosed to the other Party and (a) marked as "proprietary," "confidential" or other substantially similar language or (b) the other Party should otherwise reasonably be expected to understand is confidential based on the content of the information and the context of the disclosure. "Confidential Information" does not include information that (i) is or becomes generally available to the public (other than as a result of a breach of this Agreement), (ii) was available to the receiving Party or any of its Affiliates on a non-confidential basis prior to its disclosure to such receiving Party or its Affiliates pursuant to this Agreement (except that this clause (ii) shall not apply to information of either Party in the possession of the other Party prior to the Effective Date by virtue of their previous Affiliate relationship), (iii) is or becomes available to the receiving Party or any of its Affiliates from a third party not known by the receiving Party or its Affiliates to be bound by a confidentiality agreement or any legal, fiduciary or other obligation restricting disclosure of such information, (iv) is or was independently developed by the receiving Party or any of its Affiliates without violating this Agreement or any other agreement between or among the Parties or any of their respective Affiliates, or (v) solely with respect to Service Provider, is known or used in the L Brands Business more broadly than in the VS Business. The terms and conditions of this Agreement shall be the Confidential Information of both Parties and the confidential information of any Service Provider Party shall be the Confidential Information of Service Provider.

"**Damages**" has the meaning set forth in Section 7.01.

"**Disclosing Party**" has the meaning set forth in Section 8.01.

"**Dispute**" has the meaning set forth in Section 10.07(a).

"**Disputed Amount**" has the meaning set forth in Section 3.02(b).

"**Effective Date**" has the meaning set forth in the Preamble.

"**e-mail**" has the meaning set forth in Section 10.05.

"**Fees**" has the meaning set forth in Section 3.01.

"**Force Majeure**" has the meaning set forth in Section 10.06.

"**Governmental Authority**" means any multinational, foreign, federal, state, local or other governmental, statutory or administrative authority, regulatory body or commission or any court, tribunal or judicial or arbitral authority which has any jurisdiction or control over either Party (or any of their Affiliates).

"**Indemnified Party**" has the meaning set forth in Section 7.03(a).

"**Indemnifying Party**" has the meaning set forth in Section 7.03(a).

"**IT Breach**" has the meaning set forth in Section 2.05.

"**L Brands**" has the meaning set forth in the Recitals.

"**L Brands Business**" means all of the businesses conducted by L Brands and its Affiliates from time to time, whether before, on or after the Effective Date, other than the VS Business.

"**Mediation Notice**" has the meaning set forth in Section 10.07(b).

"**Mediation Period**" has the meaning set forth in Section 10.07(c).

"**Overdue Amounts**" has the meaning set forth in Section 3.02(b).

"**Party**" has the meaning set forth in the Preamble.

"**Payment Due Date**" has the meaning set forth in Section 3.02(a).

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

"**Receiving Party**" has the meaning set forth in Section 8.01.

"**Review Meetings**" has the meaning set forth in Section 4.04(c).

"**Separation Agreement**" has the meaning set forth in the Recitals.

"**Service Provider**" has the meaning set forth in the Preamble.

"**Service Provider Party**" has the meaning set forth in Section 2.01(b).

"**Service Provider Indemnified Persons**" has the meaning set forth in Section 7.01.

"**Service Provider Period**" has the meaning set forth in Section 4.03(b).

"**Service Taxes**" has the meaning set forth in Section 3.05(a).

"**Services**" has the meaning set forth in Section 2.01(a).

"**Subsidiary**" means, with respect to any Person, any other entity of which (i) a majority of the voting securities or (ii) securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions, are at the time directly or indirectly owned by such Person.

"**Term**" has the meaning set forth in Section 9.01.

"**Territory**" means the United States and Canada.

"**Third-Party Claim**" has the meaning set forth in Section 7.03(a).

"**Third Party Consent Costs**" has the meaning set forth in Section 2.03(b).

"**Third Party Provider**" has the meaning set forth in Section 2.01(b).

"**United States**" or "**U.S.**" means the United States of America and its territories and possessions.

"**VS**" has the meaning set forth in the Preamble.

"**VS Business**" means the specialty retail business of VS and its Subsidiaries with respect to women's intimate and other apparel, accessories, beauty care products and fragrances that is conducted under the Victoria's Secret or PINK brands.

"**VS Indemnified Persons**" has the meaning set forth in Section 7.02.

"**VS Products**" has the meaning set forth in Section 2.02.

ARTICLE 2
SERVICES.

Section 2.01. *General*. (a) Subject to the terms and conditions herein, Service Provider shall provide to VS the domestic transportation and delivery services set forth in this Agreement and on Schedule 1 hereto (the "**Services**") solely to support the needs of the VS Business and solely in the Territory.

(b) In providing the Services hereunder, Service Provider may use, at its discretion, its own personnel or the personnel of any of its Affiliates or employ the services of contractors, subcontractors, vendors or other third parties (each, a "**Third-Party Provider**"); *provided* that (i) Service Provider shall remain responsible for ensuring that its obligations with respect to the Services, including the general standard of service described below under Section 4.01, are satisfied and (ii) any act or omission of such personnel or any other Third-Party Provider that would constitute a breach of this Agreement by Service Provider, if such act or omission were taken or made by Service Provider directly, shall be deemed a breach of this Agreement by Service Provider. Each of Service Provider, its Affiliates and any Third-Party Provider that provides the Services shall be referred to as a "**Service Provider Party**".

(c) If, during the Term, VS identifies additional domestic transportation and delivery services that it desires to receive from Service Provider ("**Additional Services**"), then, upon written request from VS that identifies and states its desire to receive such Additional Services, Service Provider shall consider in good faith VS's request for such Additional Services and the Parties shall negotiate in good faith terms (including the cost and term of such Additional Services) with respect to the provision of such Additional Services; *provided* that nothing herein shall obligate either Party to agree to any such terms or to provide or receive any such Additional Services unless agreed in writing by both Parties. To the extent Service Provider agrees in writing to provide such Additional Services hereunder, the Parties shall cooperate and act in good faith to add such Additional Services to Schedule 1 to this Agreement. Upon the amendment of Schedule 1 upon mutual written agreement of the Parties to include such Additional Services, the term "Services" shall include such Additional Services.

Section 2.02. *Products*. Service Provider shall provide the Services for the personal care and apparel product lines of the VS Business for which Service Provider provides the Services to the VS Business as of the Effective Date ("**VS Products**"). To the extent VS desires Service Provider to provide the Services for additional product lines of the VS Business ("**Additional Products**"), the Parties shall negotiate in good faith the terms (including cost and term) with respect to the provision of Services for such Additional Products (it being understood that the Parties acknowledge and agree that such Additional Products may require different processing and different cost structure); *provided* that nothing herein shall obligate either Party to agree to any such terms or to provide or receive the Services with respect to such Additional Products unless agreed in writing by both Parties. To the extent the Parties mutually agree in writing on such terms for such Additional Products, the term "VS Products" shall include such Additional Products.

Section 2.03. *Cooperation; Facilities; Further Actions*. (a) Upon a Party's reasonable request, the other Party shall provide such requesting Party (or in the case of Service Provider as the requesting Party, the applicable Service Provider Party), access to all facilities (including all ancillary facilities-related services), assets and materials and copies of all relevant information (including destination addresses, weight of packages, dimensions of packages, content of packages, etc.), in each case, necessary or reasonably useful for the Service Provider Party to provide the Services to VS or for VS to receive the Services, as applicable. Without limiting the foregoing, as a condition for Service Provider's provision of the Services to VS, VS shall (i) prior to delivery to Service Provider, package all relevant VS Products, and label such packages, in accordance with Service Provider's reasonable requests and in any event, in a manner substantially similar to the manner in which the VS Products were packaged and such packages were labeled with respect to similar Services immediately prior to the Effective Date, (ii) provide the Service Provider Party with any and all necessary import and export documentation and information for the relevant VS Products, (iii) provide Service Provider with volume and destination forecasts in a form and manner substantially similar to the manner in which such forecasts were provided by the VS Business immediately prior to the Effective Date and (iv) provide the Service Provider Party with any and all necessary hazardous shipping documentation (including Material Safety Data Sheets (MSDS)) for the VS Products. Service Provider shall not be responsible for any inability to provide a Service or any delay in doing so to the extent that such inability or delay is the result of the failure of VS to timely comply with any of its obligations in this Section 2.03(a).

(b) Service Provider and VS shall use commercially reasonable efforts to obtain, and to keep and maintain in effect (or to cause their respective Affiliates to obtain, and to keep and maintain in effect), all governmental or third party licenses and consents required for the provision of the Services by Service Provider in accordance with the terms of this Agreement; *provided* that if Service Provider or any of its Affiliates is unable to obtain any such license or consent, Service Provider shall promptly notify VS in writing and shall, and shall cause its Affiliates to, use commercially reasonable efforts to implement an appropriate alternative arrangement. The costs relating to obtaining any such licenses or consents shall be borne solely by VS (the "**Third Party Consent Costs**") and none of Service Provider or any of its Affiliates shall be required to pay any money or other consideration or grant any other accommodation to any Person (including any amendment to any contract) or initiate any action, suit or proceeding against any Person to obtain any such license or consent; *provided* that Service Provider and its Affiliates shall not incur any such costs without the prior written consent of VS. If any such license, consent or alternative arrangement is not available despite the commercially reasonable efforts of Service Provider and its Affiliates or as a result of VS failing to consent to the incurrence of costs relating to obtaining any such license or consent, Service Provider shall not be required to cause to be provided the affected Services.

Section 2.04. *Limitations*. (a) VS agrees that the Services will be used by VS solely in connection with the operation of the VS Business. VS may not resell, license the use of or otherwise permit the use by any Person other than VS of any Services, except with the prior written consent of Service Provider.

(b) In providing the Services, unless expressly agreed in writing by the Parties, in no event shall Service Provider be obligated to (i) hire any additional employees, (ii) maintain the employment of any specific employee, (iii) purchase, lease or license any additional equipment, trucks, hardware or software or (iv) provide the Services for any fiscal year at a volume or level that is more than one hundred and thirty percent (130%) of the volume or level of the Services provided to the VS Business during the 2019 fiscal year.

Section 2.05. *Information Technology.*

(a) Subject to the terms and conditions herein, VS may access Service Provider's information technology systems solely to the extent necessary to (i) provide Service Provider information regarding the type, volume and requested timing and destination of VS Products to be transported and delivered in connection with the Services or any other information requested by Service Provider and (ii) to the extent available, receive access to real-time data related to the VS Products for purposes of tracking and tracing freight; *provided* that Service Provider may without prior notice and without liability to VS, exclude for good cause any VS employee from Service Provider's information technology systems if, in Service Provider's reasonable and good faith opinion, such exclusion is deemed advisable in the interest of completion of the Services, the safety or security of the information technology systems or employees of any Service Provider Party or the confidentiality of any Service Provider Party's Confidential Information.

(b) VS shall, and shall cause its employees and any subcontractors to (i) not attempt to obtain access to or use any information technology systems of any Service Provider Party, or any data owned by any Service Provider Party, or any data used or processed by Service Provider (other than any data of VS), except to the extent required to receive the Services, (ii) maintain reasonable security measures to protect the systems of each Service Provider Party to which it has access pursuant to this Agreement from access by unauthorized third parties, and any "back door", "time bomb", "Trojan Horse", "worm", "drop dead device", "virus" or other computer software routine intended or designed to disrupt, disable, harm or otherwise impede in any manner the operation of such systems, (iii) not permit access or use of information technology systems of any Service Provider Party by a third party other than as authorized by prior written consent of Service Provider, (iv) not disable, damage or erase or disrupt or impair the normal operation of the information technology systems of any Service Provider Party, and (v) comply with the security policies and procedures of each Service Provider Party (to the extent previously provided to VS in writing and applicable to such Service Provider Party's information technology systems). Each Party shall promptly notify the other Party in the event it or any of its respective Affiliates becomes aware of or suspects that there has been a breach of security or a loss, theft or unauthorized access, use or disclosure of any information technology systems (collectively, "**IT Breach**") of any Service Provider Party or VS to the extent such (A) IT Breach could adversely affect the provision or receipt of the Services hereunder or such other Party's data or Confidential Information or (B) notice is required by Applicable Law.

ARTICLE 3
SERVICE FEES.

Section 3.01. *Fees for Services*. In consideration for the Services provided under this Agreement, subject to the provisions hereof, VS shall pay to Service Provider (or the Service Provider Party designated by Service Provider) the fees set forth in Schedule 2 for the Services ("**Fees**") in accordance with the provisions of, this Agreement, including the Schedules hereto, without any offset or deduction except as otherwise expressly set forth herein.

Section 3.02. *Payment*. (a) Service Provider shall invoice, or shall cause the applicable Service Provider Party to invoice, VS on a monthly basis (not later than the fifteenth (15^{th}) day of the following month), for the Fees and Service Taxes (which Service Taxes will be separately stated in each such invoice) incurred in the prior month for the Services, and will provide to VS the same billing data and level of detail provided to the VS Business immediately prior to the Effective Date. VS agrees to pay all Fees and Service Taxes invoiced by Service Provider no later than thirty (30) days after the date of such invoice (each, a "**Payment Due Date**"). Such payments shall be made by VS by wire transfer of immediately available funds to an account designated in writing by Service Provider.

(b) In the event VS has a good faith dispute that any Fees that are the subject of any invoice provided by Service Provider hereunder are not properly payable by VS pursuant to the terms of this Agreement (such amount, a "**Disputed Amount**"), VS shall notify Service Provider in writing within thirty (30) days after the later of (i) its receipt of such invoice for such Fees or (ii) the date VS becomes aware of such Disputed Amount, but in no event later than one year after VS's receipt of such invoice. Such notice shall contain the amount of the Disputed Amount, reasonable back-up related to the dispute and a written description of the reason(s) VS is disputing such Fees. The Parties shall then work diligently and in good faith to resolve the dispute as soon as reasonably practicable in accordance with the dispute resolution procedures set forth in Section 10.07. In the event the resolution of the dispute is such that any such Disputed Amounts are due from VS ("**Overdue Amounts**"), VS shall pay such Overdue Amounts which are due within thirty (30) days of such resolution, with interest accruing for any such Overdue Amounts not made within fifteen (15) days of the applicable Payment Due Date applicable to such Overdue Amounts, at the rate of twelve percent (12%) per annum, from such fifteenth (15th) day following such Payment Due Date until the date payment is actually made; *provided* that such interest rate shall not exceed the maximum rate permitted by Applicable Law. In the event that any Disputed Amount is greater than one hundred thousand U.S. Dollars ($100,000), VS shall pay such Disputed Amount into an escrow account pending resolution of the applicable dispute.

Section 3.03. *Late Payment*. If VS fails to pay any amount of any Fees due under this Agreement within fifteen (15) days of the applicable Payment Due Date for such Fees, Service Provider may charge, in addition to such amount of Fees due on such Payment Due Date, interest on such amount at the rate of twelve percent (12%) per annum, from such 15th day following such Payment Due Date until the date payment is actually made; *provided* that such interest rate shall not exceed the maximum rate permitted by Applicable Law. All payments made to Service Provider by VS hereunder shall be applied first to unpaid interest and then to Fees invoiced but unpaid. If VS fails to pay the amount of any Fees invoiced hereunder within sixty (60) days of the relevant Payment Due Date, such failure shall be considered a material breach of this Agreement; *provided* that any such failure to pay any Disputed Amounts during the pendency of the applicable dispute shall not constitute a material breach of this Agreement during the pendency of such dispute.

Section 3.04. *Suspension*. Notwithstanding anything to the contrary in this Agreement, to the extent the aggregate amount of any overdue unpaid invoices and/or Disputed Amounts exceeds one million U.S. Dollars ($1,000,000), Service Provider may, after ten (10) days' prior written notice to VS, elect to suspend, without liability, its obligations hereunder to cause to be provided any or all Services to VS until such time as such invoices have been paid in full and the disputes applicable to the Disputed Amounts have been resolved.

Section 3.05. *Taxes*. (a) VS shall bear and pay all applicable sales, use, transaction, consumption, excise, services, value added, transfer and other similar taxes (and any related interest, penalty, addition to tax or additional amount imposed) incurred or imposed with respect to the provision of the Services hereunder, to this Agreement or to any payment hereunder ("**Service Taxes**"), whether or not such Service Taxes are shown on any invoices; *provided*, *however*, that VS shall not be responsible hereunder for any interest or penalties incurred as a result of any failure of such Service Taxes to be shown on the appropriate invoice as provided above. If Service Provider pays any portion of such Service Taxes, VS shall reimburse Service Provider within five (5) days of receipt of evidence that such Service Taxes have been paid. Any Service Taxes shall be incremental to other payments or charges identified in this Agreement. For the avoidance of doubt, VS shall not be required to bear or pay any taxes of any Service Provider Party except as expressly provided herein. Each Party shall, and shall cause its Affiliates to, use commercially reasonable efforts to minimize or reduce the amount of Service Taxes otherwise payable, including by availing itself of any available exemptions or reductions to any such Service Taxes and cooperating with the other Party in providing information or documentation that may be reasonably necessary to minimize such Service Taxes or to obtain such exemptions.

(b) All sums payable under this Agreement shall be paid free and clear of all deductions or withholdings unless such deduction or withholding is required by Applicable Law, in which event the Party or other Person making such payment shall be entitled to deduct and withhold from any such sum any such amount required to be so deducted or withheld under Applicable Law, such Party or other Person shall remit (or cause to be remitted) such deducted or withheld amounts over to the applicable Governmental Authority in accordance with the requirements of Applicable Law and provide the recipient of such sums with an official receipt confirming payment. To the extent that any amounts are deducted or withheld from sums otherwise payable under this Agreement and remitted to the applicable Governmental Authority as provided above, such amounts shall be treated for all purposes of this Agreement as having been paid to the Party or other Person in respect of which such deduction or withholding was made. Each Party shall, and shall cause its Affiliates to, use commercially reasonable efforts to minimize or reduce the amount of any such required withholding or deduction, including by availing itself of any available exemptions from or reductions to such withholding or deduction and cooperating with the other Party in providing information or documentation that may be reasonably necessary to minimize such withholding or deduction or to obtain such exemptions.

Section 3.06. *Audits.* Throughout the Term and for one (1) year thereafter, VS shall have the right once within each calendar year, at its own expense and on thirty (30) days' advance written notice to Service Provider, to have an independent auditor reasonably acceptable to Service Provider (and who has executed an appropriate confidentiality agreement reasonably acceptable to Service Provider) audit the books and records of Service Provider or any of its Affiliates for the sole purpose of certifying the accuracy of the Fees charged by Service Provider to VS in accordance with the terms of this Agreement for the preceding calendar year; *provided* that (a) any such audit shall take place during reasonable business hours on a mutually agreed upon date, (b) such auditor shall in no event be entitled to any contingency fee (or otherwise have any portion of its compensation be directly or indirectly determined based on the outcome of such audit) and (c) no such books and records may be audited more than one time. Service Provider may designate competitively sensitive information which such auditor may see and review but which it may not disclose to VS and all such books and records, and any applicable audit report and findings, shall be the Confidential Information of Service Provider. VS shall provide to Service Provider a copy of each such audit report promptly after its receipt thereof. In the event that any such audit indicates any overpayment or underpayment of Fees paid to Service Provider by VS, the applicable Party shall pay to the other Party (within thirty (30) days following the date of delivery of such audit report to Service Provider) the amount of such overpayment or underpayment, as the case may be. If either Party has a good faith dispute with respect to the findings of such audit, the Parties shall follow the dispute resolution procedures set forth in Section 10.07.

ARTICLE 4
STANDARDS OF SERVICE.

Section 4.01. *General Standard of Service*. Except as otherwise agreed by the Parties in writing or expressly provided in this Agreement, Service Provider agrees that the nature, quality and standard of care applicable to the delivery of the Services hereunder shall be substantially the same as that of the Services which Service Provider generally provides from time to time, now or in the future, to its Subsidiaries and Affiliates. Without limiting the foregoing, the Services shall be performed in a good, workmanlike, professional and conscientious manner by experienced and qualified employees of Service Provider or any other Service Provider Party according to the generally accepted standards of the industry to which the Services pertain. Subject to the terms and conditions herein, Service Provider shall not be responsible for any inability to provide the Services or any delay in doing so to the extent that such inability or delay is the result of the failure of VS to timely provide the information, access or other cooperation necessary for Service Provider to provide the Services hereunder. Service Provider's obligation to cause the Services to be provided in accordance with the standards set forth in this Section 4.01 shall be subject to Service Provider's right to supplement, modify, substitute or otherwise alter any of the Services from time to time in a manner that is generally consistent with supplements, modifications, substitutions or alterations made for similar services provided or otherwise made available by Service Provider, or as required by Applicable Law. Service Provider shall use reasonable best efforts to inform VS in writing as soon as practicable, but in any event at least thirty (30) days in advance, of any significant change it proposes to undertake with respect to the Services provided to VS hereunder which would result in a material increase in the cost of the Services to VS or a change that would diminish the nature or quality of the Services provided to VS hereunder, and in the event VS reasonably objects thereto, the Parties shall work together to equitably resolve such objection. Except as otherwise provided in this Agreement, the Parties acknowledge and agree that the management of and control over the provision of the Services (including, without limitation, the determination or designation at any time of the assets, equipment, employees and other resources of Service Provider to be used in connection with providing the Services) shall reside exclusively with Service Provider. In addition, all labor matters relating to any employees of Service Provider (including, without limitation, any employees of any related entity involved in the provision of Services to VS) shall be within the exclusive control and responsibility of Service Provider, and VS shall not be entitled to take any action affecting such matters.

Section 4.02. *Ownership of Products*. Notwithstanding anything to the contrary in this Agreement, as between the Parties, (a) title to all VS Products that are transported, shipped, warehoused or otherwise held in the custody of Service Provider on behalf of VS pursuant to this Agreement shall at all times remain with VS and (b) VS shall at all times be the owner of record of such VS Product.

Section 4.03. *Risk of Loss*.

(a) Risk of loss for VS Products shall be held by VS until such VS Products are physically delivered to the care, custody or control of a Service Provider Party at a location mutually agreed upon by the Parties in writing, at which point, risk of loss shall transfer to Service Provider, and upon the delivery of such VS Product to the applicable destination agreed upon in writing by the Parties, risk of loss for such VS Products shall transfer to VS. Service Provider agrees to deliver all VS Products tendered to Service Provider in the same condition as they were in at the time of tender.

(b) In the event any VS Products are lost, damaged, destroyed or stolen during the period where Service Provider holds the risk of loss for such VS Products pursuant to Section 4.03(a) (such period, the "**Service Provider Period**"), (i) Service Provider shall pay VS for sixty percent (60%) of retail value for all such VS Products (except in the event that such VS Products are lost, damaged, destroyed or stolen during the Service Provider Period due to the gross negligence or willful misconduct of Service Provider, in which case Service Provider shall be liable to VS for the full retail value for all such VS Products) or (ii) at VS's sole discretion, Service Provider may instead pay all costs and expenses to replace such VS Products; *provided* in each case of clauses (i) and (ii) Service Provider's obligation to pay VS for such VS Products shall not exceed $250,000 per occurrence (*provided* that, if Service Provider is able to recover an amount greater than $250,000 for such VS Products under its applicable third-party carrier contract, such excess recovery shall be passed through to VS) or $5,000,000 per calendar year. Notwithstanding anything to the contrary in this Agreement, Service Provider shall not be liable in any event for (x) inherent qualities of the VS Products, (y) a Force Majeure event or (z) the gross negligence or willful misconduct of VS and its Affiliates.

(c) All claims by VS or any of its Affiliates for loss, damage, destruction or theft of any VS Products during the Service Provider Period must be made in writing within eight (8) months after (i) in the case of damage or destroyed VS Products, the actual date of delivery or (ii) in the case of lost or stolen VS Products, discovery of the applicable loss or theft. All claims will be acknowledged in writing by Service Provider within thirty (30) days of receipt thereof, and will be paid, if not disputed, within sixty (60) days of such receipt. Any proceeding arising from any such claim must be instituted within one (1) year after receipt of Service Provider's written notification of its dispute of such claim. Notwithstanding anything to the contrary in this Agreement, the sole and exclusive remedies available to VS for any VS Products lost, damaged, destroyed or stolen during the Service Provider Period will be the remedies set forth in this Section 4.03 of this Agreement.

Section 4.04. *Reporting and Review Meetings*. (a) Upon VS's reasonable written request, Service Provider shall work in good faith with VS to provide VS with reports regarding the provision and receipt of the Services in a manner substantially similar to the manner in which such reporting was provided to the VS Business immediately prior to the Effective Date; *provided* that, except as expressly set forth herein, Service Provider is not required to provide access to any of its or any of its Affiliates' Confidential Information to VS.

(b) During the Term of this Agreement, VS shall have reasonable access to any shipping building owned or controlled by Service Provider and then-used by Service Provider to provide the Services; *provided* that (i) such access shall take place during normal business hours and following reasonable advance written notice, (ii) VS's access shall be subject to its and its employees and other representatives' compliances with all policies, procedures, rules and regulations applicable to such shipping building (including any and all applicable security and safety policies), (iii) VS shall not be permitted to access any Confidential Information of Service Provider or any of its Affiliates without the prior written consent of Service Provider, (iv) such access shall be limited to the extent necessary for VS to use and receive the Services and (v) Service Provider may without prior notice and without liability to VS, exclude or remove for good cause any VS employee from such shipping building if, in Service Provider's reasonable and good faith opinion, such exclusion or removal is deemed advisable in the interest of Services completion, the safety or security of such shipping building or employees of any Service Provider Party or the confidentiality of any Service Provider Party's Confidential Information.

(c) The Parties agree to hold review meetings (the "**Review Meetings**") in a manner and frequency mutually agreed upon by the Parties in writing. During the Review Meetings, representatives of VS and of Service Provider shall work together in good faith to review and discuss any operational, strategic or other issues raised by any participant with respect to the provision of the Services hereunder. The Parties shall also review season end results and next season projections. The Parties intend that information exchanged at such Review Meetings shall be in addition to ongoing communication between representatives of VS and Service Provider with respect to the provision of the Services hereunder.

ARTICLE 5
HAZARDOUS MATERIALS AND COMPLIANCE WITH LAWS.

Section 5.01. *Hazardous Materials*. Except to the extent VS provides Service Provider with prior written notice otherwise, VS hereby represents and warrants that all VS Products that are transported, shipped, warehoused or otherwise held in the custody of Service Provider on behalf of VS pursuant to this Agreement shall qualify for the U.S. Department of Transportation (DOT) Limited Quantity shipment exception such that no hazardous shipping papers are required.

Section 5.02. *Compliance with Law*. The Parties shall, and shall cause their respective Affiliates and employees to, comply with all Applicable Laws in connection with the provision or receipt of the Services hereunder.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES.

Section 6.01. *Representations and Warranties of Service Provider*. Service Provider represents and warrants to VS that:

(a) Service Provider is an entity duly organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the laws of its jurisdiction of organization and has all corporate powers required to carry on its business as now conducted.

(b) The execution, delivery and performance by Service Provider of this Agreement and the consummation of the transactions contemplated hereby by Service Provider are within Service Provider's corporate powers and have been duly authorized by all necessary corporate action on the part of Service Provider. This Agreement constitutes a valid and binding agreement of Service Provider enforceable against Service Provider in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

(c) The execution, delivery and performance by Service Provider of this Agreement and the consummation of the transactions contemplated hereby by Service Provider require no action by or in respect of, or filing with, any Governmental Authority other than any such action or filing that has already been taken or made or as to which the failure to make or obtain would not reasonably be expected to materially impede or delay the performance by Service Provider of its obligations hereunder.

Section 6.02. *Representations and Warranties of VS*. VS represents and warrants to Service Provider that:

(a) VS is an entity duly organized, validly existing and in good standing (with respect to jurisdictions that recognize such concept) under the laws of its jurisdiction of organization and has all corporate powers required to carry on its business as now conducted.

(b) The execution, delivery and performance by VS of this Agreement and the consummation of the transactions contemplated hereby by VS are within VS's corporate powers and have been duly authorized by all necessary corporate action on the part of VS. This Agreement constitutes a valid and binding agreement of VS, enforceable against VS in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

(c) The execution, delivery and performance by VS of this Agreement and the consummation of the transactions contemplated hereby by VS require no action by or in respect of, or filing with, any Governmental Authority other than any such action or filing that has already been taken or made or as to which the failure to make or obtain would not reasonably be expected to materially impede or delay the performance by VS of its obligations hereunder.

ARTICLE 7
INDEMNIFICATION; LIMITATION OF LIABILITY.

Section 7.01. *Indemnification of Service Provider by VS*. Subject to the terms and conditions herein, VS agrees to and shall indemnify and hold harmless Service Provider and each other Service Provider Party and their respective directors, officers, partners, members, managers, agents and employees (collectively, the "**Service Provider Indemnified Persons**") from and against any and all damage, loss, liability and expense (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding) (whether involving a Third-Party Claim or a claim solely between the Parties hereto) ("**Damages**") asserted against, incurred or suffered by any Service Provider Indemnified Person or as a result of Damages arising from a claim by a third party, in each case, arising out of or in connection with (a) VS's or any of its Affiliates' breach of this Agreement, (b) any VS Products, (c) the receipt or use of the Services by VS or any of its Affiliates, (d) VS's or any of its Affiliates' violation of Applicable Law, or (e) VS's or any of its Affiliates' gross negligence, fraud or willful misconduct; *provided* that the foregoing indemnification obligation shall not apply to the extent such Damages are caused by (i) a breach of this Agreement by Service Provider, any of its Affiliates or any other Service Provider Party or (ii) Service Provider's or any of its Affiliates' or any other Service Provider Party's gross negligence, fraud or willful misconduct.

Section 7.02. *Indemnification of VS by Service Provider*. Subject to the terms and conditions herein, Service Provider agrees to and shall indemnify and hold harmless VS and its directors, officers, partners, members, managers, agents and employees (collectively, the "**VS Indemnified Persons**") from and against any and all Damages asserted against, incurred or suffered by any VS Indemnified Person or as a result of Damages arising from a claim by a third party, in each case, arising out of or in connection with (a) any Service Provider Party's breach of this Agreement, (b) any Service Provider Party's violation of Applicable Law, or (c) Service Provider's or any of its Affiliates' or any Service Provider Party's gross negligence, fraud or willful misconduct; *provided* that the foregoing indemnification obligation shall not apply to the extent such Damages are caused by (i) a breach of this Agreement by VS or any of its Affiliates, (ii) any VS Products, (iii) use of the Services by VS or any of its Affiliates, or (iv) VS's or any of its Affiliates' gross negligence, fraud or willful misconduct.

Section 7.03. *Third-Party Claim Procedures*. (a) The Party seeking indemnification under Section 7.01 or Section 7.02, as applicable, (the "**Indemnified Party**") agrees to give prompt notice in writing to the Party against whom indemnity is to be sought (the "**Indemnifying Party**") of the assertion of any claim or the commencement of any suit, action or proceeding by any third party ("**Third-Party Claim**") in respect of which indemnity may be sought under such Section. Such notice shall set forth in reasonable detail such Third-Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third-Party Claim and, subject to the limitations set forth in this Section 7.03, shall be entitled to control and appoint lead counsel for such defense, in each case at its own expense.

(c) If the Indemnifying Party shall assume the control of the defense of any Third-Party Claim in accordance with the provisions of this Section 7.03, the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld, conditioned or delayed) before entering into any settlement of such Third-Party Claim, if the settlement does not release the Indemnified Party and its Affiliates from all liabilities and obligations with respect to such Third-Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its Affiliates, and the Indemnified Party shall be entitled to participate in the defense of any Third-Party Claim and to employ separate counsel of its choice for such purpose. The fees and expenses of such separate counsel shall be paid by the Indemnified Party.

(d) Each Party shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Third-Party Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

Section 7.04. *Direct Claim Procedures*. In the event an Indemnified Party has a claim for indemnity under Section 7.01 or Section 7.02, as applicable, against an Indemnifying Party that does not involve a Third-Party Claim, the Indemnified Party agrees to give prompt notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have materially and adversely prejudiced the Indemnifying Party. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days following the receipt of a notice with respect to any such claim that the Indemnifying Party disputes its indemnity obligation to the Indemnified Party for any Damages with respect to such claim, such Damages shall be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall promptly pay to the Indemnified Party any and all Damages arising out of such claim. If the Indemnifying Party has timely disputed its indemnity obligation for any Damages with respect to such claim, the Parties shall follow the dispute resolution procedures set forth in Section 10.07.

Section 7.05. *Calculation of Damages.* The amount of any Damages payable under Section 7.01 or Section 7.02, as applicable, by the Indemnifying Party shall be net of any amounts recovered by the Indemnified Party under applicable insurance policies or from any other Person alleged to be responsible therefor. If the Indemnified Party receives any amounts under applicable insurance policies, or from any other Person alleged to be responsible for any Damages, subsequent to an indemnification payment by the Indemnifying Party, then such Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made or expense incurred by such Indemnifying Party in connection with providing such indemnification payment up to the amount received by the Indemnified Party, net of any expenses incurred by such Indemnified Party in collecting such amount.

Section 7.06. *Limitation of Liability; Exclusion of Damages*. (a) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT FOR A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS HEREUNDER OR A PARTY'S GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT, NO PARTY HERETO WILL BE LIABLE FOR ANY (i) PUNITIVE, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR TREBLED DAMAGES (IN EACH CASE, EXCEPT TO THE EXTENT PAYABLE TO A THIRD PARTY IN RESPECT OF A THIRD-PARTY PROCEEDING BASED ON A FINAL JUDGMENT OF A COURT OF COMPETENT JURISDICTION) OR (ii) LOST PROFITS, DIMINUTION IN VALUE, MULTIPLE-BASED OR OTHER DAMAGES CALCULATED BASED ON A MULTIPLE OF ANOTHER FINANCIAL MEASURE, IN EACH CASE, ARISING OUT OF OR RELATING TO THIS AGREEMENT EVEN IF THE OTHER PARTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) NOTWITHSTANDING ANYTHING ELSE HEREIN TO THE CONTRARY, EXCEPT FOR ANY FEES PAYABLE BY VS TO SERVICE PROVIDER IN ACCORDANCE WITH THIS AGREEMENT FOR THE SERVICES HEREUNDER OR A PARTY'S GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT, AND SUBJECT TO SECTION 4.03, THE MAXIMUM AGGREGATE LIABILITY OF EACH PARTY UNDER OR IN CONNECTION WITH THIS AGREEMENT IN ANY CALENDAR YEAR SHALL NOT EXCEED AND SHALL BE LIMITED TO $7,500,000 .

ARTICLE 8
CONFIDENTIALITY.

Section 8.01. *Confidential Information*. Except as expressly permitted hereunder, from and after the Effective Date, each Party ("**Receiving Party**") shall hold, and cause its respective directors, officers, employees, agents, consultants and advisors to hold, in confidence all Confidential Information of the other Party ("**Disclosing Party**") and shall not, without the prior written consent of the Disclosing Party, disclose or use any Confidential Information of the Disclosing Party. Nothing in this Section 8.01 shall limit any other confidentiality obligations among the Parties to this Agreement pursuant to any other agreement between or among such Parties or any of their Affiliates.

Section 8.02. *No Rights to Confidential Information*. Each Party acknowledges that it will not acquire any right, title or interest in or to any Confidential Information of the other Party by reason of this Agreement or the provision or receipt of the Services hereunder.

Section 8.03. *Safeguards*. Each Receiving Party agrees to establish and maintain administrative, physical and technical safeguards, information technology and data security procedures and other protections against the destruction, loss, unauthorized access or alteration of the Disclosing Party's Confidential Information which are no less rigorous than those otherwise maintained for its own Confidential Information.

Section 8.04. *Permitted Disclosures*. Notwithstanding Section 8.01, (a) the Receiving Party may disclose the Confidential Information (i) to any of its employees, contractors, suppliers, agents and other representatives who need it in connection with this Agreement and are bound in writing by reasonable restrictions regarding disclosure and use of the Confidential Information or (ii) to the extent such disclosure is in response to a valid order of a court or other Governmental Authority or to otherwise comply with Applicable Law; *provided* that, in the case of clause (ii), the Receiving Party shall first give notice to the Disclosing Party and reasonably cooperate with the Disclosing Party to obtain a protective order or other measures preserving the confidential treatment of such Confidential Information and requiring that the information or documents so disclosed be used only for the purposes for which the order was issued or as otherwise required by Applicable Law and (b) each Party may disclose the terms and conditions of this Agreement (i) in confidence, to its accountants, banks and present and prospective financing sources and their advisors, (ii) in connection with the enforcement of this Agreement or rights under this Agreement, (iii) in confidence, in connection with an actual or proposed merger, acquisition or similar transaction involving such Party, (iv) in confidence, to its Affiliates, (v) in confidence, to its third-party contractors who have a need to know, solely in connection with their provision of Services to VS hereunder, (vi) as required by applicable securities laws or the rules of any stock exchange on which securities of such Party are traded or any other Applicable Law; *provided* that prior to making any such disclosure, such Party shall provide written notice to the other Party regarding the nature and extent of the disclosure to enable the other Party to seek to obtain confidential treatment, to the extent available, for such Confidential Information, or (vii) as mutually agreed upon by the Parties in writing.

ARTICLE 9
TERM AND TERMINATION.

Section 9.01. *Term*. The term of this Agreement (the "**Term**") shall commence on the Effective Date and remain in effect for an initial term of three (3) years, and shall thereafter automatically renew for successive one (1) year terms unless earlier terminated pursuant to Sections 9.02 or 9.03 below.

Section 9.02. *Termination for Convenience*. (a) VS may, at any time during the Term and for any reason, terminate this Agreement by giving at least eighteen (18) months' prior written notice of such termination to Service Provider.

(b) Service Provider may, at any time during the Term and for any reason, terminate this Agreement by giving at least thirty six (36) months' prior written notice of such termination to VS; *provided* that (i) Service Provider may not establish a termination date pursuant to this Section 9.02(b) between October 1st of any calendar year and the last day of February of the following calendar year and (ii) Service Provider may not provide such notice to VS prior to January 1, 2022.

Section 9.03. *Termination for Material Breach*. Either Party may terminate this Agreement immediately upon written notice to the other Party if the other Party materially breaches this Agreement (including, for VS, upon a failure to make any required and undisputed payment hereunder pursuant to Section 3.02) and such breach is incapable of being cured or has not been cured within thirty (30) calendar days after the breaching Party receives notice of such breach; *provided*, *however*, that, in the event that a material breach of this Agreement is not cured by the breaching Party after thirty (30) calendar days despite the breaching Party's good faith efforts to cure such breach, the period for cure hereunder shall be extended for an additional thirty (30) calendar days or such other longer period as reasonably agreed by the Parties in writing. Any termination of this Agreement shall be without prejudice to any other rights and remedies any Party may have pursuant to Applicable Law, in equity or otherwise.

Section 9.04. *Effect of Termination*. Other than as required by Applicable Law, upon termination of this Agreement, Service Provider shall have no further obligation to provide any Services to VS and VS shall have no obligation to make any payments relating to the Services; *provided* that, notwithstanding such termination, VS shall remain liable to Service Provider for any Fees incurred prior to the effective date of the termination of this Agreement. Notwithstanding any termination pursuant to Sections 9.02 or 9.03, Section 3.05, Section 4.03(b), Section 4.03(c), Article 7, Article 8, this Section 9.04 and Article 10 shall survive any such termination.

ARTICLE 10
MISCELLANEOUS.

Section 10.01. *Waiver*. Any provision of this Agreement may be waived, but only if such waiver is in writing and signed by the waiving Party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 10.02. *Entire Agreement; Amendments*. This Agreement and the Schedules attached hereto, together with the Separation Agreement, set forth the entire understanding between the Parties concerning the subject matter of this Agreement and incorporate all prior negotiations and understandings. There are no covenants, promises, agreements, conditions or understandings, either oral or written, between the Parties relating to the subject matter of this Agreement other than those set forth herein. No representation or warranty has been made by or on behalf of either Party to this Agreement (or any officer, director, employee or agent thereof) to induce the other Party to enter into this Agreement or to abide by or consummate any transactions contemplated by any terms of this Agreement except representations and warranties, if any, expressly set forth herein. No alteration, amendment, change or addition to this Agreement shall be binding upon either Party unless in writing and signed by both Parties.

Section 10.03. *No Partnership*. (a) Nothing contained in this Agreement shall be deemed or construed by the Parties or by any third person to create the relationship of employee and employer, principal and agent or of partnership or of joint venture. Subject to the provisions of this Agreement, including each Party's indemnification obligations under Sections 7.01 and 7.02, VS assumes full responsibility for, and Service Provider will have no liability with respect to, VS's employees or agents and Service Provider assumes full responsibility for, and VS will have no liability with respect to, Service Provider's employees or agents.

(b) Nothing in this Agreement shall establish or be deemed to establish any fiduciary relationship between the Parties, and each Party acknowledges and agrees that neither Party shall have authority or power to bind the other Party or any of its Affiliates or to contract in the name of, or create a liability against, the other Party or any of its Affiliates in any way or for any purpose, to accept any service of process upon the other Party or any of its Affiliates or to receive any notices of any kind on behalf of the other Party or any of its Affiliates. The Parties' respective rights and obligations hereunder shall be limited to the contractual rights and obligations expressly set forth herein on the terms and conditions set forth herein.

Section 10.04. *Successors*. Each and all of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and, except as otherwise specifically provided in this Agreement, their respective successors and permitted assigns.

Section 10.05. *Notices*. All notices, requests and other communications to any Party hereunder shall be in writing (including electronic mail ("**e-mail**") transmission, so long as a receipt of such e-mail is requested and received) and shall be given,

If to Service Provider:

Mast Logistics Services, LLC
Address: Two Limited Parkway
Columbus, OH 43230
Attn: Bruce Mosier
Email: BMosier@bbw.com

With a copy to:

L Brands, Inc.
Three Limited Parkway
Columbus, OH 43230
Attn: Chief Legal Officer

If to VS:

Victoria's Secret & Co.
4 Limited Parkway East
Reynoldsburg, Ohio 43068
Attention: Paul Marshall
Email: PMarshall@Victorias.com

With a copy to:

Victoria's Secret & Co.
4 Limited Parkway East

Reynoldsburg, Ohio 43068
Attn: Chief Legal Officer

or such other address or facsimile number as such Party may hereafter specify for the purpose by notice to the other Parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5 p.m. in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt.

Section 10.06. *Force Majeure*. Neither Party shall be held liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement, when such failure or delay is caused by or results from matters or events beyond the reasonable control of the affected Party, including, but not limited to, strikes, lockouts or other labor difficulties; fires, floods, acts of God, extremes of weather, earthquakes, tornadoes, or similar occurrences; riot, insurrection or other hostilities; embargo; fuel or energy shortage; delays by unaffiliated suppliers or carriers; inability to obtain necessary labor, materials or utilities; or any epidemic, pandemic or disease outbreak (including COVID-19) or worsening thereof (collectively, "**Force Majeure**"); *provided*, *however*, it is understood that (a) this Section 10.06 only operates to suspend, and not to discharge, a Party's obligations under this Agreement, and that when the causes of the failure or delay are removed or alleviated, the affected Party shall resume performance of its obligations hereunder and (b) this Section 10.06 shall not excuse a Party's obligation to pay money; *provided* that VS shall not be obligated to pay for any particular Service during the pendency of Service Provider's failure to provide such particular Service on account of such Force Majeure event. A Party that is unable to fulfill its obligations due to any Force Majeure event shall (i) use its good faith efforts to, promptly after the occurrence thereof, give notice to the other Party with details of such event and (ii) work diligently and use its commercially reasonable efforts to remedy such event as promptly as practicable, including, in the case of Service Provider, using other distribution centers to the extent reasonably practicable during the duration of such occurrence. If Service Provider is unable to provide any of the Services due to Force Majeure, both Parties shall work together in good faith and exert commercially reasonable efforts to cooperatively seek a solution that is mutually satisfactory. VS and Service Provider shall work together in good faith to establish a mutually agreeable business continuity plan which specifies the manner in which Services will be provided in the event of an event of Force Majeure.

Section 10.07. *Dispute Resolution.* (a) With respect to matters under this Agreement requiring dispute resolution (each, a "**Dispute**"), the disputing Party shall notify the other Party of such Dispute in writing and, upon the non-disputing Party's receipt of such written notice, the Parties shall attempt to resolve such Dispute in good faith within thirty (30) days of such receipt, and if the Parties are unable to resolve such Dispute in such thirty (30) day period, then the Parties shall escalate such Dispute to each party's Chief Financial Officer for resolution.

(b) If the Parties' Chief Financial Officers are unable to resolve such Dispute within thirty (30) days following such receipt of such notice, then either Party shall initiate a non-binding mediation by providing written notice ("**Mediation Notice**") to the other party hereto within five (5) business days following the expiration of such thirty (30) day period.

(c) Upon receipt of a Mediation Notice, the applicable Dispute shall be submitted within five (5) business days following such receipt of such Mediation Notice for non-binding mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association ("**Arbitration Association**"), and the Parties agree to bear equally the costs of such mediation (including any fees or expenses of the applicable mediator); *provided*, however, that each Party shall bear its own costs in connection with participating in such mediation. The Parties agree to participate in good faith in such mediation for a period of forty five (45) days or such longer period as the Parties may mutually agree following receipt of such Mediation Notice (the "**Mediation Period**").

(d) In connection with such mediation, the Parties shall cooperate with the Arbitration Association and with one another in selecting a neutral mediator with relevant industry experience and in scheduling the mediation proceedings during the applicable Mediation Period. If the Parties are unable to agree on a neutral mediator within five (5) business days of submitting a Dispute for mediation pursuant to Section 10.07(c), application shall be made by the Parties to the Arbitration Association for the Arbitration Association to select and appoint a neutral mediator on the Parties' behalf in accordance with the Commercial Mediation Rules of the Arbitration Association.

(e) The Parties further agree that all information, whether oral or written, provided in the course of any such mediation by either Party, their agents, employees, experts and attorneys, and by the applicable mediator and any employees of the mediation service, is confidential, privileged, and inadmissible for any purpose, including impeachment, in any action, suit or proceeding involving the Parties; *provided* that any such information that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in such mediation.

(f) If the Parties cannot resolve the Dispute for any reason, on and following the expiration of the Mediation Period, either Party may commence litigation in a court of competent jurisdiction pursuant to the provisions of Section 10.08(b). Nothing contained in this Agreement shall deny either Party the right to seek injunctive or other equitable relief from a court of competent jurisdiction in the context of a bona fide emergency or prospective irreparable harm, and such an action, suit or proceeding may be filed and maintained notwithstanding any ongoing efforts under this Section 10.07.

Section 10.08. *Governing Law and Jurisdiction*. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such state.

(b) The Parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the Chancery Court of the State of Delaware and any state appellate court therefrom within the State of Delaware (or if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any federal or state court sitting in the State of Delaware and any federal or state appellate court therefrom), and each of the Parties hereby irrevocably consents to the exclusive jurisdiction of such courts in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on either Party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each Party hereto agrees that service of process on such Party as provided in Section 10.05 shall be deemed effective service of process on such Party.

Section 10.09. *Waiver of Jury Trial*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 10.10. *Specific Performance*. The Parties acknowledge and agree that damages for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and irreparable harm would occur. In recognition of this fact, each Party agrees that, if there is a breach or threatened breach, in addition to any damages, the other non-breaching Party to this Agreement, without posting any bond, shall be entitled to seek and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, attachment, or any other equitable remedy which may then be available to obligate the breaching Party (i) to perform its obligations under this Agreement or (ii) if the breaching Party is unable, for whatever reason, to perform those obligations, to take any other actions as are necessary, advisable or appropriate to give the other Party to this Agreement the economic effect which comes as close as possible to the performance of those obligations.

Section 10.11. *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party hereto. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 10.12. *Counterparts; Effectiveness; Third-Party Beneficiaries*. This Agreement may be executed in any number of counterparts, each of which when executed by the Parties shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, and all of which together shall be deemed the same Agreement. This Agreement shall become effective when each Party shall have received a counterpart hereof signed by the other Party. Until and unless each Party has received a counterpart hereof signed by the other Party, this Agreement shall have no effect and no Party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Except for the indemnification and release provisions of Article 7, neither this Agreement nor any provision hereof is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person other than the Parties and their respective successors and assigns.

Section 10.13. *Assignment*. Neither this Agreement nor any right, remedy, obligations or liability arising hereunder or by reason hereof nor any of the documents executed in connection herewith may be assigned by any Party without the prior written consent of the other Party, which consent may be granted or withheld in the sole discretion of such other Party. Notwithstanding the foregoing, either Party may assign or transfer this Agreement and all of its rights and obligations hereunder to an Affiliate or to any third party that acquires all or substantially all of such Party's assets or business to which this Agreement relates (whether by sale of assets, stock, merger, consolidation, reorganization or otherwise); *provided* that this Agreement and the Services shall not apply to any other business of such third party acquirer.

Section 10.14. *Authorization*. It is agreed and warranted by the Parties that the persons signing this Agreement respectively for VS and Service Provider are the authorized representatives to sign this Agreement on behalf of each such Party.

Section 10.15. *Headings; Interpretation and Construction*. The captions and headings to Sections of this Agreement are inserted for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the meaning of any provisions of this Agreement. The words "include," "includes," "including" and "such as" are deemed to be followed by the phrase ", without limitation," whether or not they are in fact followed by those words or words of like import. The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to "$" or "dollars" shall be to United States dollars, and whenever conversion of values to or from any currency other than U.S. dollars for a particular date shall be required, such conversion shall be made using the closing rate provided by Bloomberg as of the date that is one (1) business day prior to such date. All references to "days" shall be to calendar days unless otherwise specified. Any reference to the masculine, feminine or neuter gender shall include such other genders, and references to the singular or plural shall include the other, in each case unless the context otherwise requires. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law," "laws" or to a particular statute or law shall be deemed also to include any and all Applicable Law. The word "or" means "and/or" unless the context provides otherwise. References to Sections and Schedules are to Sections and Schedules of this Agreement unless otherwise specified. The Schedules hereto shall be deemed to be incorporated in, and an integral part of, this Agreement. Any capitalized terms used in any Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. In the event of any conflict or inconsistency between the terms and conditions of this Agreement and the terms and conditions of any of the Schedules, the terms and conditions of the Schedules shall prevail to resolve any inconsistency.

[*Signature Page Follows*]

The Parties have duly executed this Agreement by their authorized representatives as of the Effective Date.

MAST LOGISTICS SERVICES, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

VICTORIA'S SECRET & CO.,
a Delaware corporation

By: _____
Name:
Title:

Exhibit 10.10

FORM OF INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made and entered into as of the [—] day of [—], 2021 by and between Victoria's Secret & Co., a Delaware corporation (the "Company"), and the undersigned (the "lndemnitee").

RECITALS

WHEREAS, it is essential to the Company that it attract and retain as directors and officers the most capable persons available; and

WHEREAS, Indemnitee is a director or officer of the Company; and

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public companies in the current environment; and

WHEREAS, in recognition of Indemnitee's need for protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, and in order to induce Indemnitee to continue to provide services to the Company as a director or officer thereof, the Company wishes to provide in this Agreement for the indemnification of Indemnitee to the fullest extent permitted by law and as set forth in this Agreement;

NOW THEREFORE, in consideration of the foregoing, the covenants contained herein and Indemnitee's continued service to the Company, the Company and Indemnitee, intending to be legally bound, hereby agree as follows:

Section 1. **Definitions**. The following terms, as used herein, shall have the following respective meanings:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings relative to the foregoing.

"Change in control" shall be deemed to have occurred if, other than as approved by a majority of the Board of Directors of the Company in office immediately prior to such event (a) any person, other than (i) a trustee or other fiduciary holding Voting Securities under an employee benefit plan of the Company, (ii) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company or (iii) the Company, any subsidiary of the Company or any successor to the Company or any subsidiary thereof or (iv) Leslie H. Wexner, his heirs, executors or administrators, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of Voting Securities representing 20% or more of the total voting power represented by the Company's then outstanding Voting Securities, or (b) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (c) the stockholders of the Company approve (i) a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the Voting Securities outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (ii) a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company (in one transaction or a series of transactions) of all or substantially all of the Company's assets.

"Claim" means (a) any threatened, pending or completed action, suit, proceeding or arbitration or other alternative dispute resolution mechanism, or (b) any inquiry, hearing or investigation, whether conducted by the Company or any other Person, that Indemnitee in good faith believes might lead to the institution of any such action, suit, proceeding or arbitration or other alternative dispute resolution mechanism, in each case whether civil, criminal, administrative or other (whether or not the claims or allegations therein are groundless, false or fraudulent) and includes, without limitation, those brought by or in the name of the Company or any director or officer of the Company.

"Company Agent" means serving as a director, officer, partner, employee, agent, trustee or fiduciary of the Company, any Subsidiary or any Other Enterprise.

"Covered Event" means any event or occurrence on or after the date of this Agreement related to the fact that Indemnitee is or was a Company Agent or related to anything done or not done by Indemnitee in any such capacity, and includes, without limitation, any such event or occurrence (a) arising from performance of the responsibilities, obligations or duties imposed by ERISA or any similar applicable provisions of state or common law, or (b) arising from any merger, consolidation or other business combination involving the Company, any Subsidiary or any Other Enterprise, including without limitation any sale or other transfer of all or substantially all of the business or assets of the Company, any Subsidiary or any Other Enterprise.

"D & O Insurance" means the directors' and officers' liability insurance of the Company in effect on the date of this Agreement, and any replacement or substitute policies issued by one or more reputable insurers providing in all respects coverage at least comparable to and in the same amount as that provided by the policy in effect on the date of this Agreement, in each case except for any changes approved by a majority of the Board of Directors of the Company prior to a Change in Control.

"Determination" means a determination made by (a) a majority vote of a quorum of Disinterested Directors; (b) Independent Legal Counsel, in a written opinion addressed to the Company and Indemnitee; (c) the stockholders of the Company; or (d) a decision by a court of competent jurisdiction not subject to further appeal.

"Disinterested Director" shall be a director of the Company who is not or was not a party to the Claim giving rise to the subject matter of a Determination.

"Expenses" includes attorneys' fees and all other costs, travel expenses, fees of experts, transcript costs, filing fees, witness fees, telephone charges, postage, copying costs, delivery services fees and other expenses and obligations of any nature whatsoever reasonably paid or incurred in connection with investigating, prosecuting or defending, being a witness in or participating in (including on appeal), or preparing to prosecute or defend, be a witness in or participate in any Claim, for which Indemnitee is or becomes legally obligated to pay.

"Independent Legal Counsel" shall mean a law firm or a member of a law firm that (a) neither is nor in the past five years has been retained to represent in any material matter the Company, any Subsidiary, Indemnitee or any other party to the Claim, (b) under applicable standards of professional conduct then prevailing would not have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights to indemnification under this Agreement and (c) is reasonably acceptable to the Company and Indemnitee.

"Loss" means any amount which Indemnitee is legally obligated to pay as a result of any Claim, including, without limitation (a) all judgments, penalties and fines, and amounts paid or to be paid in settlement, (b) all interest, assessments and other charges paid or payable in connection therewith and (c) any federal, state, local or foreign taxes imposed (net of the value to Indemnitee of any tax benefits resulting from tax deductions or otherwise) as a result of the actual or deemed receipt of any payments under this Agreement, including the creation of the Trust.

"Other Enterprise" means any corporation (other than the Company or any Subsidiary), partnership, joint venture, association, employee benefit plan, trust or other enterprise or organization for which Indemnitee acts as a Company Agent at the request of the Company or any Subsidiary. Indemnitee shall be deemed to be acting as a Company Agent of an Other Enterprise at the request of the Company with respect to any Other Enterprise in which the Company or any Subsidiary has an investment as to which Indemnitee shall act as a Company Agent from time to time. Indemnitee shall be deemed to be acting as a Company Agent of an Other Enterprise at the request of the Company, if Indemnitee acts as a Company Agent of an Other Enterprise at the written or oral request of the Board of Directors of the Company or of any Subsidiary by which the Indemnitee is employed from time to time, at the written or oral request of an Executive Officer of the Company or of any Subsidiary by which the Indemnitee is employed from time to time or if Indemnitee acts as a Company Agent of an Other Enterprise by reason of being requested, elected, hired or retained to succeed or assume the responsibilities of a Person who previously acted as a Company Agent of an Other Enterprise at the request of the Company.

"Parent" shall have the meaning set forth in the regulations of the Securities and Exchange Commission under the Securities Act of 1933, as amended; provided the term "Parent" shall not include the board of directors of a corporation in its capacity as a board of directors, and provided further that if the other party to any transaction referred to in Section 12.1.2 has no Parent as so defined above, "Parent" shall mean such other party.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government (or any subdivision, department, commission or agency thereof), and includes without limitation any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended.

"Potential Change in Control" shall be deemed to have occurred if (a) the Company enters into an agreement or arrangement the consummation of which would result in the occurrence of a Change in Control, (b) any Person (including the Company) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control or (c) the Board of Directors of the Company adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

"Subsidiary" means any corporation of which more than 50% of the outstanding stock having ordinary voting power to elect a majority of the board of directors of such corporation is now or hereafter owned, directly or indirectly, by the Company.

"Trust" has the meaning set forth in Section 9.2.

"Voting Securities" means any securities of the Company which vote generally in the election of directors.

Section 2. **Indemnification.**

2.1. General Indemnity Obligation.

2.1.1. Subject to the remaining provisions of this Agreement, the Company hereby indemnifies and holds Indemnitee harmless for any Losses or Expenses arising from any Claims relating to (or arising in whole or in part out of) any Covered Event, including, without limitation, any Claim the basis of which is any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or other act done or attempted by Indemnitee in the capacity as a Company Agent, whether or not Indemnitee is acting or serving in such capacity at the date of this Agreement, at the time liability is incurred or at the time the Claim is initiated.

2.1.2. The obligations of the Company under this Agreement shall apply to the fullest extent authorized or permitted by the provisions of applicable law, as presently in effect or as changed after the date of this Agreement, whether by statute or judicial decision (but, in the case of any subsequent change, only to the extent that such change permits the Company to provide broader indemnification than permitted prior to giving effect thereto).

2.1.3. Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company, unless the Company has joined in or consented to the initiation of such Claim; provided, the provisions of this Section 2.1.3 shall not apply following a Change in Control to Claims seeking enforcement of this Agreement, the Certificate of Incorporation or Bylaws of the Company or any other agreement now or hereafter in effect relating to indemnification for Covered Events.

2.1.4. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Losses or Expenses paid with respect to a Claim but not, however, for the total amount thereof, the Company shall nevertheless indemnify and hold Indemnitee harmless against the portion thereof to which Indemnitee is entitled.

2.1.5. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating to (or arising in whole or in part out of) a Covered Event or in defense of any issue or matter therein, including dismissal without prejudice, the Company shall indemnify and hold Indemnitee harmless against all expenses actually and reasonably incurred in connection therewith.

2.2. Indemnification for Serving as Witness and Certain Other Claims. Notwithstanding any other provision of this Agreement, the Company hereby indemnifies and holds Indemnitee harmless for all Expenses in connection with (a) the preparation to serve or service as a witness in any Claim in which Indemnitee is not a party, if such actual or proposed service as a witness arose by reason of Indemnitee having served as a Company Agent on or after the date of this Agreement and (b) any Claim initiated by Indemnitee on or after the date of this Agreement (i) for recovery under any directors' and officers' liability insurance maintained by the Company or (ii) following a Change in Control, for enforcement of the indemnification obligations of the Company under this Agreement, the Certificate of Incorporation or Bylaws of the Company or any other agreement now or hereafter in effect relating to indemnification for Covered Events, regardless of whether Indemnitee ultimately is determined to be entitled to such insurance recovery or indemnification, as the case may be.

Section 3. **Limitations on Indemnification.**

3.1. Coverage Limitations. No indemnification is available pursuant to the provisions of this Agreement:

3.1.1. If such indemnification is not lawful;

3.1.2. If Indemnitee's conduct giving rise to the Claim with respect to which indemnification is requested was knowingly fraudulent, a knowing violation of law, deliberately dishonest or in bad faith or constituted willful misconduct;

3.1.3. In respect of any Claim based upon or attributable to Indemnitee gaining in fact any personal profit or advantage to which Indemnitee was not legally entitled;

3.1.4. In respect of any Claim for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended;

3.1.5. In respect of any Claim based upon any violation of Section 174 of the Delaware General Corporation Law, as amended; or

3.1.6. In respect of any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation as required under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002).

3.2. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment otherwise due and payable to the extent Indemnitee has otherwise actually received payment (whether under the Certificate of Incorporation or the Bylaws of the Company, the D & O Insurance or otherwise) of any amounts otherwise due and payable under this Agreement.

Section 4. **Payments and Determinations.**

4.1. Advancement and Reimbursement of Expenses. If requested by Indemnitee, the Company shall advance to Indemnitee, no later than 10 days following any such request, any and all Expenses for which indemnification is available under Section 2. Upon any Determination that Indemnitee is not permitted to be indemnified for any expenses so advanced, Indemnitee hereby agrees to reimburse the Company (or, as appropriate, any Trust established pursuant to Section 9.2) for all such amounts previously paid. Such obligation of reimbursement shall be unsecured and no interest shall be charged thereon.

4.2. Payment and Determination Procedures.

4.2.1. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, together with such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification.

4.2.2. Upon written request by Indemnitee for indemnification pursuant to Section 4.2.1, a Determination with respect to Indemnitee's entitlement thereto shall be made in the specific case (a) if a Change in Control shall have occurred, as provided in Section 9.1; and (b) if a Change in Control shall not have occurred, by (i) the Board of Directors by a majority vote of a quorum of Disinterested Directors, (ii) Independent Legal Counsel, if either (A) a quorum of Disinterested Directors is not obtainable or (B) a majority vote of a quorum of Disinterested Directors otherwise so directs or (iii) the stockholders of the Company (if submitted by the Board of Directors). If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within 10 days after such Determination.

4.2.3. If no Determination is made within 60 days after receipt by the Company of a request for indemnification by Indemnitee pursuant to Section 4.2.1, a Determination shall be deemed to have been made that Indemnitee is entitled to the requested indemnification (and the Company shall pay the related Losses and Expenses no later than 10 days after the expiration of such 60-day period), except where such indemnification is not lawful; provided, however, that (a) such 60-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the Person or Persons making the Determination in good faith require such additional time for obtaining or evaluating the documentation and information relating thereto; and (b) the foregoing provisions of this Section 4.2.3 shall not apply (i) if the Determination is to be made by the stockholders of the Company and if (A) within 15 days after receipt by the Company of the request by Indemnitee pursuant to Section 4.2.1 the Board of Directors has resolved to submit such Determination to the stockholders at an annual meeting of the stockholders to be held within 75 days after such receipt, and such Determination is made at such annual meeting, or (B) a special meeting of stockholders is called within 15 days after such receipt for the purpose of making such Determination, such meeting is held for such purpose within 60 days after having been so called and such Determination is made at such special meeting, or (ii) if the Determination is to be made by Independent Legal Counsel.

Section 5. **D & O Insurance.**

5.1. Current Policies. The Company hereby represents and warrants to Indemnitee that the D & O Insurance is in full force and effect.

5.2. Continued Coverage. The Company shall maintain the D & O Insurance for so long as this Agreement remains in effect; provided that such coverage is available to the Company on commercially reasonably terms. The Company shall cause the D & O Insurance to cover Indemnitee, in accordance with its terms and at all times such insurance is in effect, to the maximum extent of the coverage provided thereby for any director or officer of the Company.

5.3. Indemnification. In the event of any reduction in, or cancellation of, the D & O Insurance (whether voluntary or involuntary on behalf of the Company), the Company shall, and hereby agrees to, indemnify and hold Indemnitee harmless against any Losses or Expenses which Indemnitee is or becomes obligated to pay as a result of the Company's failure to maintain the D & O Insurance in effect in accordance with the provisions of Section 5.2, to the fullest extent permitted by applicable law, notwithstanding any provision of the Certificate of Incorporation or the Bylaws of the Company, or any other agreement now or hereafter in effect relating to indemnification for Covered Events. The indemnification available under this Section 5.3 is in addition to all other obligations of indemnification of the Company under this Agreement and shall be the only remedy of Indemnitee for a breach by the Company of its obligations set forth in Section 5.2.

Section 6. **Subrogation.** In the event of any payment under this Agreement to or on behalf of Indemnitee, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any Person other than the Company or Indemnitee in respect of the Claim giving rise to such payment. Indemnitee shall execute all papers reasonably required and shall do everything reasonably necessary to secure such rights, including the execution of such documents reasonably necessary to enable the Company effectively to bring suit to enforce such rights.

Section 7. **Notifications and Defense of Claims.**

7.1. Notice by Indemnitee. Indemnitee shall give notice in writing to the Company as soon as practicable after Indemnitee becomes aware of any Claim with respect to which indemnification will or could be sought under this Agreement; provided the failure of Indemnitee to give such notice, or any delay in giving such notice, shall not relieve the Company of its obligations under this Agreement except to the extent the Company is actually prejudiced by any such failure or delay.

7.2. Insurance. The Company shall give prompt notice of the commencement of any Claim relating to Covered Events to the insurers on the D & O Insurance, if any, in accordance with the procedures set forth in the respective policies in favor of Indemnitee. The Company shall thereafter take all necessary action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Claims in accordance with the terms of such policies.

7.3. Defense.

7.3.1. In the event any Claim relating to Covered Events is by or in the right of the Company, Indemnitee may, at the option of Indemnitee, either control the defense therefor or accept the defense provided under the D & O Insurance; provided, however, that Indemnitee may not control the defense if such decision would jeopardize the coverage provided by the D & O Insurance, if any, to the Company or the other directors and officers covered thereby.

7.3.2. In the event any Claim relating to Covered Events is other than by or in the right of the Company, Indemnitee may, at the option of Indemnitee, either control the defense thereof, require the Company to defend or accept the defense provided under the D & O Insurance; provided, however, that Indemnitee may not control the defense or require the Company to defend if such decision would jeopardize the coverage provided by the D & O Insurance to the Company or the other directors and officers covered thereby. In the event that Indemnitee requires the Company to so defend, or in the event that Indemnitee proceeds under the D & O Insurance but Indemnitee determines that such insurers under the D & O Insurance are unable or unwilling to adequately defend Indemnitee against any such Claim, the Company shall promptly undertake to defend any such Claim, at the Company's sole cost and expense, utilizing counsel of Indemnitee's choice who has been approved by the Company. If appropriate, the Company shall have the right to participate in the defense of any such Claim.

7.3.3. In the event the Company shall fail, as required by any election by Indemnitee pursuant to Section 7.3.2, timely to defend Indemnitee against any such Claim, Indemnitee shall have the right to do so, including without limitation, the right (notwithstanding Section 7.3.4) to make any settlement thereof, and to recover from the Company, to the extent otherwise permitted by this Agreement, all Expenses and Losses paid as a result thereof.

7.3.4. The Company shall have no obligation under this Agreement with respect to any amounts paid or to be paid in settlement of any Claim without the express prior written consent of the Company to any related settlement. In no event shall the Company authorize any settlement imposing any liability or other obligations on Indemnitee without the express prior written consent of Indemnitee. Neither the Company nor Indemnitee shall unreasonably withhold consent to any proposed settlement.

Section 8. **Determinations and Related Matters.**

8.1. Presumptions.

8.1.1. If a Change in Control shall have occurred, Indemnitee shall be entitled to a rebuttable presumption that Indemnitee is entitled to indemnification under this Agreement and the Company shall have the burden of proof in rebutting such presumption.

8.1.2. The termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, shall not adversely affect either the right of Indemnitee to indemnification under this Agreement or the presumptions to which Indemnitee is otherwise entitled pursuant to the provisions of this Agreement nor create a presumption that Indemnitee did not meet any particular standard of conduct or have a particular belief or that a court has determined that indemnification is not permitted by applicable law.

8.2. Appeals; Enforcement.

8.2.1. In the event that (a) a Determination is made that Indemnitee shall not be entitled to indemnification under this Agreement, (b) any Determination to be made by Independent Legal Counsel is not made within 90 days of receipt by the Company of a request for indemnification pursuant to Section 4.2.1 or (c) the Company fails to otherwise perform any of its obligations under this Agreement (including, without limitation, its obligation to make payments to Indemnitee following any Determination made or deemed to have been made that such payments are appropriate), Indemnitee shall have the right to commence a Claim in any court of competent jurisdiction, as appropriate, to seek a Determination by the court, to challenge or appeal any Determination which has been made, or to otherwise enforce this Agreement. If a Change of Control shall have occurred, Indemnitee shall have the option to have any such Claim conducted by a single arbitrator pursuant to the rules of the American Arbitration Association. Any such judicial proceeding challenging or appealing any Determination shall be deemed to be conducted *de novo* and without prejudice by reason of any prior Determination to the effect that Indemnitee is not entitled to indemnification under this Agreement. Any such Claim shall be at the sole expense of Indemnitee except as provided in Section 9.3.

8.2.2. If a Determination shall have been made or deemed to have been made pursuant to this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such Determination in any judicial proceeding or arbitration commenced pursuant to this Section 8.2, except if such indemnification is unlawful.

8.2.3. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 8.2 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. The Company hereby consents to service of process and to appear in any such judicial or arbitration proceedings and shall not oppose Indemnitee's right to commence any such proceedings.

8.3. Procedures. Indemnitee shall cooperate with the Company and with any Person making any Determination with respect to any Claim for which a claim for indemnification under this Agreement has been made, as the Company may reasonably require. Indemnitee shall provide to the Company or the Person making any Determination, upon reasonable advance request, any documentation or information reasonably available to Indemnitee and necessary to (a) the Company with respect to any such Claim or (b) the Person making any Determination with respect thereto.

Section 9. **Change in Control Procedures.**

9.1. Determinations. If there is a Change in Control, any Determination to be made under Section 4 shall be made by Independent Legal Counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). The Company shall pay the reasonable fees of the Independent Legal Counsel and indemnify fully such Independent Legal Counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or the engagement of Independent Legal Counsel pursuant hereto.

9.2. Establishment of Trust. Following the occurrence of any Potential Change in Control, the Company, upon receipt of a written request from Indemnitee, shall create a Trust (the "Trust") for the benefit of Indemnitee, the trustee of which shall be a bank or similar financial institution with trust powers chosen by Indemnitee. From time to time, upon the written request of Indemnitee, the Company shall fund the Trust in amounts sufficient to satisfy any and all Losses and Expenses reasonably anticipated at the time of each such request to be incurred by Indemnitee for which indemnification may be available under this Agreement. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of Indemnitee and the Company or, if the Company and Indemnitee are unable to reach such an agreement or, in any event, a Change in Control has occurred, by Independent Legal Counsel (selected pursuant to Section 9.1). The terms of the Trust shall provide that, except upon the prior written consent of Indemnitee and the Company, (a) the Trust shall not be revoked or the principal thereof invaded, other than to make payments to unsatisfied judgment creditors of the Company, (b) the Trust shall continue to be funded by the Company in accordance with the funding obligations set forth in this Section, (c) the Trustee shall promptly pay or advance to Indemnitee any amounts to which Indemnitee shall be entitled pursuant to this Agreement, and (d) all unexpended funds in the Trust shall revert to the Company upon a Determination by Independent Legal Counsel (selected pursuant to Section 9.1) or a court of competent jurisdiction that Indemnitee has been fully indemnified under the terms of this Agreement. All income earned on the assets held in the trust shall be reported as income by the Company for federal, state, local and foreign tax purposes.

9.3. Expenses. Following any Change in Control, the Company shall be liable for, and shall pay the Expenses paid or incurred by Indemnitee in connection with the making of any Determination (irrespective of the determination as to Indemnitee's entitlement to indemnification) or the prosecution of any Claim pursuant to Section 8.2, and the Company hereby agrees to indemnify and hold Indemnitee harmless therefrom. If requested by counsel for Indemnitee, the Company shall promptly give such counsel an appropriate written agreement with respect to the payment of its fees and expenses and such other matters as may be reasonably requested by such counsel.

Section 10. **Period of Limitations.** No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company, any Subsidiary, any Other Enterprise or any Affiliate of the Company against Indemnitee or Indemnitee's spouse, heirs, executors, administrators or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company, any Subsidiary, any Other Enterprise or any Affiliate of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations, whether established by statute or judicial decision, is otherwise applicable to any such cause of action such shorter period shall govern.

Section 11. **Contribution.** If the indemnification provisions of this Agreement should be unenforceable under applicable law in whole or in part or insufficient to hold Indemnitee harmless in respect of any Losses and Expenses incurred by Indemnitee, then for purposes of this Section 11, the Company shall be treated as if it were, or was threatened to be made, a party defendant to the subject Claim and the Company shall contribute to the amounts paid or payable by Indemnitee as a result of such Losses and Expenses incurred by Indemnitee in such proportion as is appropriate to reflect the relative benefits accruing to the Company on the one hand and Indemnitee on the other and the relative fault of the Company on the one hand and Indemnitee on the other in connection with such Claim, as well as any other relevant equitable considerations. For purposes of this Section 11 the relative benefit of the Company shall be deemed to be the benefits accruing to it and to all of its directors, officers, employees and agents (other than Indemnitee) on the one hand, as a group and treated as one entity, and the relative benefit of Indemnitee shall be deemed to be an amount not greater than the Indemnitee's yearly base salary or Indemnitee's compensation from the Company during the first year in which the Covered Event forming the basis for the subject Claim was alleged to have occurred. The relative fault shall be determined by reference to, among other things, the fault of the Company and all of its directors, officers, employees and agents (other than Indemnitee) on the one hand, as a group and treated as one entity, and Indemnitee's and such group's relative intent, knowledge, access to information and opportunity to have altered or prevented the Covered Event forming the basis for the subject Claim.

Section 12. **Miscellaneous Provisions.**

12.1. Successors and Assigns, Etc.

12.1.1. This Agreement shall be binding upon and inure to the benefit of (a) the Company, its successors and assigns (including any direct or indirect successor by merger, consolidation or operation of law or by transfer of all or substantially all of its assets) and (b) Indemnitee and the heirs, personal and legal representatives, executors, administrators or assigns of Indemnitee.

12.1.2. The Company shall not consummate any consolidation, merger or other business combination, nor will it transfer 50% or more of its assets (in one or a series of related transactions), unless the ultimate Parent of the successor to the business or assets of the Company shall have first executed an agreement, in form and substance satisfactory to Indemnitee, to expressly assume all obligations of the Company under this Agreement and agree to perform this Agreement in accordance with its terms, in the same manner and to the same extent that the Company would be required to perform this Agreement if no such transaction had taken place; provided that, if the Parent is not the Company, the legality of payment of indemnity by the Parent shall be determined by reference to the fact that such indemnity is to be paid by the Parent rather than the Company.

12.2. Severability. The provisions of this Agreement are severable. If any provision of this Agreement shall be held by any court of competent jurisdiction to be invalid, void or unenforceable, such provision shall be deemed to be modified to the minimum extent necessary to avoid a violation of law and, as so modified, such provision and the remaining provisions shall remain valid and enforceable in accordance with their terms to the fullest extent permitted by law.

12.3. Rights Not Exclusive; Continuation of Right of Indemnification. Nothing in this Agreement shall be deemed to diminish or otherwise restrict Indemnitee's right to indemnification pursuant to any provision of the Certificate of Incorporation or Bylaws of the Company, any agreement, vote of stockholders or Disinterested Directors, applicable law or otherwise. This Agreement shall be effective as of the date first above written and continue in effect until no Claims relating to any Covered Event may be asserted against Indemnitee and until any Claims commenced prior thereto are finally terminated and resolved, regardless of whether Indemnitee continues to serve as an officer of the Company, any Subsidiary or any Other Enterprise.

12.4. No Employment Agreement. Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be retained in the employ of the Company, any Subsidiary or any Other Enterprise.

12.5. Subsequent Amendment. No amendment, termination or repeal of any provision of the Certificate of Incorporation or Bylaws of the Company, or any respective successors thereto, or of any relevant provision of any applicable law, shall affect or diminish in any way the rights of Indemnitee to indemnification, or the obligations of the Company, arising under this Agreement, whether the alleged actions or conduct of Indemnitee giving rise to the necessity of such indemnification arose before or after any such amendment, termination or repeal.

12.6. Notices. Notices required under this Agreement shall be given in writing and shall be deemed given when delivered in person or sent by certified or registered mail, return receipt requested, postage prepaid. Notices shall be directed to the Company 4 Limited Parkway East, Reynoldsburg, OH 43068, Attention: Chair of the Board, and to Indemnitee at the residential address as shown on the Company's records (or such other address as either party may designate in writing to the other).

12.7. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and performed in such state without giving effect to the principles of conflict of laws.

12.8. Headings. The headings of the Sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

12.9. Counterparts. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one instrument.

12.10. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver or any of the provisions of this Agreement shall constitute, or be deemed to constitute, a waiver of any other provision hereof (whether or not similar) nor shall any such waiver constitute a continuing waiver.

The parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

VICTORIA'S SECRET & CO.

By

Name:
Title:

INDEMNITEE

Name:

Exhibit 21.1

List of Subsidiaries

1.	American Beauty Limited	Hong Kong
2.	American Full Assortment Limited	Hong Kong
3.	Aristides Properties, LLC	Delaware, United States
4.	ASLA FA Holdings	Cayman
5.	ASLA Far East Holdings	Cayman
6.	ASLA Global Holdings	Cayman
7.	ASLA Greater China Holdings	Cayman
8.	ASLA Greater China FA Holdings	Cayman
9.	ASLA US Holdings, LLC	Delaware, United States
10.	ASLA US Partner, LLC	Delaware, United States
11.	ASLA III Global Holdings	Cayman
12.	ASLA IV Global Holdings	Cayman
13.	Bond Street VS Limited	United Kingdom
14.	Canadian Holdings S.á.r.l.	Luxembourg
15.	Distribution Center 456, LLC	United States
16.	Far West Factoring, LLC	Nevada, United States
17.	FLL Holding, LLC	Delaware, United States
18.	IB US Retail Holdings, Inc.	Delaware, United States
19.	Independent Production Services Brazil Ltda.	Brazil
20.	Independent Production Services, LLC	Delaware, United States
21.	Intimate Apparel Brand Management GP, LLC	Delaware, United States
22.	Intimate Apparel Brand Management, LP	United States
23.	L Brands China Holdings S.á.r.l.	Luxembourg
24.	L Brands Direct Media Production, Inc.	Delaware, United States
25.	L Brands Direct Fulfillment, LLC	Delaware, United States
26.	L Brands Fashion Retail Ireland Limited	Ireland
27.	L Brands HK Management Company Limited	Hong Kong
28.	L Brands Management (Shanghai) Co. Limited	China

29.	L Brands Trading (Shanghai) Company Limited	China
30.	LB Full Assortment HK Limited	Hong Kong
31.	LB US Holding, LLC	Delaware, United States
32.	LBIB HK Limited	Hong Kong
33.	Lone Mountain Factoring, LLC	Nevada, United States
34.	Mast Commercial Trading Shanghai Company Limited	China
35.	Mast Commercial Trading (Shenzhen) Company Limited	China
36.	Mast Far East (Mauritius)	Mauritius
37.	Mast Global Business Services India Private Limited	India
38.	Mast Industries (Far East) Limited	Hong Kong
39.	Mast Industries UK Limited	United Kingdom
40.	Mast Technology Services, Inc.	Delaware, United States
41.	MII Brand Import, LLC	Delaware, United States
42.	IB International Holdings, Inc.	Delaware, United States
43.	Retail Brokerage Solutions, LLC	Delaware, United States
44.	Victoria’s Secret (Canada) Corp.	Nova Scotia, Canada
45.	Victoria’s Secret Direct Brand Management, LLC	Delaware, United States
46.	Victoria’s Secret Direct GC, LLC	Ohio, United States
47.	Victoria’s Secret Direct New York, LLC	Delaware, United States
48.	Victoria’s Secret Stores Brand Management, LLC	Delaware, United States
49.	Victoria’s Secret Stores, LLC	Delaware, United States
50.	Victoria’s Secret Stores GC, LLC	Ohio, United States
51.	VS Service Company, LLC	Delaware, United States
52.	VSPR Store Operations, LLC	Puerto Rico
53.	Victoria’s Secret UK Limited	United Kingdom

Exhibit 99.1

(Subject to Completion, Dated June 21, 2021)

L Brands, Inc.
Three Limited Parkway
Columbus, Ohio 43230

, 2021

Dear LB Stockholder:

On May 11, 2021, L Brands, Inc. ("LB") announced the strategic repositioning of LB through the spinoff of its Victoria's Secret businesses from its remaining businesses (the "Separation"), which is expected to become effective on , 2021. On the effective date of the Separation, Victoria's Secret & Co. ("VS"), a Delaware corporation formed in anticipation of the Separation, will become an independent, publicly traded company and will hold, directly or indirectly through its subsidiaries, certain assets and liabilities associated with the VS businesses.

The Separation is subject to conditions as described in the enclosed information statement. Subject to the satisfaction or waiver of these conditions, the Separation will be completed by way of a pro rata distribution of all the outstanding shares of VS common stock to LB's stockholders of record as of the close of business on , 2021, the distribution record date (the "Distribution"). Each LB stockholder of record will receive one share of VS common stock, par value $0.01 per share, for every shares of LB common stock, par value $0.50 per share, held by such stockholder on the record date. The distribution of these shares will be made in book-entry form, which means that no physical share certificates will be issued. At any time following the Distribution, stockholders may request that their shares of VS common stock be transferred to a brokerage or other account. No fractional shares of VS common stock will be issued. The distribution agent for the Distribution will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing prices and distribute the net cash proceeds from the sales pro rata to each holder who would otherwise have been entitled to receive a fractional share in the Distribution.

LB expects to receive an opinion from counsel to the effect that, among other things, the Distribution, together with certain related transactions, will qualify as a transaction that is tax-free for U.S. federal income tax purposes, except to the extent of any cash received in lieu of fractional shares.

The Distribution does not require LB stockholder approval, nor do you need to take any action to receive your shares of VS common stock. LB's common stock will continue to trade on the New York Stock Exchange under the ticker symbol "LB." VS has applied to have its shares of common stock listed on the New York Stock Exchange under the ticker symbol "VSCO."

The enclosed information statement, which we are mailing to all LB stockholders, describes the Separation in detail and contains important information about VS, including its historical combined financial statements. We urge you to read this information statement carefully.

We want to thank you for your continued support of LB.

Sincerely,

Andrew Meslow
Chief Executive Officer
L Brands, Inc.

Victoria's Secret & Co.
4 Limited Parkway East
Reynoldsburg, Ohio 43068

, 2021

Dear Future VS Stockholder:

I am excited to welcome you as a stockholder of our new company, Victoria's Secret & Co. ("VS"). Following the spinoff by L Brands, Inc. of its VS businesses to us, we will be a global specialty retailer of women's intimate and other apparel, personal care and beauty products.

We endeavor to provide consumers with high-quality, innovative products at an excellent value. We believe our experienced management team is executing a strategy that provides a superior product and brand experience to our consumers, primarily by delivering on our high standards of product design and innovation, and offering a wide variety of compelling products across channels and categories. Our leadership team is largely a product of L Brands' execution-focused culture, bringing a deep knowledge of the global business, strong customer insights, and category management expertise to the enterprise. In addition, we believe the global appeal of our brands combined with consistent execution will support our ability to produce strong financial results. We believe our financial performance will provide us with the opportunity to invest in our business and return capital to stockholders as an independent public company.

I encourage you to learn more about VS and our business by reading the attached information statement. We have applied to list our common stock on the New York Stock Exchange under the ticker symbol "VSCO." We look forward to earning your continuing support for many years to come.

Sincerely,

Martin Waters

Chief Executive Officer

Victoria's Secret & Co.

Information contained herein is subject to completion or amendment. A registration statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, but has not yet become effective.

Preliminary Information Statement
(Subject to Completion, Dated June 21, 2021)

INFORMATION STATEMENT

Victoria's Secret & Co.

Common Stock
(Par Value $0.01 Per Share)

L Brands, Inc. ("LB") is furnishing this information statement in connection with the separation of its Victoria's Secret businesses from its remaining businesses and the creation of an independent, publicly traded company, named Victoria's Secret & Co. ("VS"). VS, directly or indirectly through its subsidiaries, will hold certain assets, liabilities and legal entities comprising the VS businesses after certain restructuring transactions are completed (the "Restructuring"). All of the shares of VS common stock owned by LB will be distributed to the stockholders of LB (the "Distribution" and, together with the Restructuring, the "Separation"). VS is currently a wholly owned subsidiary of LB.

Each holder of LB common stock will receive one share of common stock of VS for every shares of LB common stock held as of the close of business on , 2021, the record date for the Distribution.

The Distribution is expected to be completed after the New York Stock Exchange (the "NYSE") market closing on , 2021. Immediately after LB completes the Distribution, VS will be an independent, publicly traded company. We expect that, for U.S. federal income tax purposes, no gain or loss will be recognized by you, and no amount will be included in your income in connection with the Distribution, except to the extent of any cash you receive in lieu of fractional shares.

No vote or other action is required by you to receive shares of VS common stock in the Separation. You will not be required to pay anything for the new shares or to surrender any of your shares of LB common stock. We are not asking you for a proxy and you should not send us a proxy or your share certificates.

There currently is no trading market for VS common stock. We have applied to have VS's shares of common stock listed on the NYSE under the ticker symbol "VSCO." Assuming that the NYSE authorizes VS's common stock for listing, we anticipate that a limited market, commonly known as a "when-issued" trading market, for VS's common stock will commence on , 2021 and will continue up to and including the Distribution Date (as defined herein). We expect the "regular-way" trading of VS's common stock will begin on the first trading day following the Distribution Date.

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 17.

Neither the U.S. Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is , 2021.

A Notice of Internet Availability of Information Statement Materials containing instructions describing how to access the information statement was first mailed to LB stockholders on or about , 2021.

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NOTE REGARDING THE USE OF CERTAIN TERMS

We use the following terms to refer to the items indicated:

- "We," "us," "our," "Company," "Victoria's Secret" and "VS," unless the context otherwise requires, refer to Victoria's Secret & Co., the entity that at the time of the Distribution will hold, directly or indirectly through its subsidiaries, certain assets and liabilities associated with the Spin Business, as defined below, and whose shares LB will distribute in connection with the Separation. Where appropriate in the context, the foregoing terms also include the subsidiaries of this entity; these terms may be used to describe the Spin Business prior to completion of the Separation.
- The "Spin Business" refers to the business, operations, products, services and activities of LB's specialty retail business with respect to women's intimate and other apparel, accessories, beauty care products and fragrances conducted under the Victoria's Secret and PINK brands. See "Business" for more information.
- Except where the context otherwise requires, the term "LB" refers to L Brands, Inc., the entity that owns VS prior to the Separation and that after the Separation will be a separately traded public company consisting of its remaining operations.
- The term "Distribution" refers to the distribution of all of the shares of VS common stock owned by LB to stockholders of LB as of the record date.
- The term "Restructuring" refers to the series of transactions which will result in certain assets, liabilities and legal entities comprising the Spin Business being owned directly, or indirectly through its subsidiaries, by VS.
- Except where the context otherwise requires, the term "Separation" refers to the separation of the Spin Business from LB and the creation of an independent, publicly traded company, VS, through (1) the Restructuring and (2) the Distribution.
- The term "Distribution Date" means the date on which the Distribution occurs.

We own various trademark registrations and applications, and unregistered trademarks, including VICTORIA'S SECRET and PINK. All other trade names, trademarks and service marks of other companies appearing in this information statement are the property of their respective holders. Solely for convenience, the trademarks and trade names in this information statement may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend to use or display other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

This information statement includes industry and market data that we obtained from industry publications, third-party studies and surveys as well as internal company surveys. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. Each publication, study and report speaks as of its original publication date (and not as of the date of this information statement). While we are not aware of any misstatements regarding the industry or market data presented herein, such data and estimates, particularly as they relate to market size, market growth, and our general expectations, involve important risks, uncertainties and assumptions and are subject to change based on various factors, including those discussed under the headings "Risk Factors," "Special Note Regarding Forward-Looking Information," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this information statement. These and other factors could cause results to differ materially from those expressed in the estimates and beliefs made by third parties and by us.

We will operate and report using a 52/53 week fiscal year ending on the Saturday closest to January 31 of each year. Except where the context otherwise requires, all references to "2020," "2019," and "2018" relate to the fiscal periods ended January 30, 2021, February 1, 2020 and February 2, 2019, respectively. As used herein, "first quarter of 2021" and "first quarter of 2020" refer to the thirteen-week periods ended May 1, 2021 and May 2, 2020, respectively.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made statements under the captions “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and in other sections of this information statement that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections, forecasts or assumptions of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including the numerous risks discussed under the caption entitled “Risk Factors.”

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Except as required by law, neither LB nor we are under any duty to update any of these forward-looking statements after the date of this information statement to conform our prior statements to actual results or revised expectations.

SUMMARY

This summary highlights information contained elsewhere in this information statement. This summary does not contain all of the information that you should consider. You should read this entire information statement carefully, especially the risks of owning our common stock discussed under "Risk Factors" and our audited combined financial statements, our unaudited pro forma combined financial statements and the respective notes to those statements appearing elsewhere in this information statement. Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement assumes the completion of all the transactions referred to in this information statement in connection with the Separation.

Our Mission

Our mission is to understand our customer and inspire her with beautiful products and experiences for every moment in her life. Her narrative is ours and her stories are our source of energy, creativity and unrelenting drive to be each woman's most loved lingerie brand. We are always here to care for her and to celebrate her as an individual, and to amplify her voice around the world on what matters most to her.

Overview

Victoria's Secret ("VS") is an iconic global brand of women's intimate and other apparel, personal care and beauty products. We sell our products through two brands, Victoria's Secret and PINK. Victoria's Secret is a category-defining global lingerie brand with a leading market position and a rich, 40-year history of serving women across the globe. PINK is a lifestyle brand for the college-oriented customer, built around a strong intimates core. We also sell beauty products under both the Victoria's Secret and PINK brands. Together, Victoria's Secret, PINK and Victoria's Secret Beauty support, inspire and celebrate women through every phase of their life.

Victoria's Secret and PINK merchandise is sold online through our e-commerce platform, through company-operated retail stores located in the U.S., Canada and Greater China, and through international stores and websites operated by partners under franchise, license, wholesale and joint venture arrangements. We have a presence in over 70 countries and generated approximately $5.4 billion in global sales in 2020 across all channels. We believe we benefit from global brand awareness, a wide and compelling product assortment and a powerful, deep connection with our customers.

Our 867 North American stores as of May 1, 2021 represent the majority of our business and, despite the impact of the global coronavirus pandemic ("COVID-19"), our North American stores business generated approximately 50% of our revenue in 2020. In addition to our physical stores, our customer-centric digital platform – including our social media following, our websites and our mobile applications – allows us to connect to our customers and communicate with them anytime and anywhere. Sales in our direct channel increased 31% to $2.2 billion in 2020 from $1.7 billion in 2019. We and our partners operated 520 stores outside of North America as of May 1, 2021, including 62 company-operated stores in Greater China and 458 stores internationally outside of China, which are operated by partners under franchise, license, wholesale and joint venture arrangements.

Our brands operate across several categories and appeal to a broad and inclusive customer base. We are focused on maintaining our reputation for beautiful products known for comfort, quality and fit, while also expanding our assortment and size range to broaden our customer offering. We target global markets across demographic and economic spectrums. We leverage our brands, as well as our expertise in product design and innovation, to create merchandise women love and marketing campaigns that resonate. We are focused on aligning our brand positioning, product assortment and values to those of our customers. We believe our global brand awareness creates a platform for us to further strengthen our brands, enhance customer loyalty and grow our customer base.

Although recent performance has improved significantly, we experienced challenging business results in 2019 and 2020. In 2019, net sales decreased 7% and our gross profit decreased 23% compared to the prior year period as our merchandise and brand positioning failed to resonate with our customers. In 2019, we recognized a net loss of $897 million which included a $720 million charge related to the impairment of goodwill. In 2020, our business operations and financial performance were materially impacted by the COVID-19 pandemic. All of our stores in North America were closed on March 17, 2020, but we were able to re-open the majority of our

stores as of the beginning of the third quarter of 2020. Although sales in our direct channel grew 31% in 2020, the closure of, and restrictions in operating, our stores led to a decrease in net sales of 28% in 2020, and a decrease in gross profit of 24%, each compared to the prior year period, and a net loss of $72 million.

In response to the COVID-19 pandemic and in order to improve business performance, we launched a profit improvement plan beginning in the third quarter of 2020. We began to see performance improve in the third and fourth quarter of 2020 and, most recently, we reported net income of $174 million for the first quarter of 2021.

Our highly experienced management team is executing our strategy to continue to improve the performance and profitability of the business and we believe there are opportunities for further improvement, which will be driven by delivering a best-in-class product, brand and retail experience to our customers.

VS is headquartered in Reynoldsburg, Ohio. Following the Separation, we will become an independent, publicly traded company led by a highly experienced management team fully dedicated to leveraging our capabilities and driving our strategic initiatives. We will also have increased flexibility to deploy our free cash flow towards our operating and capital allocation priorities. In connection with the Separation, we expect to incur up to $1.0 billion of new debt from senior notes and/or term loan facilities, the proceeds of which we intend to use to make a payment to LB as part of the Restructuring (the "LB Cash Payment") and to pay related fees and expenses. We also expect to establish a $750 million asset-based revolving facility, which is expected to be undrawn at the Separation. We expect to trade under the ticker symbol "VSCO" on the NYSE.

Our Competitive Strengths

Two Category-Defining Brands with Global Brand Awareness and Resonance.

Both the Victoria's Secret and PINK brands have a strong global presence and awareness among consumers, which we believe provides us with a competitive advantage. We estimate Victoria's Secret's overall U.S. brand awareness as 87% and PINK's overall U.S. brand awareness as 86% based on a company-sponsored marketing study. While our history runs deep as a dominant player in intimates, our brands also provide compelling offerings in fragrance, beauty, apparel, loungewear, sleepwear, athletic attire and swimwear. We believe our recent and decisive actions to evolve our positioning and promote inclusivity and diversity will allow us to attract new customers while also deepening our connection with existing ones. For example, on June 16, 2021, we announced the creation of two new partnerships, The VS Collective and The Victoria's Secret Global Fund for Women's Cancers, as we continue our evolution to inspire women with products, experiences and initiatives that champion them and support their journey. Through social, cultural and business relationships, The VS Collective is expected to work to create new associate programs, revolutionary product collections, compelling and inspiring content, and rally support for causes vital to women. The Victoria's Secret Global Fund for Women's Cancers is expected to fund innovative research projects aimed at progressing treatments and cures for women's cancers and investing in the next generation of women scientists who represent the diverse population they serve. We are focused on fueling our customer's desire to be herself by empowering her with products that not only offer her comfort and style, but also allow her to celebrate and express her true self.

Global Scale at Retail.

We believe VS has significant scale and strength in reaching its consumer base. Our vast reach is evidenced by our leading market position in the U.S. intimates category, with meaningful market share based on a 2020 company-sponsored marketing study. The number of our North American active customers (which we define as customers who have purchased from us in the last twelve months) totaled 27 million as of May 2021, 25 million in 2020 and 32 million in each of 2019 and 2018. Additionally, as of May 2021, we had over 69 million Victoria's Secret and approximately 8 million PINK Instagram followers, approximately 6.3 million active Victoria's Secret Credit Card holders and approximately 5.5 million active members of PINK's loyalty program, PINK Nation. We interact with our customers through three powerful distribution channels:

- ***Digital.*** Our large and growing digital business allows for an interconnected customer experience across our brands and platforms. We deliver a differentiated digital experience through seamless and personalized touchpoints. Importantly, we are focused on developing our social media platforms and websites, applications with personalized digital marketing campaigns, advanced omni-channel offerings and improved store and website inventory connectivity. Our digital connection to consumers is evidenced by the fact that approximately 15 million consumers as of May 1, 2021, or approximately 60% of our customer base, purchased from our digital channel in the last twelve months.

- ***North American Stores.*** Our retail footprint in North America, as of May 1, 2021, spans the U.S. and Canada with 867 stores, representing a combined 6.0 million square feet of selling space. Our North American stores channel creates an immersive environment for customers to experience our brands and try new products. Our sales associates and store managers are central in creating an engaging and compelling store experience by providing a high level of customer service. Although traffic levels were challenged in the first quarter of 2021 and in 2020 due to the pandemic, our improved assortment and focus on store selling initiatives drove increases in conversion (which we define as the percentage of customers who visit our stores who make a purchase) and average unit retail (which we define as the average price per unit purchased) compared to 2019.
- ***International.*** We have a significant international footprint with 520 international stores and 26 international digital sites as of May 1, 2021. We believe we have meaningful opportunity to grow through new Victoria's Secret Beauty and Accessories and full assortment stores, new digital sites and new geographies. Victoria's Secret Beauty and Accessories stores represent smaller footprint stores including stores in airports and other travel retail locations, which enable significant global exposure. Our international stores span the Americas, Europe, Asia, Africa and the Middle East, in addition to the strong digital component of our international business.

Agile and Highly Responsive Supply Chain and Sourcing Capabilities.

Our sourcing and production function has a long and deep presence in key sourcing markets including those in the U.S. and Asia. Our intimates and apparel categories are supported by an internationally outsourced platform, primarily in Asia, which has consistently provided rapid speed to market, high quality and innovative products and an efficient cost base. Meanwhile, our beauty platform is largely centered in Ohio, where a number of our suppliers are located, boasting innovation and agile manufacturing. We have thoughtfully designed our supply chain around three key principles: speed-to-market, quality and cost efficiency.

The current environment requires unprecedented agility, and we are leveraging the speed that we have in our supply chain, our close partnerships with suppliers and the capabilities of our sourcing, production and logistics teams to actively manage our inventory and adjust for channel shifts across our business. We have focused on speed to market and believe our lead times are amongst the shortest in the industry, allowing us to read and react to customer preferences. As an example, we have worked with our suppliers to develop an "instant panty" program that allows us to go from order to product in stores within two weeks. The agility within our supply chain provides us with flexibility to quickly re-order strong sellers as we seek to maximize our sales and merchandise margin rate opportunities.

Our strong relationships with our suppliers have allowed us to manufacture our products with cost efficiency without sacrificing quality. We have approximately 200 vendors across product categories as of January 30, 2021. Our global supply base and flexibility are key competitive advantages and allow us to provide a broad product range, innovation and assortment to our customers.

Highly-Talented Management Team with Deep Industry Experience.

We put an emphasis on ensuring a strong and impactful team is in place to direct the business towards growth and reach its potential at this crucial inflection point. The Company is led by Martin Waters, our Chief Executive Officer, who has deep knowledge of the VS brand from his involvement in our business since 2008. Additionally, Amy Hauk, Chief Executive Officer of PINK and Greg Unis, Chief Executive Officer of Victoria's Secret Beauty, are experienced and talented retail leaders. Amy Hauk joined LB in 2008 and has served as Chief Executive Officer of PINK since 2018. Greg Unis joined the Company as Chief Executive Officer of Victoria's Secret Beauty in 2016. The management team is highly collaborative across brands as well as channels, with each channel (Digital, North American Stores and International) also supported by well qualified leaders.

Our Strategies

Continue to Drive Penetration and Growth in our Digital Channel.

Investing in our digital channel continues to be a key priority and we believe that our global brands and our scaled retail footprint in North America is a unique platform to continue to grow our digital business. Omni-channel initiatives, including buy online pick-up in store, and an increased focus on mobile and application interactions will continue to provide flexibility and convenience to our customers. Our shopping and services initiatives will continue to modernize the customer's digital shopping experience through features like digital selling guides, virtual try-on, digital appointments, improved checkout performance and alternative payment options. Further, with our customer at the core of our strategy, we are also increasing the personalization of our digital platforms through site experience and marketing designed for our customer. Our ongoing digital investments all help to create a seamless shopping experience between online and offline and bolster our leadership in the digital channel. In addition, we are scaling the distribution capacity of our digital business in order to support our growth and our omni-channel offerings. These strategies are aimed at increasing our digital channel mix and driving margin accretion.

Expand our International Business.

Growing our international business is a key strategy. We plan to drive strong comparable sales growth in franchise stores through continued improved product offerings and adjusting assortments to better reflect local preferences. We plan to increase our international store count, enabled by a new store design, lower costs and flexible store formats, which provide a pathway to profitable growth. Additionally, we expect to continue investing in and growing the digital components of our international business, including through country-specific web platforms tailored to local languages and preferences and through additional regional expansion. We believe our recent joint venture partnership with Next PLC ("Next") in the United Kingdom ("U.K.") will allow us leverage growth through the already existing and impressive Next digital presence. We also anticipate additional opportunities for growth in our travel retail channel as global travel begins to normalize following the COVID-19 pandemic.

Continue Optimizing Customer Experience through Elevated and Profitable Company-Operated Stores.

We believe we can further optimize our existing base of stores within North America to continue to deliver an elevated retail experience and to meet our customer's evolving channel preferences. We believe our stores channel is important to engaging with existing and new customers and, accordingly, see it as a key part of our strategy. We are investing in our stores through refreshing existing stores and working towards a store of the future that will include smaller, more flexible space with a unique dual-brand layout to meet the needs of our customer and accommodate shifting consumer preferences for omni-channel shopping. We also continue to focus on appropriate space allocation within the store and right-sizing the overall size of the North American stores which we believe will lead to sales transference to other stores and our digital channel. In addition to our initiatives related to our physical stores, we plan to continue to invest in store talent and labor optimization. These initiatives are designed to increase productivity in our stores measured through improved sales per selling square foot, as well as overall store profitability.

Invest in our Brands and our Business to Drive Growth.

In addition to the strategies outlined above, we continue to make significant investments in our iconic brands, our physical and digital business channels and our organizational capabilities in order to support the continued growth of our business. We believe our success is significantly enabled by frequent and innovative product launches, which include bra launches at Victoria's Secret Lingerie and PINK and new fragrances at Victoria's Secret Beauty. We are making targeted investments in technology to maintain our high digital penetration and to expand the omni-channel offering for our customers. We are also increasing our distribution capacity and efficiency in order to make decisions close to market, deliver orders to customers more quickly and provide the best and widest assortment across product categories and sizes across all channels. Our management team is committed to a diverse and inclusive corporate culture and we are building a world class team to support the execution of our growth strategies.

Recent Actions to Enable our Go-Forward Strategy.

Beginning in the third quarter of 2020, we launched a profit improvement plan to enable the go-forward strategy of the business and reduce costs. We focused on four main strategic actions which have delivered improved operating income:

- ***Merchandise Margin Rate Expansion.*** With improved assortment and disciplined inventory management, we drove a significant increase in our merchandise margin rate in the first quarter of 2021 and in 2020, resulting from a pullback in promotions and a shift to more full-priced selling.
- ***Improved Store Performance.*** Key initiatives in North American stores include simplified execution through the permanent closure of 241 stores in 2020, store labor optimization through an enhanced labor model, fewer floorset moves and a rightsizing of store leadership models, resulting in a decrease in store selling costs.
- ***International Restructuring.*** Through 2020, we took actions to improve performance in our international business, primarily in the United Kingdom, Ireland and China. We transitioned our U.K. and Ireland business to a joint venture with a native U.K. retail business, Next. Partnering with Next allows us to not only leverage our existing scale and capabilities, but also build upon Next's digital platform. In China, we closed our Hong Kong flagship store, renegotiated our leases for key street locations and reduced overhead in our home office. We also made digital growth in international markets a priority. Through the first quarter of 2021, we grew our digital footprint with additional web and social commerce sites to a total of 26 as of May 1, 2021, across partner and company owned operations.
- ***Reorganized Corporate Office.*** In 2020, we performed an organizational review of the business to right-size and realign all major corporate functions to better support a standalone VS business. Home office headcount was reduced by approximately 25%. The goal of the restructuring was to create an effective, efficient and independent organizational structure to support a high performing business and culture.

The Separation

On May 11, 2021, LB announced a plan to distribute to LB's stockholders all of the shares of common stock of a newly formed company, VS, that would hold the Spin Business. VS is currently a wholly owned subsidiary of LB and, at the time of the Distribution will hold, directly or indirectly through its subsidiaries, certain assets and liabilities associated with the Spin Business.

The Separation will be achieved through the transfer of certain assets and liabilities of the Spin Business to VS or its subsidiaries in the Restructuring and the distribution of 100% of the outstanding capital stock of VS pro rata to holders of LB common stock as of the close of business on , 2021, the record date for the Distribution. At the effective time of the Distribution, LB stockholders will receive one share of VS common stock for every shares of LB common stock held on the record date. The Separation is expected to be completed on , 2021. Immediately following the Separation, LB stockholders as of the record date for the Distribution will own 100% of the outstanding shares of common stock of VS.

Before the Distribution, we will enter into a Separation and Distribution Agreement and several other ancillary agreements with LB to effect the Separation and provide a framework for our relationship with LB after the Separation. These agreements will provide for the allocation between VS and LB of LB's assets, liabilities and obligations (including with respect to employee matters, intellectual property matters, tax matters, domestic transportation services matters, and certain other matters). VS and LB will also enter into a L Brands to VS Transition Services Agreement and a VS to L Brands Transition Services Agreement, which will provide for LB to provide to VS, and VS to provide to LB, respectively, on a transitional basis, certain services or functions that the companies historically have shared, and one or more commercial agreements relating to the ownership, management, maintenance, support, and use of certain shared aircraft, the provision of campus security and emergency operations services by VS to LB, the provision of domestic transportation services by LB to VS, the lease of space in one of LB's distribution centers to VS and the use of certain of LB's formulas relating to certain candle bases and fragrances by VS.

The LB Board of Directors believes separating the Spin Business from LB's other businesses is in the best interests of LB and its stockholders and has concluded the Separation will provide LB and VS with a number of potential opportunities and benefits, including the following:

- ***Strategic and Management Focus.*** Permit the management team of each company to focus on its own strategic priorities with financial targets that best fit its own business and opportunities. We believe the Separation will enable each company's management team to better position its businesses to capitalize on developing macroeconomic trends, increase managerial focus to pursue its individual strategies and leverage its key strengths to drive performance. The management of each resulting company will be able to concentrate on its core competencies and growth opportunities and will have increased flexibility and speed to design and implement strategies based on the characteristics of its business.
- ***Resource Allocation and Capital Deployment.*** Allow each company to allocate resources, incentivize employees and deploy capital to capture the significant long-term opportunities in their respective markets. The Separation will enable each company's management team to implement a capital structure, dividend policy and growth strategy tailored to each unique business. Both businesses are expected to have direct access to the debt and equity capital markets to fund their respective growth strategies.
- ***Investor Choice.*** Provide investors, both current and prospective, with the ability to value the two companies based on their distinct business characteristics and make more targeted investment decisions based on those characteristics. Separating the two businesses will provide investors with a more targeted investment opportunity so that investors interested in our business will have the opportunity to acquire stock of VS.
- ***Employee Incentives and Retention.*** Enable each company to better incentivize, attract, and retain key employees through the use of equity compensation. Separating the two businesses will allow each company to design stock option and similar programs that better incentivize management to enhance business performance because the stock price performance of each company will be based on the performance of its own business.

While a number of potential costs and risks were also considered, including, among others, risks relating to the creation of a new public company, such as increased costs from operating as a separate public company, the risk of volatility in our stock price immediately following the Distribution due to sales by LB's stockholders whose investment objectives may not be met by our common stock, the time it may take for us to attract our optimal stockholder base, potential disruptions to each business, the loss of synergies, scale and joint purchasing power, increased administrative costs, one-time separation costs, the fact that each company will be less diversified following the Separation, and the potential inability to realize the anticipated benefits of the Separation, it was nevertheless determined that the potential benefits of the Separation outweighed the potential costs and risks in connection therewith and provided the best opportunity to achieve the above benefits and enhance stockholder value.

The distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For more information, see "Risk Factors—Risks Relating to the Separation" and "The Separation—Conditions to the Distribution" included elsewhere in this information statement.

Corporate Information

VS was incorporated in Delaware on April 9, 2021. VS does not currently have any operations, has no assets and is not expected to conduct any operations until the completion of the Restructuring on or prior to the Distribution Date, pursuant to which certain assets related to the Spin Business will be contributed to and certain liabilities related to the Spin Business will be assumed by VS in accordance with the Separation and Distribution Agreement and other agreements entered into in connection with the Separation. Our principal executive offices are located at 4 Limited Parkway East, Reynoldsburg, Ohio 43068 and our telephone number is 614-577-7000. Our Internet site will be victoriassecretandco.com. Our website and the information contained therein or connected thereto is not incorporated into this information statement or the registration statement of which it forms a part.

QUESTIONS AND ANSWERS ABOUT THE SEPARATION

Please see "The Separation" for a more detailed description of the matters summarized below.

Q: Why am I receiving this document?

A: You are receiving this document because you are a holder of shares of LB common stock on the record date for the Distribution and, as such, will be entitled to receive shares of VS common stock upon completion of the transactions described in this information statement. We are sending you this document to inform you about the Separation and to provide you with information about VS and its business and operations upon completion of the Separation.

Q: What do I have to do to participate in the Separation?

A: Nothing. You will not be required to pay any cash or deliver any other consideration in order to receive the shares of VS common stock that you will be entitled to receive upon completion of the Separation. In addition, no stockholder approval will be required for the Separation and therefore you are not being asked to provide a proxy with respect to any of your shares of LB common stock in connection with the Separation and you should not send us a proxy. The Distribution will not affect the number of outstanding shares of LB common stock or any rights of LB stockholders.

Q: Why is LB separating the Spin Business from its other businesses?

A: The LB Board of Directors believes separating our business from LB's other businesses will provide both companies with a number of potential opportunities and benefits, such as enabling (1) the management team of each company to focus on its own strategic priorities with financial targets that best fit its own business and opportunities; (2) each company to allocate resources and deploy capital in a manner consistent with its own priorities; (3) investors, both current and prospective, to value the two companies based on their distinct business characteristics and make more targeted investment decisions based on those characteristics; and (4) each company to better incentivize, attract, and retain key employees through the use of equity compensation.

Q: What is VS?

A: VS is a newly formed Delaware corporation that will hold the Spin Business, directly or indirectly through its subsidiaries, and be publicly traded following the Separation.

Q: How will LB accomplish the Separation of VS?

A: The Separation involves the Restructuring (i.e., the transfer of certain assets and liabilities related to the Spin Business to VS or its subsidiaries) and the Distribution (i.e., LB's distribution to its stockholders of all the shares of VS's common stock). Following this Restructuring and Distribution, VS will be a publicly traded company independent from LB, and LB will not retain any ownership interest in VS.

Q: What will I receive in the Distribution?

A: At the effective time of the Distribution, you will be entitled to receive one share of VS common stock for every shares of LB common stock held by you on the record date.

Q: How does my ownership in LB change as a result of the Separation?

A: Your ownership of LB stock will not be affected by the Separation.

Q: What is the record date for the Distribution?

A: The record date for the Distribution is , 2021, and ownership will be determined as of the close of business on that date. When we refer to the record date in this information statement, we are referring to that time and date.

Q: When will the Distribution occur?

A: The Distribution is expected to occur on , 2021.

Q: As a holder of shares of LB common stock as of the record date for the Distribution, how will shares of VS be distributed to me?

A: At the effective time, we will instruct our transfer agent and distribution agent to make book-entry credits for the shares of VS common stock that you are entitled to receive. Since shares of VS common stock will be in uncertificated book-entry form, you will receive share ownership statements (and will not receive any physical share certificates).

Q: What if I hold my shares through a broker, bank or other nominee?

A: LB stockholders who hold their shares through a broker, bank or other nominee will have their brokerage account credited with VS common stock. For additional information, those stockholders should contact their broker or bank directly.

Q: Why is no LB stockholder vote required to approve the Separation and its material terms?

A: LB is incorporated in Delaware. Delaware law does not require a stockholder vote to approve the Separation because the Separation does not constitute a sale, lease or exchange of all or substantially all of the assets of LB.

Q: How will fractional shares be treated in the Distribution?

A: You will not receive fractional shares of VS common stock in the Distribution. The distribution agent will aggregate and sell on the open market the fractional shares of VS common stock that would otherwise be issued in the Distribution, and if you would otherwise be entitled to receive a fractional share of VS common stock in connection with the Distribution, you will instead receive the net cash proceeds of the sale attributable to such fractional share.

Q: What are the U.S. federal income tax consequences to me of the Distribution?

A: A condition to the closing of the Separation is LB's receipt of an opinion of Davis Polk & Wardwell LLP, to the effect that the Distribution will qualify under the Internal Revenue Code of 1986, as amended (the "Code"), as a transaction that is generally tax-free to LB and to its stockholders. On the basis that the Distribution so qualifies, for U.S. federal income tax purposes, you will not recognize any gain or loss, and no amount will be included in your income in connection with the Distribution, except with respect to any cash received in lieu of fractional shares. You should review the section entitled "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution" for a discussion of the material U.S. federal income tax consequences of the Distribution.

Q: How will I determine the tax basis I will have in my LB shares after the Distribution and the VS shares I receive in the Distribution?

A: Generally, for U.S. federal income tax purposes, your aggregate basis in your shares of LB common stock and the shares of VS common stock you receive in the Distribution (including any fractional shares for which cash is received) will equal the aggregate basis of LB common stock held by you immediately before the Distribution. This aggregate basis will be allocated between your shares of LB common stock and the shares of VS common stock you receive in the Distribution (including any fractional shares for which cash is received) in proportion to the relative fair market value of each immediately following the Distribution. See "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution."

Q: How will LB's common stock and VS's common stock trade after the Separation?

A: There is currently no public market for VS common stock. We expect to have VS's shares of common stock listed on the NYSE under the ticker symbol "VSCO." LB common stock will continue to trade on the NYSE under the ticker symbol "LB."

Q: *If I sell my shares of LB common stock before or on the Distribution Date, will I still be entitled to receive VS shares in the Distribution with respect to the sold shares?*

A: Beginning on or shortly before the record date and continuing up to and including the Distribution Date, we expect there will be two markets in LB common stock: a "regular-way" market and an "ex-distribution" market. Shares of LB common stock that trade on the "regular-way" market will trade with an entitlement to receive shares of our common stock to be distributed in the Distribution. Shares that trade on the "ex-distribution" market will trade without an entitlement to receive shares of our common stock to be distributed in the Distribution, so that holders who initially sell LB shares ex-distribution will still be entitled to receive shares of VS common stock even though they have sold their shares of LB common stock before the Distribution, because the LB shares were sold after the record date. Therefore, if you owned shares of LB common stock on the record date and sell those shares on the "regular-way" market before the Distribution Date, you will also be selling the right to receive the shares of our common stock that would have been distributed to you in the Distribution. If you own shares of LB common stock as of the close of business on the record date and sell these shares in the "ex-distribution" market on any date up to and including the Distribution Date, you will still receive the shares of our common stock that you would be entitled to receive in respect of your ownership of the shares of LB common stock that you sold. You are encouraged to consult with your financial advisor regarding the specific implications of selling your LB common stock prior to or on the Distribution Date.

Q: *Will I receive a stock certificate for VS shares distributed as a result of the Distribution?*

A: No. Registered holders of LB common stock who are entitled to participate in the Distribution will receive a book-entry account statement reflecting their ownership of VS common stock. For additional information, registered stockholders in the U.S., Canada or Puerto Rico should contact LB's transfer agent, American Stock Transfer & Trust Company, LLC ("AST"), in writing at C/O: Shareholder Services, 6201 15th Avenue, Brooklyn, New York 11219, Toll Free at 1-877-248-6417 or through its website at www.astfinancial.com. Stockholders from outside the U.S., Canada and Puerto Rico may call 1-718-921-8317. See "The Separation—When and How You Will Receive the Distribution of VS Shares."

Q: *Can LB decide to cancel the Distribution of the VS common stock even if all the conditions have been met?*

A: Yes. The LB Board of Directors has the right to terminate, or modify the terms of, the Separation at any time prior to the Distribution, even if all of the conditions to the Distribution are satisfied.

Q: *Do I have appraisal rights?*

A: No, LB stockholders do not have any appraisal rights in connection with the Separation.

Q: *Will VS incur any debt in connection with the Separation?*

A: Yes. We intend to enter into new financing arrangements in anticipation of the Separation consisting of senior notes and/or term loan facilities and a revolving facility. We expect to incur up to $1.0 billion of new debt from senior notes and/or term loan facilities, the proceeds of which we intend to use to make the LB Cash Payment and to pay related fees and expenses. We also expect to establish a $750 million asset-based revolving facility, which is expected to be undrawn at the Separation. See "The Separation—Incurrence of Debt."

Following the Separation, our debt obligations could restrict our business and may adversely impact our financial condition, results of operations or cash flows. In addition, the Separation may increase the overall cost of debt funding and decrease the overall debt capacity and commercial credit available to the businesses collectively. Also, our business, financial condition, results of operations and cash flows could be harmed by a deterioration of our credit profile or by factors adversely affecting the credit markets generally. See "Risk Factors—Risks Relating to the Separation."

Q: *Does VS intend to pay cash dividends?*

A: We do not currently intend to pay any cash dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business. The declaration and amount of any dividends to holders of our common stock will be at the

discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, cash flows, capital requirements of our business, covenants associated with our debt obligations, legal requirements, regulatory constraints, industry practice and any other factors the Board of Directors deems relevant. See "Dividend Policy."

Q: Will the Separation affect the trading price of my LB stock?

A: Yes. The trading price of shares of LB common stock immediately following the Distribution is expected to be lower than immediately prior to the Distribution because the trading price will no longer reflect the value of the Spin Business. We cannot provide you with any assurance regarding the price at which the LB shares will trade following the Separation.

Q: What will happen to outstanding LB equity compensation awards?

A: In connection with the Separation, outstanding LB equity awards will generally be equitably adjusted in a manner that is intended to preserve the aggregate intrinsic value of such awards as of immediately before and after the Distribution.

Specifically, we intend that, in connection with the Separation, (i) outstanding LB equity awards held by individuals who will continue to be employed by or provide services to LB as well as former VS employees will be equitably adjusted to reflect the difference in the value of LB common stock before and after the Distribution in a manner that is intended to preserve the overall intrinsic value of the awards by taking into account the relative value of LB common stock before and after the Distribution, and (ii) outstanding LB equity awards held by individuals who are then-currently employed by or otherwise providing services to VS, or whose employment or engagement will be transferred to VS in connection with and prior to the Separation, will be converted into equity awards that will be settled in shares of VS common stock in a manner intended to equitably preserve the overall intrinsic value of the converted equity awards by taking into account the relative value of LB common stock before the Distribution and the value of VS common stock after the Distribution.

For additional details, see "Treatment of Outstanding Equity Compensation Awards."

Q: What will the relationship between LB and VS be following the Separation?

A: After the Separation, LB will not own any shares of VS common stock, and each of LB and VS will be independent, publicly traded companies with their own management teams and boards of directors. However, in connection with the Separation, we will enter into a number of agreements with LB that, among other things, govern the Separation and certain transitional services and other commercial arrangements and allocate responsibilities for obligations arising before and after the Separation, including, among others, obligations relating to transition services, employee matters, tax matters and certain commercial arrangements. See "The Separation—Agreements with LB."

Q: Who is the transfer agent for VS common stock?

A: AST will be the transfer agent for VS common stock. AST's mailing address is C/O: Shareholder Services, 6201 15th Avenue, Brooklyn, New York 11219, United States and AST's phone number for stockholders in the U.S., Canada or Puerto Rico is Toll Free 1-877-248-6417 and for stockholders from outside the U.S., Canada and Puerto Rico is 1-718-921-8317.

Q: Who is the distribution agent for the Distribution?

A: American Stock Transfer, or AST.

Q: Who can I contact for more information?

A: If you have questions relating to the mechanics of the Distribution, you should contact the distribution agent:

American Stock Transfer
C/O: Shareholder Services
6201 15th Avenue
Brooklyn, New York 11219
United States
Toll Free: 1-877-248-6417
International: 1-718-921-8317

Before the Separation, if you have questions relating to the transactions described herein, you should contact LB at:

Amie Preston
L Brands, Inc.
Three Limited Parkway
Columbus, Ohio 43230
1-614-415-6704

After the Separation, if you have questions relating to the transactions described herein, you should contact VS at:

Jason Ware
Victoria's Secret & Co.
4 Limited Parkway East
Reynoldsburg, Ohio 43068
1-614-577-7000

SUMMARY OF THE SEPARATION

The following is a summary of the material terms of the Separation, including the Restructuring, the Distribution and certain other related transactions.

Distributing Company	L Brands, Inc., a Delaware corporation. After the Distribution, LB will not own any shares of VS common stock.
Distributed Company	Victoria's Secret & Co., a Delaware corporation, is a wholly owned subsidiary of LB and, at the time of the Distribution, will hold, directly or indirectly through its subsidiaries, certain assets and liabilities of the Spin Business. After the Distribution, VS will be an independent, publicly traded company.
Distributed Company Structure	VS is a holding company. At the time of the Distribution, it will own the shares of a number of subsidiaries operating the Spin Business.
Record Date	The record date for the Distribution is on the close of business on , 2021
Distribution Date	The Distribution Date is , 2021.
Distributed Securities	LB will distribute 100% of the shares of VS common stock outstanding immediately prior to the Distribution. Based on the approximately shares of LB common stock outstanding on , 2021, and applying the distribution ratio of one share of VS common stock for every shares of LB common stock, LB will distribute approximately shares of VS common stock to LB stockholders who hold LB common stock as of the record date.
Distribution Ratio	Each holder of LB common stock will receive one share of VS common stock for every shares of LB common stock held as of the close of business on , 2021.
Fractional Shares	LB will not distribute any fractional shares of VS common stock to LB stockholders. Instead, as soon as practicable on or after the Distribution Date, the distribution agent will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing prices and distribute the net cash proceeds, net of brokerage fees and commissions, transfer taxes and other costs and after making appropriate deductions of the amounts required to be withheld for U.S. federal income tax purposes, if any, from the sales pro rata to each holder who would otherwise have been entitled to receive a fractional share in the Distribution. The distribution agent will determine when, how, through which broker-dealers and at what prices to sell the aggregated fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any minimum sale price for the fractional shares or to any interest on the amounts of payments made in lieu of fractional shares. The receipt of cash in lieu of fractional shares generally will be

	taxable to the recipient stockholders for U.S. federal income tax purposes as described in "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution."
Distribution Method	VS common stock will be issued only by direct registration in book-entry form. Registration in book-entry form is a method of recording stock ownership when no physical paper share certificates are issued to stockholders, as is the case in this Distribution.
Conditions to the Distribution	The Distribution is subject to the satisfaction or waiver by LB of the following conditions, as well as other conditions described in this information statement in "The Separation—Conditions to the Distribution": • The SEC will have declared effective our registration statement on Form 10, of which this information statement is a part, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), no stop order suspending the effectiveness of our registration statement on Form 10 will be in effect, and no proceedings for such purpose will have been instituted or threatened by the SEC, and this information statement, or a notice of Internet availability thereof, will have been mailed to the holders of LB common stock as of the record date for the Distribution; • Our common stock to be delivered in the Distribution will have been approved for listing on the NYSE, subject to official notice of issuance; • LB shall have received the opinion of Davis Polk & Wardwell LLP to the effect that, for U.S. federal income tax purposes, the Distribution, together with certain related transactions, will qualify as a generally tax-free "reorganization" within the meaning of Section 368(a)(1)(D) of the Code and a generally tax-free distribution within the meaning of Section 355 of the Code, and the distribution by LB of the proceeds from the LB Cash Payment to its creditors in retirement of outstanding LB indebtedness or to LB stockholders in repurchase of, or distribution with respect to, shares of LB common stock, should qualify as money distributed to LB creditors or stockholders in connection with the reorganization for purposes of Section 361(b) of the Code;

	• Any material governmental approvals and consents and any material permits, registrations and consents from third parties, in each case, necessary to effect the Distribution, shall have been obtained; and • No event or development will have occurred or exist that, in the judgment of the LB Board of Directors, in its sole and absolute discretion, makes it inadvisable to effect the Separation or other transactions contemplated by the Separation and Distribution Agreement or by any of the ancillary agreements contemplated by the Separation and Distribution Agreement. We cannot assure you that all of the conditions will be satisfied or waived. The fulfillment of the conditions to the Distribution will not create any obligations on LB's part to effect the Separation, and the LB Board of Directors has reserved the right, in its sole discretion, to abandon, modify or change the terms of the Separation, including by accelerating or delaying the timing of the consummation of all or part of the Distribution, at any time prior to the Distribution Date.
Stock Exchange Listing	We intend to have our shares of common stock authorized for listing on the NYSE under the ticker symbol "VSCO," subject to official notice of issuance.
Dividend Policy	We do not currently intend to pay any cash dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business. The declaration and amount of any dividends to holders of our common stock will be at the discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, cash flows, capital requirements of our business, covenants associated with our debt obligations, legal requirements, regulatory constraints, industry practice and any other factors the Board of Directors deems relevant. For more information, see "Dividend Policy."
Transfer Agent	American Stock Transfer.
U.S. Federal Income Tax Consequences	A condition to the closing of the Separation is LB's receipt of the opinion of Davis Polk & Wardwell LLP to the effect that the Distribution will qualify under the Code as a transaction that is generally tax-free to LB and to its stockholders. You should review the section entitled "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution" for a discussion of the material U.S. federal income tax consequences of the Distribution.

SUMMARY RISK FACTORS

We are subject to a number of risks, including risks related to the Separation, including the Restructuring and the Distribution, and other related transactions. The following list of risk factors is not exhaustive. Please read "Risk Factors" carefully for a more thorough description of these and other risks.

Risks Relating to the Separation

- We may not realize the anticipated benefits from the Separation, and the Separation could harm our business.
- We have no history of operating as an independent company, and our historical combined and unaudited pro forma financial information is not necessarily representative of the results that we would have achieved as an independent, publicly traded company and may not be a reliable indicator of our future results.
- We will incur significant costs to create the infrastructure necessary to operate as an independent public company, and may experience operational disruptions in connection with the Separation.
- Until the Distribution occurs, the LB Board of Directors has sole discretion to change the terms of the Separation in ways that may be unfavorable to us.
- Following the Separation, we will have debt obligations that could restrict our business and adversely impact our results of operations, financial condition or cash flows. In addition, the separation of our business from LB may increase the overall cost of debt funding and decrease the overall debt capacity and commercial credit available to us.

Risks Relating to Our Business

- Our net sales, profit results and cash flows are sensitive to, and may be affected by, general economic conditions, consumer confidence, spending patterns, significant health hazards or pandemics, weather or other market disruptions.
- The COVID-19 global pandemic has had and is expected to continue to have an adverse effect on our business and results of operations.
- We have incurred operating losses in the past and we cannot assure you that we will be able to generate sufficient revenue to sustain profitability in the future.
- Our net sales, operating income, cash and inventory levels fluctuate on a seasonal basis.
- Turnover in company leadership or other key positions may have an adverse impact on company performance.
- We may be impacted by our ability to attract, develop and retain qualified associates and manage labor-related costs.
- Our net sales depend on a volume of traffic to our stores and the availability of suitable lease space.
- Our ability to grow depends in part on new store openings and existing store remodels and expansions.
- Our international operations and our plans for international expansion include risks that could impact our results and reputation.
- Our direct channel business includes risks that could have an effect on our results.
- Our ability to protect our reputation could have a material effect on our brand images.
- If our marketing, advertising and promotional programs are unsuccessful, or if our competitors are more effective with their programs than we are, our revenue or results of operations may be adversely affected.
- Our ability to adequately maintain, enforce and protect our trade names, trademarks and patents could have an impact on our brand images and ability to penetrate new markets.

- Our ability to compete favorably in our highly competitive segment of the retail industry could impact our results.
- Our ability to manage the life cycle of our brands and to remain current with fashion trends and launch new product lines successfully could impact the image and relevance of our brands.
- We may be impacted by our ability to adequately source, distribute and sell merchandise and other materials on a global basis.
- We rely on a number of vendor and distribution facilities located in the same vicinity, making our business susceptible to local and regional disruptions or adverse conditions.
- We may be impacted by our vendors' ability to manufacture and deliver products in a timely manner, meet quality standards and comply with applicable laws and regulations.
- We significantly rely on our and our third-party service providers' ability to implement and sustain information technology systems and to protect associated data and system availability.
- Any significant compromise or breach of our data security, including the security of customer, associate, third-party or company information, could have a material adverse effect on our reputation, results of operations, financial condition and cash flows.
- Shareholder activism could cause us to incur significant expense, hinder execution of our business strategy and impact our stock price.
- Changes in laws, regulations or technology platform rules relating to data privacy and security, or any actual or perceived failure by us to comply with such laws and regulations, or contractual or other obligations relating to data privacy and security, could have a material adverse effect on our reputation, results of operations, financial condition and cash flows.
- We may be adversely impacted by certain compliance or legal matters and changes in taxation, trade and other regulatory requirements.

Risks Relating to Our Common Stock

- Because there has not been any public market for our common stock, the market price and trading volume of our common stock may be volatile and you may not be able to resell your shares at or above the initial market price of our common stock following the Separation.
- A large number of our shares are or will be eligible for future sale, which may cause the market price of our common stock to decline.
- Because our common stock may not be included in the Standard & Poor's 500 Index, and it may not be included in other stock indices, significant amounts of our common stock will likely need to be sold in the open market where there may not be offsetting demand.
- Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and certain provisions of Delaware law could delay or prevent a change in control of VS.
- Your percentage ownership in VS may be diluted in the future.

RISK FACTORS

You should carefully consider each of the following risks and all of the other information contained in this information statement. Some of these risks relate principally to the Separation, while others relate principally to our business and the industry in which we operate or to the securities markets generally and ownership of our common stock. Our business, prospects, results of operations, financial condition or cash flows could be materially and adversely affected by any of these risks, and, as a result, the trading price of our common stock could decline.

Risks Relating to the Separation

We may not realize the anticipated benefits from the Separation, and the Separation could harm our business.

We may not be able to achieve the full strategic and financial benefits expected to result from the Separation, or such benefits may be delayed or not occur at all. The Separation is expected to enhance strategic and management focus, provide a distinct investment identity and allow us to efficiently allocate resources and deploy capital. We may not achieve these and other anticipated benefits for a variety of reasons, including, among others:

- The Separation will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business;
- Following the Separation, we may be more susceptible to economic downturns and other adverse events than if we were still a part of LB;
- Following the Separation, our business will be less diversified than LB's business prior to the Separation; our business will also experience a loss of scale and access to certain financial, managerial and professional resources from which we have benefited in the past; and
- The other actions required to separate the respective businesses could disrupt our operations.

If we fail to achieve some or all of the benefits expected to result from the Separation, or if such benefits are delayed, our business could be harmed.

We have no history of operating as an independent company, and our historical combined and unaudited pro forma financial information is not necessarily representative of the results that we would have achieved as an independent, publicly traded company and may not be a reliable indicator of our future results.

Our historical combined and unaudited pro forma combined financial information included in this information statement have been derived from LB's consolidated financial statements and accounting records and are not necessarily indicative of our future results of operations, financial condition or cash flows, nor do they reflect what our results of operations, financial condition or cash flows would have been as an independent public company during the periods presented. In particular, the historical combined financial information included in this information statement is not necessarily indicative of our future results of operations, financial condition or cash flows primarily because of the following factors:

- Prior to the Separation, the Spin Business has been operated by LB as part of its broader corporate organization, rather than as an independent company. LB or one of its affiliates provide support for various corporate functions for us, such as information technology, shared services, insurance, logistics, human resources, finance and internal audit. We will become a smaller, less diversified company as a result of the Separation;
- Our historical combined financial results reflect the direct, indirect and allocated costs for such services historically provided by LB, and these costs may significantly differ from the comparable expenses we would have incurred as an independent company;
- Our working capital requirements and capital expenditures historically have been satisfied as part of LB's corporate-wide cash management and centralized funding programs, and our cost of debt and other capital may significantly differ from that which is reflected in our historical combined financial statements;
- The historical combined financial information may not fully reflect the costs associated with the Separation, including the costs related to being an independent public company;

- Our historical combined financial information does not reflect our obligations under the various transitional and other agreements we will enter into with LB in connection with the Separation, though costs under such agreements are expected to be broadly similar to what was charged to the Spin Business in the past; and
- Currently, our business is integrated with that of LB and we benefit from LB's size and scale in costs, employees and vendor and customer relationships. Thus, costs we will incur as an independent company may significantly exceed comparable costs we would have incurred as part of LB and some of our vendor and customer relationships may be weakened or lost.

We based the pro forma adjustments included in this information statement on available information and assumptions that we believe are reasonable and factually supportable; actual results, however, may vary. In addition, our unaudited pro forma combined financial information included in this information statement may not give effect to various ongoing additional costs we may incur in connection with being an independent public company. Accordingly, our unaudited pro forma combined financial statements do not reflect what our results of operations, financial condition or cash flows would have been as an independent public company and are not necessarily indicative of our future financial condition or future results of operations.

Please refer to "Unaudited Pro Forma Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements and the notes to those statements included elsewhere in this information statement.

We have historically operated within LB, and there are risks associated with the Separation.

We have historically operated within LB and a number of aspects of our current relationship with LB will change as a result of the Separation. For example, some of our landlords, vendors or other contract counterparties may have contracted with us because we were part of LB, and we may have difficulty obtaining favorable terms in our leases and other contractual arrangements in the future as a result of the Separation. LB also currently provides guarantees for our benefit to third parties with respect to certain of our contractual obligations, including guarantees to landlords with respect to our obligations under certain leases. Following the Separation, we may not be able to obtain similar terms for new contracts, or renew existing contracts, without LB providing guarantees of our obligations under such contracts. In addition, pursuant to the Separation and Distribution Agreement, we are required to reimburse LB for any payments made by LB or any of its subsidiaries for any liabilities arising out of their obligations under these guarantees. Such payments are not subject to any cap and may be significant. These and other changes could have a material adverse effect on our business and results of operations.

Furthermore, in connection with the Separation, we will enter into certain commercial arrangements with LB pursuant to which we and LB will continue to provide to each other, on an ongoing basis, certain functions and services that the companies have historically shared. See "The Separation—Agreements with LB—Commercial Arrangements." LB may not successfully execute its obligations to us under these arrangements, and any interruption in the functions or services that will be provided to us by LB following the Distribution could have a material adverse effect on our business, results of operations, financial condition and cash flows. LB may also allege that we have failed to perform our obligations to LB under these arrangements, which may subject us to claims and liability. In addition, performing our obligations to LB under these commercial arrangements may also require significant time and resources, and may divert management's attention from the operation of the Spin Business.

We will incur significant costs to create the infrastructure necessary to operate as an independent public company, and may experience operational disruptions in connection with the Separation.

LB currently performs many important corporate functions for us, including information technology, shared services, insurance, logistics, human resources, finance and internal audit. The cost of these services has been allocated to us based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net revenues or other relevant metrics, as applicable. Following the Separation, LB will continue to provide some of these services to us on a transitional basis, generally for a period of up to two years, other than information technology services, which will be provided for a period of up to three years following the Distribution, pursuant to an L Brands to VS Transition Services Agreement that we will enter into with LB. See "The Separation—Agreements with LB—L Brands to VS Transition Services Agreement." LB may not

successfully execute all of these functions during the transition period or we may have to expend significant efforts or costs materially in excess of those estimated under the L Brands to VS Transition Services Agreement. Any interruption in these services could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, at the end of this transition period, we will need to perform these functions ourselves or hire third parties to perform these functions on our behalf. The costs associated with performing or outsourcing these functions may exceed the amounts reflected in our historical combined financial statements that were incurred as a business segment of LB. We expect to incur costs beginning in the second quarter of 2021 to establish the necessary infrastructure and create the systems and services to replace many of the systems and services that LB currently provides to us. However, we may not be successful in implementing these systems and services in a timely manner or at all, and we may incur additional costs in connection with, or following, the implementation of these systems and services. A significant increase in the costs of performing or outsourcing these functions could materially and adversely affect our business, results of operations, financial condition and cash flows.

In addition, following the Separation, we will provide to LB, on a transitional basis, certain services or functions transferred to us in connection with the Separation that the companies have historically shared, generally for a period of up to two years following the Distribution, other than information technology services, which will be provided for a period of up to three years following the Distribution, pursuant to a VS to L Brands Transition Services Agreement that we will enter into with LB. See “The Separation—Agreements with LB—VS to L Brands Transition Services Agreement.” Performing our obligations under the VS to L Brands Transition Services Agreement may require significant time and resources, and may divert management’s attention from the operation of the Spin Business. LB may also allege that we have failed to perform our obligations to LB under the VS to L Brands Transition Services Agreement, which may subject us to claims and liability.

Furthermore, we may experience certain operational disruptions in connection with the Separation as we transition to operating as an independent public company, including information technology disruptions as certain data, software, information technology hardware and other information technology assets and systems are transitioned or re-allocated between us and LB, or as we implement new systems or upgrades in connection with such transition. In addition, the efforts related to the separation of the information technology environment will require significant resources that could impact our ability to keep pace with ongoing advancement of information technology needs of the business. Our ability to effectively manage and operate our business depends significantly on information technology systems, and any failure, disruption, interruption, malfunction or other issue with respect to such systems could have a material adverse effect on our business and results of operations.

The obligations associated with being a public company will require significant resources and management attention.

Currently, we are not directly subject to the reporting and other requirements of the Exchange Act. Following the effectiveness of the registration statement of which this information statement forms a part, we will be directly subject to such reporting and other obligations under the Exchange Act and the rules of the NYSE. As an independent public company, we will be required to, among other things:

- Prepare and distribute periodic reports, proxy statements and other stockholder communications in compliance with the federal securities laws and rules;
- Have our own Board of Directors and committees thereof, which comply with federal securities laws and rules;
- Maintain an internal audit function;
- Institute our own financial reporting and disclosure compliance functions;
- Establish an investor relations function;
- Establish internal policies, including those relating to trading in our securities and disclosure controls and procedures; and
- Comply with the rules and regulations implemented by the SEC, the Sarbanes-Oxley Act, the Dodd-Frank Act, the Public Company Accounting Oversight Board and the NYSE.

These reporting and other obligations will place significant demands on our management and our administrative and operational resources, including accounting resources, and we expect to face increased legal, accounting, administrative and other costs and expenses relating to these demands that we had not incurred as a segment of LB. Our investment in compliance with existing and evolving regulatory requirements will result in increased administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

If we fail to maintain effective internal controls, we may not be able to report our financial results accurately or timely or prevent or detect fraud, which could have a material adverse effect on our business or the market price of our securities.

In accordance with Section 404 of the Sarbanes-Oxley Act, our management will be required to conduct an annual assessment of the effectiveness of our internal control over financial reporting and include a report on these internal controls in the annual reports we will file with the SEC on Form 10-K. Our independent registered public accounting firm may not be required to formally attest to the effectiveness of our internal controls until the year following the first annual report required to be filed with the SEC. When required, this process will require significant documentation of policies, procedures and systems, review of that documentation by our internal auditing and accounting staff and our outside independent registered public accounting firm, and testing of our internal controls over financial reporting by our internal auditing and accounting staff and our outside independent registered public accounting firm. This process will involve considerable time and attention, may strain our internal resources, and will increase our operating costs. We may experience higher than anticipated operating expenses and outside auditor fees during the implementation of these changes and thereafter. If management or our independent registered public accounting firm determines that our internal control over financial reporting is not effective, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the NYSE, the SEC or other regulatory authorities, which could require additional financial and management resources. In addition, if our controls are not effective, our ability to accurately and timely report our financial position could be impaired, which could result in late filings of our annual and quarterly reports under the Exchange Act, restatements of our combined financial statements, a decline in our stock price, or suspension or delisting of our common stock from the NYSE, and could have a material adverse effect on our business, financial condition, prospects and results of operations.

Until the Distribution occurs, the LB Board of Directors has sole discretion to change the terms of the Separation in ways that may be unfavorable to us.

Until the Distribution occurs, VS's business will be a business segment of LB. Completion of the Separation remains subject to the satisfaction or waiver of certain conditions, some of which are in the sole and absolute discretion of LB, including final approval by the LB Board of Directors. Additionally, LB has the sole and absolute discretion to change certain terms of the Separation, including the amount of any payment we make to LB, the amount of our indebtedness and the allocation of contingent liabilities, which changes could be unfavorable to us. In addition, LB may decide at any time prior to the completion of the Separation not to proceed with the Separation.

In connection with the Separation, LB will indemnify us for certain liabilities and we will indemnify LB for certain liabilities. If we are required to act under these indemnities to LB, we may need to divert cash to meet those obligations, which could adversely affect our financial results. Moreover, the LB indemnity may not be sufficient to insure us against the full amount of liabilities for which it will be allocated responsibility, and LB may not be able to satisfy its indemnification obligations to us in the future.

Pursuant to the Separation and Distribution Agreement and other agreements with LB, LB will agree to indemnify us for certain liabilities, and we will agree to indemnify LB for certain liabilities, as discussed further in "The Separation—Agreements with LB." In addition, we will be required to reimburse LB for any payments made by LB or any of its subsidiaries for any liabilities arising out of their obligations under guarantees provided by them for our benefit to third parties with respect to certain of our contractual obligations, if such guarantees are not removed or replaced by the time of the Separation. Payments that we may be required to provide under indemnities and reimbursements to LB are not subject to any cap, may be significant and could negatively affect our business, particularly under indemnities relating to our actions that could affect the tax-free nature of the

Separation. Third parties could also seek to hold us responsible for the liabilities that LB has agreed to retain, and under certain circumstances, we may be subject to continuing contingent liabilities of LB following the Separation that arise relating to the operations of the Spin Business during the time that it was a business segment of LB prior to the Separation, such as certain tax liabilities which relate to periods during which taxes of the Spin Business were reported as a part of LB; certain liabilities retained by LB which relate to contracts or other obligations entered into jointly by the Spin Business and LB's retained business; certain environmental liabilities related to sites at which both LB and the Spin Business operated; and certain liabilities arising from third-party claims in respect of contracts in which both LB and the Spin Business supply goods or provide services.

LB has agreed to indemnify us for such contingent liabilities. While we have no reason to expect that LB will not be able to support its indemnification obligations to us, we can provide no assurance that LB will be able to fully satisfy its indemnification obligations or that such indemnity obligations will be sufficient to cover our liabilities for matters which LB has agreed to retain, including such contingent liabilities. Moreover, even if we ultimately succeed in recovering from LB any amounts for which we are indemnified, we may be temporarily required to bear these losses ourselves. Each of these risks could have a material adverse effect on our business, results of operations and financial condition.

There can be no assurance that we will be able to obtain insurance coverage following the Distribution on terms that justify its purchase, and any such insurance may not be adequate to offset costs associated with certain events.

We will have to obtain our own insurance policies after the Distribution is complete. Although we expect to have insurance policies in place as of the Distribution that cover certain, but not all, hazards that could arise from our operations, we can provide no assurance that we will be able to obtain such coverage, that the cost of such coverage will be similar to those incurred by LB or that such coverage will be adequate to protect us from costs incurred with certain events. The occurrence of an event that is not insured or not fully insured could have a material adverse effect on our results of operations, financial condition and cash flows in the future.

Following the Separation, we will have debt obligations that could restrict our business and adversely impact our results of operations, financial condition or cash flows. In addition, the separation of our business from LB may increase the overall cost of debt funding and decrease the overall debt capacity and commercial credit available to us.

In connection with the Separation, we expect to incur up to $1.0 billion of new debt from senior notes and/or term loan facilities, the proceeds of which we intend to use to make the LB Cash Payment and to pay related fees and expenses. We also expect to establish a $750 million asset-based revolving facility, which is expected to be undrawn at the Separation. This level of debt could have significant consequences on our future operations, including:

- Resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which could result in all of our debt becoming immediately due and payable;
- Reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- Limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and
- Placing us at a competitive disadvantage compared to any of our competitors that have less debt or are less leveraged.

Any of the above-listed factors could have a material adverse effect on our business, financial condition and results of operations. We may also incur substantial additional indebtedness in the future.

In addition, we may be unable to service or refinance our debt or maintain compliance with restrictive covenants in our debt instruments. Our cash flow from operations will provide the primary source of funds for our debt service payments. If our cash flow from operations declines, we may be unable to service or refinance

our current debt. If we fail to comply with any covenant in the future, including any financial covenant, it could result in an event of default and make the entire debt incurred thereunder immediately due and payable or we may be forced to sell assets, restructure our indebtedness or seek additional equity capital, which would dilute our stockholders' interests.

In addition, any future indenture or credit agreements that we may enter into may include restrictive covenants that, subject to certain exceptions and qualifications, restrict or limit our ability and the ability of our restricted subsidiaries to, among other things, incur additional indebtedness, pay dividends, make certain investments, sell certain assets and enter into certain strategic transactions, including mergers and acquisitions. These covenants and restrictions could affect our ability to operate our business, and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. The Separation may increase the overall cost of debt funding and decrease the overall debt capacity and commercial credit available to us.

Transfer or assignment to us of some contracts and other assets will require the consent of a third party. If such consent is not given, we may not be entitled to the benefit of such contracts, investments and other assets in the future.

Transfer or assignment of some of the contracts and other assets in connection with the Separation will require the consent of a third party to the transfer or assignment. Similarly, in some circumstances, we are joint beneficiaries of contracts, and we will need to enter into a new agreement with the third party to replicate the existing contract or assign the portion of the existing contract related to the Spin Business. While we anticipate that most of these contract assignments and new agreements will be obtained prior to the Separation, we may not be able to obtain all required consents or enter into all such new agreements, as applicable, until after the Distribution Date. Some parties may use the requirement of a consent to seek more favorable contractual terms from us, which could include our having to obtain letters of credit or other forms of credit support. If we are unable to obtain such consents or such credit support on commercially reasonable and satisfactory terms, we may be unable to obtain some of the benefits, assets and contractual commitments that are intended to be allocated to us as part of the Separation. In addition, where we do not intend to obtain consent from third-party counterparties based on our belief that no consent is required, the third-party counterparties may challenge the transaction on the basis that the terms of the applicable commercial arrangements require their consent. We may incur substantial litigation and other costs in connection with any such claims and, if we do not prevail, our ability to use these assets could be adversely impacted.

We cannot provide assurance that all such required third-party consents and new agreements will be procured or put in place, as applicable, prior to the Distribution Date. Consequently, we may not realize certain of the benefits that are intended to be allocated to us as part of the Separation.

After the Separation, some of our directors and officers may have actual or potential conflicts of interest because of their equity ownership in LB.

Because of their current or former positions with LB, following the Separation, some of our directors and executive officers may own shares of LB common stock or have options to acquire shares of LB common stock, and the individual holdings may be significant for some of these individuals compared to their total assets. This ownership may create, or may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for LB or us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between LB and us regarding the terms of the agreements governing the Separation and the relationship thereafter between the companies.

The combined post-Distribution value of LB and VS shares may not equal or exceed the pre-Distribution value of LB shares.

After the Separation, we expect that LB common stock will continue to be traded on the NYSE. We have applied to list the shares of our common stock on the NYSE. We cannot assure you that the combined trading prices of LB common stock and our common stock after the Separation, as adjusted for any changes in the combined capitalization of both companies, will be equal to or greater than the trading price of LB common stock prior to the Separation. Until the market has fully evaluated the business of LB without the Spin Business and potentially thereafter, the price at which LB common stock trades may fluctuate significantly. Similarly, until the market has fully evaluated our business and potentially thereafter, the price at which our common stock trades may fluctuate significantly.

We potentially could have received better terms from unaffiliated third parties than the terms we will receive in our agreements with LB.

The agreements we will enter into with LB in connection with the Separation will be negotiated while we are still part of LB's business. See "The Separation—Agreements with LB." Accordingly, during the period in which the terms of those agreements will have been negotiated, we did not have an independent Board of Directors or a management team independent of LB. The terms of the agreements negotiated in the context of the Separation relate to, among other things, the allocation of assets, intellectual property, liabilities, rights and other obligations between LB and us, and arm's-length negotiations between LB and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business transaction, may have resulted in more favorable terms to the unaffiliated third party.

LB stockholders do not have dissenters' rights with respect to the Separation.

LB stockholders do not have any dissenters' rights in connection with the Separation. Therefore, any LB stockholders who disagree with the Separation will be left without recourse other than selling their VS shares. Such stockholders may be unable to subsequently sell their shares at the prices they desire or at all.

If the Restructuring and Distribution, together with certain related transactions, do not qualify as transactions that are tax-free for U.S. federal income tax purposes or non-U.S. tax purposes, LB and/or holders of LB common stock could be subject to significant tax liability.

It is intended that the Distribution, together with certain related transactions, will qualify as a generally tax-free "reorganization" within the meaning of Section 368(a)(1)(D) of the Code and a generally tax-free distribution within the meaning of Section 355 of the Code. The consummation of the Separation and the related transactions is conditioned upon the receipt of the opinion of Davis Polk & Wardwell LLP to the effect that such transactions will qualify for this intended tax treatment and that LB's use of proceeds from the LB Cash Payment should qualify as money distributed to LB creditors or stockholders in connection with the "reorganization." In addition, it is intended that the Restructuring steps generally will qualify as transactions that are tax-free for U.S. federal income tax and applicable non-U.S. tax purposes. The opinion will rely on certain representations, assumptions and undertakings, including those relating to the past and future conduct of our business, and the opinion would not be valid if such representations, assumptions and undertakings were incorrect. Notwithstanding the opinion, the IRS could determine that the Distribution should be treated as a taxable transaction for U.S. federal income tax purposes if it determines that any of the representations, assumptions or undertakings that were relied on for the opinion are false or have been violated, if it disagrees with the conclusions in the opinion, or for other reasons, including as a result of significant changes in the stock ownership of LB or us after the Distribution. For more information regarding the opinions see "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution—Tax Opinion."

If the Restructuring and Distribution fail to qualify for tax-free treatment, for any reason, LB and/or holders of LB common stock would be subject to substantial U.S. and/or applicable non-U.S. taxes as a result of the Restructuring, Distribution and certain related transactions, and we could incur significant liabilities under applicable law or as a result of the Tax Matters Agreement. See "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution."

If the Distribution is taxable to LB as a result of a breach by us of any covenant or representation made by us in the Tax Matters Agreement (as defined below), we generally will be required to indemnify LB; the obligation to make payments on this indemnification obligation could have a material adverse effect on us.

As described above, it is intended that the Distribution, together with certain related transactions, will qualify as generally tax-free transactions to LB and to holders of LB common stock, except with respect to any cash received in lieu of fractional shares. If the Distribution and/or related transactions are not so treated or are taxable to LB (see "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution") due to a breach by us (or any of our subsidiaries) of any covenant or representation made by us in the Tax Matters Agreement, we generally will be required to indemnify LB for all tax-related losses suffered by LB. In addition, we will not control the resolution of any tax contest relating to taxes suffered by LB in connection with the Separation, and we may not control the resolution of tax contests relating to any other taxes for which we may ultimately have an indemnity obligation under the Tax Matters Agreement. In the event that LB suffers tax-related losses in connection with the Separation that must be indemnified by us under the Tax Matters Agreement, the indemnification liability could have a material adverse effect on us.

We will be subject to significant restrictions on our actions following the Separation in order to avoid triggering significant tax-related liabilities.

The Tax Matters Agreement generally will prohibit us from taking certain actions that could cause the Distribution and certain related transactions to fail to qualify as tax-free transactions, including:

- During the two-year period following the Distribution Date (or otherwise pursuant to a "plan" within the meaning of Section 355(e) of the Code), we may not cause or permit certain business combinations or transactions to occur;
- During the two-year period following the Distribution Date, we may not discontinue the active conduct of our business (within the meaning of Section 355(b)(2) of the Code);
- During the two-year period following the Distribution Date, we may not sell or otherwise issue our common stock, other than pursuant to issuances that satisfy certain regulatory safe harbors set forth in Treasury regulations related to stock issued to employees and retirement plans;
- During the two-year period following the Distribution Date, we may not redeem or otherwise acquire any of our common stock, other than pursuant to open-market repurchases of less than 20% of our common stock (in the aggregate);
- During the two-year period following the Distribution Date, we may not amend our certificate of incorporation (or other organizational documents) or take any other action, whether through a stockholder vote or otherwise, affecting the voting rights of our common stock; and
- More generally, we may not take any action that could reasonably be expected to cause the Separation and certain related transactions to fail to qualify as tax-free transactions for U.S. federal income tax purposes or for non-U.S. tax purposes.

If we take any of the actions above and such actions result in tax-related losses to LB, we generally will be required to indemnify LB for such tax-related losses under the Tax Matters Agreement. See "The Separation—Agreements with LB—Tax Matters Agreement." Due to these restrictions and indemnification obligations under the Tax Matters Agreement, we may be limited in our ability to pursue strategic transactions, equity or convertible debt financings or other transactions that may otherwise be in our best interests. Also, our potential indemnity obligation to LB might discourage, delay or prevent a change of control that our stockholders may consider favorable.

Our accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which we will be subject following the Separation.

Prior to the Separation, our financial results were included within the consolidated results of LB, and we were not directly subject to reporting and other requirements of the Exchange Act. These and other obligations will place significant demands on our management, administrative, and operational resources, including accounting and information technology resources. To comply with these requirements, we anticipate that we will need to duplicate information technology infrastructure, implement additional financial and management controls, reporting systems and procedures and hire additional accounting, finance, tax, treasury and information technology staff. If we are unable to do this in a timely and effective fashion, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies could be impaired and our business could be harmed.

Risks Relating to Our Business

Our net sales, profit results and cash flows are sensitive to, and may be affected by, general economic conditions, consumer confidence, spending patterns, significant health hazards or pandemics, weather or other market disruptions.

Our net sales, profit, cash flows and future growth may be affected by negative local, regional, national or international political or economic trends or developments that reduce the consumers' ability or willingness to spend, including the effects of national and international security concerns such as war, terrorism or the threat thereof. In addition, market disruptions due to natural disasters, significant health hazards or pandemics, or other major events or the prospect of these events could also impact consumer spending and confidence levels. Extreme weather conditions in the areas in which our stores are located, particularly in markets where we have

multiple stores, could adversely affect our business. Purchases of our products may decline during periods when economic or market conditions are unsettled or weak. In such circumstances, we may increase the number of promotional sales, which could have a material adverse effect on our results of operations, financial condition and cash flows.

The decision by the U.K. to leave the European Union (commonly referred to as "Brexit") has increased the uncertainty in the economic and political environment in Europe. On December 24, 2020, the U.K. and EU reached a post-Brexit Trade and Cooperation Agreement that contains new rules governing the new relationship between the U.K. and the EU, including with respect to trade, travel and immigration among other things. Our business in the U.K. may be adversely impacted by ongoing uncertainty, fluctuations in currency exchange rates, changes in trade policies, or changes in labor, immigration, tax, data privacy or other laws. Any of these effects, among others, could materially and adversely affect our business, results of operations, and financial condition.

The COVID-19 global pandemic has had and is expected to continue to have an adverse effect on our business and results of operations.

In March 2020, the COVID-19 pandemic was declared a global pandemic by the World Health Organization. This pandemic has negatively affected the U.S. and global economies, disrupted global supply chains and financial markets, and led to significant travel and transportation restrictions, including mandatory closures and orders to "shelter-in-place." The actions that governments around the world have taken to contain the spread of COVID-19 have resulted in a period of disruption, including closure of our stores, limited store operating hours, reduced customer traffic and consumer spending and delays in manufacturing and shipping of products and raw materials. During this period, we are focused on protecting the health and safety of our customers, employees, contractors, suppliers, and other business partners. We are also working with our suppliers to minimize potential disruptions, while managing our business in response to a changing dynamic. Our business operations and financial performance for 2020 have been materially impacted by the COVID-19 pandemic. All of our stores in North America were closed on March 17, 2020 and almost all remained closed throughout the remainder of the first quarter. We reopened our stores by the end of the second quarter 2020 in accordance with local restrictions and where we believed we could provide for the safety and well-being of our employees and customers. Due to the uncertainty of COVID-19 and the speed at which the pandemic continues to impact our markets, we are continuing to assess the situation, including government-imposed restrictions, market by market.

We are unable to accurately predict the full impact that COVID-19 will have on our operations going forward due to uncertainties which will be dictated by the length of time that such disruptions continue, which will, in turn, depend on the currently unknowable duration and spread of the COVID-19 pandemic, actions taken to limit the spread, and the public's willingness to comply with such actions, the availability and efficacy of a vaccine and positive treatments for COVID-19, and the impact of governmental regulations that might be imposed in response to the pandemic. Numerous state and local jurisdictions have imposed, and others in the future may impose, shelter-in-place orders, quarantines, executive orders and similar government orders and restrictions for their residents to control the spread of COVID-19. Such orders, restrictions and changes in consumer behavior have negatively impacted our operations, especially in our stores. In addition to these more near-term impacts, we are unable to accurately predict the full impact COVID-19 will have on our longer-term operations as well, particularly with respect to our current mix of merchandise offerings, event-based categories and store traffic trends.

To the extent COVID-19 adversely affects our business, operations, financial condition and operating results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, such as those relating to our high level of indebtedness, our need to generate sufficient cash flows to service our indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

We have incurred operating losses in the past and we cannot assure you that we will be able to generate sufficient revenue to sustain profitability in the future.

For the years ended January 30, 2021 and February 1, 2020, we had net losses of $72 million and $897 million, respectively, and for the thirteen weeks ended May 2, 2020, we had a net loss of $299 million. In 2019, the net loss included a $720 million charge related to the impairment of goodwill. In 2020, our business operations and financial performance were materially impacted by the COVID-19 pandemic. See also "Risk

Factors—Risks Relating to Our Business—The COVID-19 global pandemic has had and is expected to continue to have an adverse effect on our business and results of operations" in this information statement. In response to the COVID-19 pandemic and in order to improve business performance, we launched a profit improvement plan beginning in the third quarter of 2020. Although we began to see performance improve in the third and fourth quarters of 2020 and reported net income of $174 million in the first quarter of 2021, we cannot assure you that we will generate sufficient revenue from our operations to remain profitable for any substantial period of time. Our failure to maintain profitability could negatively affect the value of our securities and our ability to repay our indebtedness, raise capital and continue operations.

Our net sales, operating income, cash and inventory levels fluctuate on a seasonal basis.

We experience major seasonal fluctuations in our net sales and operating income, with a significant portion of our operating income typically realized during the fourth quarter holiday season. Any decrease in sales or margins during this period could have a material adverse effect on our results of operations, financial condition and cash flows.

Seasonal fluctuations also affect our cash and inventory levels, since we usually order merchandise in advance of peak selling periods and sometimes before new fashion trends are confirmed by customer purchases. We must carry a significant amount of inventory, especially before the holiday season selling period. If we are not successful in selling inventory, we may have to sell the inventory at significantly reduced prices or may not be able to sell the inventory at all, which could have a material adverse effect on our results of operations, financial condition and cash flows.

Turnover in company leadership or other key positions may have an adverse impact on company performance.

We may experience further changes in key leadership or key positions in the future. The departure of key leadership personnel can result in the loss of significant knowledge and experience. This loss of knowledge and experience can be mitigated through successful hiring and transition, but there can be no assurance that we will be successful in such efforts. Attracting and retaining qualified senior leadership may be more challenging under adverse business conditions. Failure to attract and retain the right talent, or to smoothly manage the transition of responsibilities resulting from such turnover, could affect our ability to meet our challenges and may cause us to miss performance objectives or financial targets or disrupt our relationships with our customers.

We may be impacted by our ability to attract, develop and retain qualified associates and manage labor-related costs.

We believe our competitive advantage is providing a positive, engaging and satisfying experience for each individual customer, which requires us to have highly trained and engaged associates. Our success depends in part upon our ability to attract, develop and retain a sufficient number of qualified associates, including store personnel and talented merchants. The turnover rate in the retail industry is generally high, and qualified individuals of the requisite caliber and number needed to fill these positions may be in short supply in some areas. Competition for such qualified individuals or changes in labor and healthcare laws could require us to incur higher labor costs. Our inability to recruit a sufficient number of qualified individuals in the future may delay planned openings of new stores or affect the speed with which we expand. Delayed store openings, significant increases in associate turnover rates or significant increases in labor-related costs could have a material adverse effect on our results of operations, financial condition and cash flows.

Our net sales depend on a volume of traffic to our stores and the availability of suitable lease space.

Most of our stores are located in retail shopping areas including malls and other types of retail centers. Sales at these stores are derived, in part, from the volume of traffic in those retail areas. Our stores benefit from the ability of the retail center and other attractions in an area, including "destination" retail stores, to generate consumer traffic in the vicinity of our stores. Sales volume and retail traffic may be adversely affected by factors that we cannot control, such as economic downturns or changes in consumer demographics in a particular area, consumer trends away from brick-and-mortar retail toward online shopping, competition from internet and other retailers and other retail areas where we do not have stores, significant health hazards or pandemics, the closing of other stores or the decline in popularity or safety in the shopping areas where our stores are located and the deterioration in the financial condition of the operators or developers of the shopping areas in which our stores are located.

Part of our future growth is significantly dependent on our ability to operate stores in desirable locations with capital investment and lease costs providing the opportunity to earn a reasonable return. We cannot be sure as to when or whether such desirable locations will become available at reasonable costs. Some of our store locations require significant upfront capital investment and have material lease commitments. Additionally, we are dependent upon the suitability of the lease spaces that we currently use. The leases that we enter into are generally noncancelable leases with initial terms of 10 years. If we determine that it is no longer economical to operate a store and decide to close it, we may remain obligated under the applicable lease for, among other things, payment of the base rent for the balance of the lease term.

These risks could have a material adverse effect on our ability to grow and our results of operations, financial condition and cash flows.

Our ability to grow depends in part on new store openings and existing store remodels and expansions.

Our continued growth and success will depend in part on our ability to open and operate new stores and expand and remodel existing stores on a timely and profitable basis. Accomplishing our new and existing store expansion goals will depend upon a number of factors, including the ability to partner with developers and landlords to obtain suitable sites for new and expanded stores at acceptable costs, the hiring and training of qualified personnel and the integration of new stores into existing operations. There can be no assurance we will be able to achieve our store expansion goals, manage our growth effectively, successfully integrate the planned new stores into our operations or operate our new, remodeled and expanded stores profitably. These risks could have a material adverse effect on our ability to grow and results of operations, financial condition and cash flows.

Our international operations and our plans for international expansion include risks that could impact our results and reputation.

We intend to continue to operate internationally and further expand into international markets, including mainland China, through partner arrangements and/or company-operated stores. The risks associated with international markets include difficulties in attracting customers due to a lack of customer familiarity with our brands, our lack of familiarity with local customer preferences and seasonal differences in the market. Any of these difficulties may lead to disruption in the overall timing of our international expansion efforts or increased costs. Further, entry into other markets may bring us into competition with new competitors or with existing competitors with an established market presence. Other risks include general economic conditions in specific countries or markets, volatility in the geopolitical landscape, restrictions on the repatriation of funds held internationally, disruptions or delays in shipments, occurrence of significant health hazards or pandemics, changes in diplomatic and trade relationships, political instability and foreign governmental regulation. Such expansions will also have upfront investment costs that may not be accompanied by sufficient revenues to achieve typical or expected operational and financial performance.

Further, our results of operations and financial condition may be adversely affected by fluctuations in currency exchange rates. See “Fluctuations in foreign currency exchange rates could impact our financial condition and results of operations” below.

These risks could have a material adverse effect on our results of operations, financial condition and cash flows.

Our licensees, franchisees and wholesalers could take actions that could harm our business or brand images.

We have global representation through independently owned stores operated by our partners. Although we have criteria to evaluate and select prospective partners, the level of control we can exercise over our partners is limited, and the quality and success of their operations may be diminished by any number of factors beyond our control. For example, our partners may not have the business acumen or financial resources necessary to successfully operate stores in a manner consistent with our standards and may not hire and train qualified store managers and other personnel. Further, we have no control as to whether our partners comply with federal and local law. Our brand image and reputation may suffer materially, and our sales could decline if our partners do not operate successfully. These risks could have an adverse effect on our results of operations, financial condition and cash flows.

Our direct channel business includes risks that could have an effect on our results.

Our direct operations are subject to numerous risks that could have a material adverse effect on our results. Risks include, but are not limited to, the difficulty in recreating the in-store experience through our direct channels; domestic or international resellers purchasing merchandise and reselling it outside our control; our ability to anticipate and implement innovations in technology and logistics in order to appeal to existing and potential customers who increasingly rely on multiple channels to meet their shopping needs; the failure of and risks related to the systems that operate our web infrastructure, websites and the related support systems, including computer viruses, theft of customer information, privacy concerns, telecommunication failures and electronic break-ins and similar disruptions.

In addition, even though sales in our direct channel increased 31% to $2.2 billion in 2020 from $1.7 billion in 2019, we are unable to predict how much of this increase was a shift due to store closures as opposed to a permanent channel shift to online selling, as well as how the consumer will engage with our channels in the future and whether the growth in the direct channel will continue after the COVID-19 pandemic subsides. Accordingly, we cannot assure you that we will continue to experience increase in sales in our direct channel in the future.

Our failure to maintain efficient and uninterrupted order-taking and fulfillment operations could also have a material adverse effect on our results. The satisfaction of our online customers depends on their timely receipt of merchandise. If we encounter difficulties with the distribution facilities, or if the facilities were to shut down for any reason, including as a result of fire, natural disaster or work stoppage, we could face shortages of inventory; incur significantly higher costs and longer lead times associated with distributing our products to our customers; and cause customer dissatisfaction.

Any of these issues could have a material adverse effect on our operations, financial condition and cash flows.

Our ability to protect our reputation could have a material effect on our brand images.

Our ability to maintain our reputation is critical to our brand images. Our reputation could be jeopardized if we fail to maintain high standards for merchandise quality and integrity. Any negative publicity, including information publicized through traditional or social media platforms and similar venues such as blogs, websites and other forums, may affect our reputation and brand and, consequently, reduce demand for our merchandise, even if such publicity is unverified or inaccurate.

Failure to comply with or the perception that we have failed to comply with ethical, social, product, labor, privacy and environmental standards, or related political considerations, could also jeopardize our reputation and potentially lead to various adverse consumer actions, including boycotts. Failure to comply with local laws and regulations, to maintain an effective system of internal controls, to maintain the security of customer, associate, third-party and company information or to provide accurate and timely financial statement information could also hurt our reputation. Damage to our reputation or loss of consumer confidence for any of these or other reasons could have a material adverse effect on our results of operations, financial condition and cash flows, as well as require additional resources to rebuild our reputation.

If our marketing, advertising and promotional programs are unsuccessful, or if our competitors are more effective with their programs than we are, our revenue or results of operations may be adversely affected.

Customer traffic and demand for our merchandise are influenced by our advertising, marketing and promotional activities, the name recognition and reputation of our brands and the location of and service offered in our stores. Although we use marketing, advertising and promotional programs to attract customers through various media, including social media, websites, mobile applications, email, print and television, some of our competitors may expend more for their programs than we do, or use different approaches than we do, which may provide them with a competitive advantage. Our programs may not be effective or could require increased expenditures, which could have a material adverse effect on our revenue and results of operations.

Our ability to adequately maintain, enforce and protect our trade names, trademarks and patents could have an impact on our brand images and ability to penetrate new markets.

We believe that our trade names, trademarks and patents are important assets and an essential element of our strategy. We have obtained or applied for federal registration of these trade names, trademarks and patents

and have applied for or obtained registrations in many foreign countries. There can be no assurance that we will obtain such registrations or that the registrations we obtain will prevent the imitation of our products or infringement or other violation of our intellectual property rights by others. In particular, the laws of certain foreign countries may not protect proprietary rights to the same extent as the laws of the U.S. If any third-party copies our products or our stores in a manner that projects lesser quality or carries a negative connotation, it could have a material adverse effect on our brand image and reputation as well as our results of operations, financial condition and cash flows.

Third parties may assert rights in or ownership of our trademarks and other intellectual property rights, or trademarks that are similar to our trademarks, or claim that we are infringing, misappropriating or otherwise violating their intellectual property rights. We may be unable to successfully resolve these type of conflicts to our satisfaction and may be required to enter into costly license agreements, be required to pay significant royalty, settlements costs or damages, be required to rebrand our products and/or be prevented from selling some of our products.

Our ability to compete favorably in our highly competitive segment of the retail industry could impact our results.

The retail industry is highly competitive. We compete for sales with a broad range of other retailers, including individual and chain specialty stores, department stores and discount retailers. In addition to the traditional store-based retailers, we also compete with direct marketers or retailers that sell similar lines of merchandise and who target customers through online channels. Brand image, marketing, design, price, service, assortment, quality, image presentation and fulfillment are all competitive factors in both the store-based and online channels.

Some of our competitors may have greater financial, marketing and other resources available and trends across our product categories may favor our competitors. We rely to a greater degree than some of our competitors on physical locations in shopping malls and centers and so declines in traffic to such locations may affect us more significantly than our competitors. Some of our competitors sell their products in stores that are located in the same shopping malls and centers as our stores. In addition to competing for sales, we compete for favorable site locations and lease terms in shopping malls and centers.

Increased competition, combined with declines in mall and/or online website traffic, could result in price reductions, increased marketing expenditures and loss of pricing power and market share, any of which could have a material adverse effect on our results of operations, financial condition and cash flows.

Our ability to manage the life cycle of our brands and to remain current with fashion trends and launch new product lines successfully could impact the image and relevance of our brands.

Our success depends in part on management’s ability to effectively manage the life cycle of our brands and to anticipate and respond to changing fashion preferences and consumer demands and to translate market trends into appropriate, salable product offerings in advance of the actual time of sale to the customer. We are dependent on certain product categories, and a decline in consumer demand in these product categories could negatively affect our results of operations, financial condition and cash flows. Customer demands and fashion trends change rapidly. If we are unable to successfully anticipate, identify or react to changing styles or trends or we misjudge the market for our products or any new product lines, our sales will be lower, potentially resulting in significant amounts of unsold inventory. In response, we may be forced to increase our marketing promotions or price markdowns. These risks could have a material adverse effect on our brand image and reputation as well as our results of operations, financial condition and cash flows.

We may be impacted by our ability to adequately source, distribute and sell merchandise and other materials on a global basis.

We source merchandise and other materials directly in international markets and in our domestic market. We distribute merchandise and other materials globally to our partners in international locations and to our stores. Many of our imports and exports are subject to a variety of customs regulations and international trade arrangements, including existing or potential duties, tariffs or safeguard quotas. We compete with other companies for production facilities.

We also face a variety of other risks generally associated with doing business on a global basis. For example:

- political instability, environmental hazards or natural disasters which could negatively affect international economies, financial markets and business activity;
- significant health hazards or pandemics, which could result in closed factories, reduced workforces, scarcity of raw materials, and scrutiny or embargoing of goods produced in infected areas;
- imposition of new or retaliatory trade duties, sanctions or taxes and other charges on imports or exports;
- evolving, new or complex legal and regulatory matters;
- volatility in currency exchange rates;
- local business practice and political issues (including issues relating to compliance with domestic or international labor standards) which may result in adverse publicity or threatened or actual adverse consumer actions, including boycotts;
- potential delays or disruptions in shipping and transportation and related pricing impacts;
- disruption due to labor disputes; and
- changing expectations regarding product safety due to new legislation or other factors.

We also rely upon third-party transportation providers for substantially all of our product shipments, including shipments to and from our distribution centers, to our stores and to our customers. Our utilization of these delivery services for shipments is subject to risks, including increases in labor costs and fuel prices, which would increase our shipping costs, and associate strikes and inclement weather, which may impact our transportation providers' ability to provide delivery services that adequately meet our shipping needs. Further, the rapid increase in demand for online shopping has led to increased pressure on the capacity of our fulfillment network.

For example, the COVID-19 global pandemic has negatively impacted the global economy, disrupted consumer spending and global supply chains, and created significant volatility and disruption of financial markets. The COVID-19 global pandemic resulted in the temporary shut-down of many of our supply chain facilities. The pandemic continues to have the potential to significantly impact our supply chain if the factories that manufacture our products, the distribution centers where we manage our inventory, or the operations of our logistics and other service providers are disrupted, temporarily closed or experience worker shortages. We may also see disruptions or delays in shipments and negative impacts to pricing of certain components of our products. In addition, the impact of COVID-19 on macroeconomic conditions may impact the proper functioning of financial and capital markets, foreign currency exchange rates, commodity prices, and interest rates. Even after the COVID-19 global pandemic has subsided, we may continue to experience adverse impacts to our business as a result of any economic recession or depression that has occurred or may occur in the future.

We rely on a number of vendor and distribution facilities located in the same vicinity, making our business susceptible to local and regional disruptions or adverse conditions.

To achieve the necessary speed and agility in producing our beauty and personal care products, we rely heavily on vendor and distribution facilities in close proximity to our headquarters in Central Ohio. As a result of geographic concentration of the vendor and distribution facilities that we rely upon, our operations are susceptible to local and regional factors, such as accidents, system failures, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Any significant interruption in the operations of these facilities could lead to inventory issues or increased costs, which could have a material adverse effect on our results of operations, financial condition and cash flows.

Fluctuations in foreign currency exchange rates could impact our financial condition and results of operations.

We are exposed to foreign currency exchange rate risk with respect to our sales, profits, assets and liabilities denominated in currencies other than the U.S. dollar. In addition, our royalty arrangements are calculated based on sales in local currency and, as such, we are exposed to foreign currency exchange rate fluctuations. Although

we use foreign currency forward contracts to hedge certain foreign currency risks, these measures may not succeed in offsetting all of the short-term negative impacts of foreign currency rate movements on our business and results of operations. Hedging would generally not be effective in offsetting the long-term impact of sustained shifts in foreign exchange rates on our business results. As a result, the fluctuation in the value of the U.S. dollar against other currencies could have a material adverse effect on our results of operations, financial condition and cash flows.

We may be impacted by our vendors' ability to manufacture and deliver products in a timely manner, meet quality standards and comply with applicable laws and regulations.

We purchase products from third-party vendors. Factors outside our control, such as production or shipping delays or quality problems, could disrupt merchandise deliveries and result in lost sales, cancellation charges or excessive markdowns.

In addition, quality problems could result in a product liability judgment or a widespread product recall that may negatively impact our sales and profitability for a period of time depending on product availability, competition reaction and consumer attitudes. Even if the product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertions could adversely impact our reputation with existing and potential customers and our brand image.

Our business could also suffer if our third-party vendors fail to comply with applicable laws and regulations. While our internal and vendor operating guidelines promote ethical business practices and our associates visit and monitor the operations of our third-party vendors, we do not control these vendors or their practices. The violation of labor, environmental or other laws by third-party vendors used by us, or the divergence of a third-party vendor's or partner's labor or environmental practices from those generally accepted as ethical or appropriate, could interrupt or otherwise disrupt the shipment of finished products to us or damage our reputation.

These risks could have a material adverse effect on our results of operations, financial condition and cash flows.

Our results may be affected by fluctuations in product input costs.

Product input costs, including freight, labor and raw materials, fluctuate. These fluctuations may result in an increase in our production costs. We may not be able to, or may elect not to, pass these increases on to our customers which may adversely impact our profit margins. These risks could have a material adverse effect on our results of operations, financial condition and cash flows.

Our ability to adequately protect our assets from loss and theft.

Our assets are subject to loss, including those caused by illegal or unethical conduct by associates, customers, vendors or unaffiliated third parties. We have experienced events such as inventory shrinkage in the past, and we cannot assure that incidences of loss and theft will decrease in the future or that the measures we are taking will effectively reduce these losses. Higher rates of loss or increased security costs to combat theft could have a material adverse effect on our results of operations, financial condition and cash flows.

Our results may be affected by fluctuations in energy costs.

Energy costs have fluctuated in the past. These fluctuations may result in an increase in our transportation costs for distribution, utility costs for our retail stores and costs to purchase products from our manufacturers. A continual rise in energy costs could adversely affect consumer spending and demand for our products and increase our operating costs, both of which could have a material adverse effect on our results of operations, financial condition and cash flows.

We may be impacted by increases in the cost of mailing, paper, printing or other order fulfillment logistics.

Postal rate increases and paper and printing costs will affect the cost of our order fulfillment and promotional mailings. We rely on discounts from the basic postal rate structure, such as discounts for bulk mailings and sorting. Future paper and postal rate increases could adversely impact our earnings if we are unable

to recover these costs or if we are unable to implement more efficient printing, mailing, delivery and order fulfillment systems. We may face unexpected costs in transportation, warehousing or other logistics-related services. These risks could have a material adverse effect on our results of operations, financial condition and cash flows.

We self-insure certain risks and may be impacted by unfavorable claims experience.

We are self-insured for various types of insurable risks including associate medical benefits, workers' compensation, property, general liability and automobile up to certain stop-loss limits. Claims are difficult to predict and may be volatile. Any adverse claims experience could have a material adverse effect on our results of operations, financial condition and cash flows.

We significantly rely on our and our third-party service providers' ability to implement and sustain information technology systems and to protect associated data and system availability.

Our success depends, in part, on the secure and uninterrupted performance of our and our third-party services providers' and vendors' information technology systems. Our information technology systems, as well as those of our service providers and vendors are vulnerable to damage, interruption or breach from a variety of sources, including cyberattacks, ransomware attacks, telecommunication failures, malicious human acts and natural disasters. Moreover, despite maintaining comprehensive measures, some of our systems, e-commerce environments, servers and those of our service providers and vendors are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Such incidents could disrupt our operations including our ability to timely ship and track product orders and project inventory requirements, and lead to interruptions or delays in our supply chain. Additionally, these types of problems could result in an actual or perceived breach of confidential customer, merchandise, financial, employee or other important information (including personal information), which could result in damage to our reputation, costly litigation, customer complaints, negative publicity, breach notification obligations, regulatory or administrative sanctions, inquiries, orders or investigations, indemnity obligations, damages for contract breach or penalties for violations of applicable laws or regulations. The increased use of smartphones, tablets and other mobile devices may also heighten these and other operational risks. Despite the precautions we have taken, unanticipated problems or events may nevertheless cause failures in, or unauthorized access to, our and our third-party services providers' and vendors' information technology systems. Sustained or repeated system disruptions that interrupt our ability to process orders and deliver products to the stores, impact our customers' ability to access our websites in a timely manner, or expose confidential customer information, merchandise, financial or other important information (including personal information) could have a material adverse effect on our results of operations, financial condition and cash flows.

In addition, from time to time, we make hardware, software and code modifications and upgrades to our information technology systems for point-of-sale, e-commerce, mobile apps, merchandising, planning, sourcing, logistics, inventory management and support systems including human resources and finance. Modifications involve replacing existing systems with successor systems, making changes to existing systems or acquiring new systems with new functionality. We are aware of inherent risks associated with replacing and modifying our information technology systems, including risks relative to data integrity and system disruptions. Information technology system disruptions or data corruption, if not anticipated and appropriately mitigated, could have a material adverse effect on our operations, financial condition and cash flows.

In addition to our own systems, networks and databases, we use third-party service providers to store, transmit and otherwise process certain of this information on our behalf, and our third-party service providers are subject to similar cybersecurity risks. Due to applicable laws and regulations or contractual obligations, we may be held responsible for any cybersecurity incident attributed to our service providers as they relate to the information we share with them or to which they are granted access. Although we contractually require these service providers to implement and maintain a standard of security (such as implementing reasonable measures), we cannot control third parties and cannot guarantee that a security breach will not occur in their systems.

Any significant compromise or breach of our data security, including the security of customer, associate, third-party or company information, could have a material adverse effect on our reputation, results of operations, financial condition and cash flows.

In the operation of our business, we collect, use, transmit and otherwise process a large volume of personal and other confidential, proprietary and sensitive information. Information systems are susceptible to an increasing

threat of continually evolving cybersecurity risks. Any significant compromise or breach of our data security, media reports about such an incident, whether accurate or not, or our failure to make adequate or timely disclosures to the public or law enforcement agencies following any such event, whether due to delayed discovery or a failure to follow existing protocols, could significantly damage our reputation with our customers, associates, investors and other third parties, cause the disclosure of personal, confidential, proprietary or sensitive customer, associate, third-party or company information, cause interruptions to our operations and distraction to our management, cause our customers to stop shopping with us and result in significant legal, regulatory and financial liabilities and lost revenues.

While we train our associates and have implemented systems, processes and security measures to protect our physical facilities and information technology systems against unauthorized access and prevent data loss, there is no guarantee that these procedures are adequate to safeguard against all data security threats. Despite these measures, we may be vulnerable to targeted or random attacks on our systems that could lead to security breaches, phishing attacks, denial of service attacks, acts of vandalism, computer viruses, malware, ransomware, misplaced or lost data, programming and/or human errors or similar events. Our systems and facilities are also subject to compromise from internal threats, such as theft, misuse, unauthorized access or other improper actions by employees, third-party service providers and other third parties with otherwise legitimate access to our systems, website or facilities (which risks may be heightened as a result of work-from-home policies and technologies implemented in the wake of the COVID-19 pandemic). Furthermore, because the methods of cyber-attack and deception change frequently, are increasingly complex and sophisticated, and can originate from a wide variety of sources, including nation-state actors, despite our reasonable efforts to ensure the integrity of our systems and website, it is possible that we may not be able to anticipate, detect, appropriately react and respond to, or implement effective preventative measures against, all cybersecurity incidents.

We may be required to expend significant capital and other resources to protect against, respond to, and recover from any potential, attempted, or existing cybersecurity incidents. As cybersecurity incidents continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. In addition, our remediation efforts may not be successful, or may not be completed in a timely manner. The inability to implement, maintain and upgrade adequate safeguards could have a material adverse effect on our results of operations, financial condition and cash flow. Moreover, there could be public announcements regarding any cybersecurity incidents and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could, among other things, have a substantial adverse effect on the price of our common stock.

While we currently maintain cybersecurity insurance, such insurance may not be sufficient in type or amount to cover us against claims related to breaches, failures or other data security-related incidents, and we cannot be certain that cyber insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our results of operations, financial condition and cash flows.

Shareholder activism could cause us to incur significant expense, hinder execution of our business strategy and impact our stock price.

Shareholder activism, which can take many forms and arise in a variety of situations, could result in substantial costs and divert management’s and our board’s attention and resources from our business. Additionally, such shareholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with our associates, customers or service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant fees and other expenses related to activist shareholder matters, including for third-party advisors. Our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any shareholder activism.

Our ability to maintain our credit rating could affect our ability to access capital and could increase our interest expense.

Our credit risk is expected to be evaluated by the major independent rating agencies. Once a credit rating is obtained, any future downgrades could increase the cost of borrowing under any indebtedness we may incur in

connection with the Separation or otherwise. Our credit rating is expected to be lower than that of LB. There can be no assurance that we will be able to maintain our credit ratings once established, and any additional actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, may have a negative impact on our liquidity, capital position and access to capital markets.

Changes in laws, regulations or technology platform rules relating to data privacy and security, or any actual or perceived failure by us to comply with such laws and regulations, or contractual or other obligations relating to data privacy and security, could have a material adverse effect on our reputation, results of operations, financial condition and cash flows.

We are, and may increasingly become, subject to various laws, directives, industry standards and regulations, as well as contractual obligations, relating to data privacy and security in the jurisdictions in which we operate. The regulatory environment related to data privacy and security is increasingly rigorous, with new and constantly changing requirements applicable to our business, and enforcement practices are likely to remain uncertain for the foreseeable future. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our results of operations, financial condition and cash flows.

In the U.S., various federal and state regulators, including governmental agencies like the Consumer Financial Protection Bureau and the Federal Trade Commission, have adopted, or are considering adopting, laws and regulations concerning personal information and data security and have prioritized privacy and information security violations for enforcement actions. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information than federal, international or other state laws, and such laws may differ from each other, all of which may complicate compliance efforts. For example, the California Consumer Privacy Act (“CCPA”), which increases privacy rights for California residents and imposes obligations on companies that process their personal information, went into effect on January 1, 2020. Among other things, the CCPA requires covered companies to provide new disclosures to California consumers and provide such consumers new data protection and privacy rights, including the ability to opt-out of certain data sharing arrangements of personal information, and the ability to access and delete personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. Furthermore, in November 2020, California voters passed the California Privacy Rights Act of 2020 (“CPRA”). Effective beginning January 1, 2023, the CPRA imposes additional obligations on companies covered by the legislation and will significantly modify the CCPA, including by expanding California residents’ rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and CPRA. Other states (such as Virginia) have also passed or plan to pass data privacy laws that are similar to the CCPA, CPRA, and GDPR (described below), further complicating the legal landscape. In addition, laws in all 50 U.S. states require businesses to provide notice to consumers (and, in some cases, to regulators) whose personal information has been accessed or acquired as a result of a data breach. State laws are changing rapidly and there is discussion in Congress of a new comprehensive federal data privacy law to which we would become subject if it is enacted, which may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs or changes in business practices and policies.

We are also subject to international laws, regulations and standards in many jurisdictions, which apply broadly to the collection, use, retention, security, disclosure, transfer and other processing of personal information. For example, the E.U. General Data Protection Regulation (“GDPR”), which became effective in May 2018, greatly increased the European Commission’s jurisdictional reach of its laws and adds a broad array of requirements for handling personal data. EU member states are tasked under the GDPR to enact, and have enacted, certain implementing legislation that adds to and/or further interprets the GDPR requirements and potentially extends our obligations and potential liability for failing to meet such obligations. The GDPR, together with national legislation, regulations and guidelines of the EU member states and the United Kingdom governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR includes obligations and restrictions concerning data transparency and consent, the overall rights of individuals to whom

the personal data relates, the transfer of personal data out of the European Economic Area ("EEA") or the United Kingdom, security breach notifications and the security and confidentiality of personal data. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater. Recent legal developments in Europe have created further complexity and uncertainty regarding transfers of personal data from the EEA and the United Kingdom to the United States. Most recently, in July 2020, the Court of Justice of the European Union ("CJEU") invalidated the EU-U.S. Privacy Shield Framework ("Privacy Shield") under which personal data could be transferred from the EEA to the United States. While the CJEU upheld the adequacy of standard contractual clauses, a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism and potential alternative to the Privacy Shield, it made clear that reliance on them alone may not necessarily be sufficient in all circumstances.

Further, the United Kingdom's decision to leave the EU has created uncertainty with regard to data protection regulation in the United Kingdom. As of January 1, 2021, we are also subject to the UK GDPR and UK Data Protection Act of 2018, which retains the GDPR in the United Kingdom's national law. These recent developments will require us to review and amend the legal mechanisms by which we make and/or receive personal data transfers. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses and other mechanisms cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we do business, the geographical location or segregation of our relevant operations, and could adversely affect our financial results.

All of these evolving compliance and operational requirements impose significant costs, such as costs related to organizational changes, implementing additional protection technologies, training associates and engaging consultants, which are likely to increase over time. In addition, such requirements may require us to modify our data processing practices and policies, distract management or divert resources from other initiatives and projects, all of which could have a material adverse effect on our results of operations, financial condition and cash flows. Any failure or perceived failure by us to comply with any applicable federal, state or similar foreign laws and regulations relating to data privacy and security could result in damage to our reputation and our relationship with our customers, as well as proceedings or litigation by governmental agencies or customers, including class action privacy litigation in certain jurisdictions, which could subject us to significant fines, sanctions, awards, penalties or judgments, any of which could have a material adverse effect on our results of operations, financial condition and cash flows.

We may be impacted by our ability to comply with regulatory requirements.

We are subject to numerous regulatory requirements. Our policies, procedures and internal controls are designed to comply with all applicable foreign and domestic laws and regulations, including those required by the Sarbanes-Oxley Act of 2002, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the SEC and the New York Stock Exchange (the "NYSE"), among others. Although we have put in place policies and procedures aimed at ensuring legal and regulatory compliance, our associates, subcontractors, vendors, licensees, franchisees and other third parties could take actions that violate these laws and regulations. Any violations of such laws or regulations could have an adverse effect on our reputation, market price of our common stock, results of operations, financial condition and cash flows.

It can be difficult to comply with sometimes conflicting regulations in local, national or foreign jurisdictions as well as new or changing regulations. Also, changes in such laws could make operating our business more expensive or require us to change the way we do business. For example, changes in product safety or other consumer protection laws could lead to increased costs for certain merchandise, or additional labor costs associated with readying merchandise for sale. It may be difficult for us to oversee regulatory changes impacting our business, and our responses to changes in the law could be costly and may negatively impact our operations.

We may be adversely impacted by certain compliance or legal matters.

We, along with third parties we do business with, are subject to complex compliance and litigation risks. Actions filed against us from time to time include commercial, tort, intellectual property, customer, employment, wage and hour, data privacy, securities, anti-corruption and other claims, including purported class action lawsuits. In addition, notwithstanding our adoption of CDC-recommended guidelines and preventative efforts to

ensure the health and safety of our customers and employees, it is possible that our customers and employees may contract COVID-19 while at our stores or facilities, which could subject us to litigation. The cost of defending against these types of claims against us or the ultimate resolution of such claims, whether by settlement or adverse court decision, may harm our business. Further, potential claimants may be encouraged to bring suits based on a settlement from us or adverse court decisions against us. We cannot currently assess the likely outcome of such suits, but if the outcome were negative, it could have a material adverse effect on our reputation, results of operations, financial condition and cash flows.

In addition, we may be impacted by litigation trends, including class action lawsuits involving consumers and shareholders, that could have a material adverse effect on our reputation, the market price of our common stock, results of operations, financial condition and cash flows.

We may be impacted by changes in taxation, trade and other regulatory requirements.

We are subject to income tax in local, national and international jurisdictions. In addition, our products are subject to import and excise duties and/or sales or value-added taxes in many jurisdictions. We are also subject to the examination of our tax returns and other tax matters by the Internal Revenue Service and other tax authorities and governmental bodies. We plan to regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. Fluctuations in tax rates and duties, changes in tax legislation or regulation or adverse outcomes of these examinations could have a material adverse effect on our results of operations, financial condition and cash flows.

There is increased uncertainty with respect to tax policy and trade relations between the U.S. and other countries, including as a result of any executive action taken or legislative priorities set by the current Biden administration. Major developments in tax policy or trade relations, such as the imposition of unilateral tariffs on imported products, could have a material adverse effect on our results of operations, financial condition and cash flows.

Risks Relating to Our Common Stock

Because there has not been any public market for our common stock, the market price and trading volume of our common stock may be volatile and you may not be able to resell your shares at or above the initial market price of our common stock following the Separation.

Prior to the Separation, there will have been no trading market for shares of our common stock. An active trading market may not develop or be sustained for our common stock after the Separation, and we cannot predict the prices at which our common stock will trade after the Separation. The market price of our common stock could fluctuate significantly due to a number of factors, many of which are beyond our control, including:

- Fluctuations in our quarterly or annual earnings results or those of other companies in our industry;
- Failures of our operating results to meet the estimates of securities analysts or the expectations of our stockholders, or changes by securities analysts in their estimates of our future earnings;
- Announcements by us or our customers, suppliers or competitors;
- Changes in market valuations or earnings of other companies in our industry;
- Changes in laws or regulations which adversely affect our industry or us;
- General economic, industry and stock market conditions;
- Future significant sales of our common stock by our stockholders or the perception in the market of such sales;
- Future issuances of our common stock by us; and
- The other factors described in these “Risk Factors” and elsewhere in this information statement.

These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of

a stock has been volatile, holders of that stock have instituted securities class action litigation against the Company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business.

The trading market for our common stock may also be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our stock price could decline.

A large number of our shares are or will be eligible for future sale, which may cause the market price of our common stock to decline.

Upon completion of the Separation, we estimate that we will have outstanding an aggregate of approximately shares of our common stock (based on shares of LB common stock outstanding on , 2021). All of those shares (other than those held by our "affiliates") will be freely tradable without restriction or registration under the Securities Act of 1933, as amended (the "Securities Act"). Shares held by our affiliates, which include our directors and executive officers, can be sold subject to volume, manner of sale and notice provisions of Rule 144 under the Securities Act. We estimate that our directors and executive officers, who may be considered "affiliates" for purposes of Rule 144, will beneficially own approximately shares of our common stock immediately following the Separation. We are unable to predict whether large amounts of our common stock will be sold in the open market following the Separation. We are also unable to predict whether a sufficient number of buyers will be in the market at that time. As discussed in the immediately following risk factor, certain index funds will likely be required to sell shares of our common stock that they receive in the Separation. In addition, other LB stockholders may sell the shares of our common stock they receive in the Separation for various reasons. For example, such stockholders may not believe our business profile or level of market capitalization as an independent company fits their investment objectives.

Because our common stock may not be included in the Standard & Poor's 500 Index, and it may not be included in other stock indices, significant amounts of our common stock will likely need to be sold in the open market where there may not be offsetting demand.

A portion of LB's outstanding common stock is held by index funds tied to the Standard & Poor's 500 Index and other stock indices. Based on a review of publicly available information as of , 2021, we believe approximately % of LB's outstanding common stock is held by index funds. Because our common stock may not be included in the Standard & Poor's 500 Index, and it may not be included in other stock indices at the time of the Separation, index funds currently holding shares of LB common stock will likely be required to sell the shares of our common stock they receive in the Separation. There may not be sufficient buying interest to offset sales by those index funds. Accordingly, our common stock could experience a high level of volatility immediately following the Separation and, as a result, the price of our common stock could be adversely affected.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and certain provisions of Delaware law could delay or prevent a change in control of VS.

The existence of certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law could discourage, delay or prevent a change in control of VS that a stockholder may consider favorable. These include provisions:

- Providing the right to our Board of Directors to issue one or more classes or series of preferred stock without stockholder approval;
- Authorizing a large number of shares of stock that are not yet issued, which would allow our Board of Directors to issue shares to persons friendly to current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of us;
- Prohibiting stockholders from taking action by written consent; and

- Establishing advance notice and other requirements for nominations of candidates for election to our Board of Directors or for proposing matters that can be acted on by stockholders at the annual stockholder meetings.

We believe these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with our Board of Directors and by providing our Board of Directors with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions apply even if a takeover offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our Board of Directors determines is not in our and our stockholders' best interests. See "Description of Capital Stock."

Our amended and restated bylaws will designate Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us and limit the market price of our common stock.

Pursuant to our amended and restated bylaws, as will be in effect upon the completion of the Separation, unless we consent in writing to the selection of an alternative forum, a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim for or based on a breach of a fiduciary duty owed by any of our directors or officers or other employees or agents to us or to our stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty; (iii) any action asserting a claim against us or any of our directors or officers or other employees or agents arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws; (iv) any action asserting a claim related to or involving us that is governed by the internal affairs doctrine; or (v) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the Delaware General Corporation Law. These exclusive forum provisions will apply to all covered actions, including any covered action in which the plaintiff chooses to assert a claim or claims under federal law in addition to a claim or claims under Delaware law. These exclusive forum provisions, however, will not apply to actions asserting only federal law claims under the Securities Act or the Exchange Act, regardless of whether the state courts in the State of Delaware have jurisdiction over those claims. The forum selection clause in our amended and restated bylaws may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us and limit the market price of our common stock.

Your percentage ownership in VS may be diluted in the future.

In the future, your percentage ownership in VS may be diluted because of equity issuances for acquisitions, strategic investments, capital market transactions or otherwise, including equity awards that we may grant to our directors, officers, employees and other service providers. Our compensation committee may grant additional equity awards to our employees and other service providers after the Separation. These awards would have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock. From time to time, we may issue additional equity awards to our employees and other service providers under our employee compensation and benefit plans.

In addition, our amended and restated certificate of incorporation authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, powers, preferences and relative, participating, optional and other rights, and such qualifications, limitations or restrictions as our Board of directors generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, we could grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or dividend, distribution or liquidation preferences we could assign to holders of preferred stock could affect the residual value of the common stock. See "Description of Capital Stock—Preferred Stock."

Our common stock is and will be subordinate to all of our future indebtedness and any preferred stock, and effectively subordinated to all indebtedness and preferred equity claims against our subsidiaries.

Shares of our common stock are common equity interests in us and, as such, will rank junior to all of our future indebtedness and other liabilities. Additionally, holders of our common stock may become subject to the prior dividend and liquidation rights of holders of any class or series of preferred stock that our Board of

Directors may designate and issue without any action on the part of the holders of our common stock. Furthermore, our right to participate in a distribution of assets upon any of our subsidiaries' liquidation or reorganization is subject to the prior claims of that subsidiary's creditors and preferred stockholders.

We cannot assure you that our Board of Directors will declare dividends in the foreseeable future.

We do not currently intend to pay any cash dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business. The declaration and amount of any dividends to holders of our common stock will be at the discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, cash flows, capital requirements of our business, covenants associated with our debt obligations, legal requirements, regulatory constraints, industry practice and any other factors the Board of Directors deems relevant. We may incur expenses or liabilities or be subject to other circumstances in the future that reduce or eliminate the amount of cash that we have available for distribution as dividends, including as a result of the risks described herein.

THE SEPARATION

General

On May 11, 2021, LB announced that it was moving forward with a plan to distribute to LB's stockholders all of the shares of common stock of VS through the Separation, including the Restructuring and the Distribution. VS is currently a wholly owned subsidiary of LB and, at the time of the Distribution, LB will hold, through its subsidiaries, certain assets and liabilities associated with the Spin Business. The Separation will be achieved through the transfer of certain assets and liabilities of the Spin Business to VS or its subsidiaries through the Restructuring and the distribution of 100% of the outstanding capital stock of VS to holders of LB common stock on the record date of , 2021. At the effective time of the Distribution, LB stockholders will receive one share of VS common stock for every shares of LB common stock held on the record date. The Separation is expected to be completed on , 2021. Immediately following the Separation, LB stockholders as of the record date will own 100% of the outstanding capital stock of VS. Following the Separation, VS will be an independent, publicly traded company, and LB will retain no ownership interest in VS.

As part of the Separation, we will enter into a Separation and Distribution Agreement and several other agreements to effect the Separation and provide a framework for our relationship with LB after the Separation. These agreements will provide for the allocation between us and LB of the assets, liabilities and obligations of LB and its subsidiaries, and will govern the relationship between VS and LB after the Separation. In addition to the Separation and Distribution Agreement, the other principal agreements to be entered into with LB include:

- Tax Matters Agreement;
- L Brands to VS Transition Services Agreement;
- VS to L Brands Transition Services Agreement;
- Employee Matters Agreement;
- Domestic Transportation Services Agreement; and
- Certain other commercial arrangements.

The Separation as described in this information statement is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see "—Conditions to the Distribution" below. We cannot provide any assurances that LB will complete the Separation.

Reasons for the Separation

The LB Board of Directors believes separating the Spin Business from LB's other businesses is in the best interests of LB and its stockholders and has concluded the Separation will provide LB and VS with a number of potential opportunities and benefits, including the following:

- ***Strategic and Management Focus***. Permit the management team of each company to focus on its own strategic priorities with financial targets that best fit its own business and opportunities. We believe the Separation will enable each company's management team to better position its businesses to capitalize on developing macroeconomic trends, increase managerial focus to pursue its individual strategies and leverage its key strengths to drive performance. The management of each resulting company will be able to concentrate on its core competencies and growth opportunities, and will have increased flexibility and speed to design and implement corporate strategies based on the characteristics of its business.
- ***Resource Allocation and Capital Deployment***. Allow each company to allocate resources, incentivize employees and deploy capital to capture the significant long-term opportunities in their respective markets. The Separation will enable each company's management team to implement a capital structure, dividend policy and growth strategy tailored to each unique business. Both businesses are expected to have direct access to the debt and equity capital markets to fund their respective growth strategies.

- ***Investor Choice***. Provide investors, both current and prospective, with the ability to value the two companies based on their distinct business characteristics and make more targeted investment decisions based on those characteristics. Separating the two businesses will provide investors with a more targeted investment opportunity so that investors interested in our business will have the opportunity to acquire stock of VS.
- ***Employee Incentives and Retention***. Enable each company to better incentivize, attract, and retain key employees through the use of equity compensation. Separating the two businesses will allow each company to design stock option and similar programs that better incentivize management to enhance business performance because the stock price performance of each company will be based on the performance of its own business.

While a number of potential costs and risks were also considered, including, among others, risks relating to the creation of a new public company, such as increased costs from operating as a separate public company, the risk of volatility in our stock price immediately following the Distribution due to sales by LB's stockholders whose investment objectives may not be met by our common stock, the time it may take for us to attract our optimal stockholder base, potential disruptions to each business, the loss of synergies, scale and joint purchasing power, increased administrative costs, one-time separation costs, the fact that each company will be less diversified following the Separation, and the potential inability to realize the anticipated benefits of the Separation, it was nevertheless determined that the potential benefits of the Separation outweighed the potential costs and risks in connection therewith and provided the best opportunity to achieve the above benefits and enhance stockholder value.

The financial terms of the Separation, including the new indebtedness expected to be incurred by VS or entities that are, or will become, prior to the completion of the Separation, subsidiaries of VS, and the amount of the LB Cash Payment has been, or will be, determined by the LB Board of Directors based on a variety of factors, including establishing an appropriate pro forma capitalization for VS as a stand-alone company considering the historical earnings of the Spin Business and the level of indebtedness relative to earnings of various comparable companies.

The Number of Shares You Will Receive

For every shares of LB common stock you own as of the close of business on , 2021, the record date for the Distribution, you will receive one share of VS common stock on the Distribution Date.

Treatment of Fractional Shares

The distribution agent will not distribute any fractional shares of our common stock to LB stockholders. Instead, as soon as practicable on or after the Distribution Date, the distribution agent for the Distribution will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing prices and distribute the net cash proceeds from the sales, net of brokerage fees and commissions, transfer taxes and other costs and after making appropriate deductions of the amounts required to be withheld for U.S. federal income tax purposes, if any, pro rata to each holder who would otherwise have been entitled to receive a fractional share in the Distribution. The distribution agent will determine when, how, through which broker-dealers and at what prices to sell the aggregated fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any minimum sale price for the fractional shares or to any interest on the amounts of payments made in lieu of fractional shares. The receipt of cash in lieu of fractional shares generally will be taxable to the recipient stockholders for U.S. federal income tax purposes as described below in "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution—The Distribution."

When and How You Will Receive the Distribution of VS Shares

LB will distribute the shares of our common stock on , 2021 to holders of record as of the close of business on the record date for the Distribution. The Distribution is expected to be completed following the market closing on the Distribution Date. LB's transfer agent and registrar, AST, will serve as transfer agent and registrar for the VS common stock and as distribution agent in connection with the Distribution.

If you own LB common stock as of the close of business on the record date for the Distribution, the shares of VS common stock that you are entitled to receive in the Distribution will be issued electronically, as of the Distribution Date, to your account as follows:

- ***Registered Stockholders***. If you own your shares of LB stock directly, either in book-entry form through an account at AST and/or if you hold paper stock certificates, you will receive your shares of VS common stock by way of direct registration in book-entry form. Registration in book-entry form is a method of recording stock ownership when no physical paper share certificates are issued to stockholders, as is the case in the Distribution.

  On or shortly after the Distribution Date, the distribution agent will mail to you an account statement that indicates the number of shares of VS common stock that have been registered in book-entry form in your name.

  Stockholders having any questions concerning the mechanics of having shares of our common stock registered in book-entry form may contact AST at the address set forth in "Summary—Questions and Answers About the Separation" in this information statement.

- ***Beneficial Stockholders***. Many LB stockholders hold their shares of LB common stock beneficially through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your LB common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of VS common stock that you are entitled to receive in the Distribution. If you have any questions concerning the mechanics of having shares of common stock held in "street name," we encourage you to contact your bank or brokerage firm.

Treatment of Outstanding Equity Compensation Awards

In connection with the Separation, outstanding LB equity awards will generally be equitably adjusted in a manner that is intended to preserve the aggregate intrinsic value of such awards as of immediately before and after the Distribution.

Specifically, we intend that, in connection with the Separation, (i) outstanding LB equity awards held by individuals who will continue to be employed by or provide services to LB as well as former VS employees will be equitably adjusted to reflect the difference in the value of LB common stock before and after the Distribution in a manner that is intended to preserve the overall intrinsic value of the awards by taking into account the relative value of LB common stock before and after the Distribution, and (ii) outstanding LB equity awards held by individuals who are then-currently employed by or otherwise providing services to VS, or whose employment or engagement will be transferred to VS in connection with and prior to the Separation, will be converted into equity awards that will be settled in shares of VS common stock in a manner intended to equitably preserve the overall intrinsic value of the converted equity awards by taking into account the relative value of LB common stock before the Distribution and the value of VS common stock after the Distribution.

In addition, any LB equity awards held by employees who are intended to transfer to VS following the Distribution Date (including in connection with any transition services) will be treated in the same manner as other LB employees on the Distribution Date, as described above. Upon the transfer of their employment to VS following the Distribution Date, VS will be required to grant such employees VS equity awards to replace any LB equity awards forfeited by such employees in connection with the transfer of their employment. These replacement VS equity awards will have a value equal to the intrinsic value of the applicable forfeited LB equity awards, determined in the manner set forth in the Employee Matters Agreement.

Results of the Separation

After the Separation, we will be an independent, publicly traded company that directly or indirectly holds certain assets and liabilities of the Spin Business. Immediately following the Separation, we expect to have approximately stockholders of record, based on the number of registered stockholders of LB common stock on , 2021, applying a distribution ratio of one share of our common stock for every shares of LB common stock. We expect to have approximately shares of VS common stock outstanding. The actual number of shares to be distributed will be determined on the record date.

Before the completion of the Separation, we will enter into a Separation and Distribution Agreement and several other agreements with LB to effect the Separation and provide a framework for our relationship with LB after the Separation. These agreements will provide for the allocation between VS and LB of LB's assets, liabilities and obligations subsequent to the Separation (including with respect to transition services, employee

matters, tax matters, domestic transportation services matters, and certain commercial arrangements). For a more detailed description of these agreements, see "—Agreements with LB" below. The Separation will not affect the number of outstanding shares of LB common stock or any rights of LB stockholders.

Incurrence of Debt

We intend to enter into new financing arrangements in anticipation of the Separation consisting of senior notes and/or term loan facilities and a revolving facility. We expect to incur up to $1.0 billion of new debt from senior notes and/or term loan facilities, the proceeds of which we intend to use to make the LB Cash Payment and to pay related fees and expenses. We also expect to establish a $750 million asset-based revolving facility, which is expected to be undrawn at the Separation.

Following the Separation, our debt obligations could restrict our business and may adversely impact our financial condition, results of operations or cash flows. In addition, the Separation may increase the overall cost of debt funding and decrease the overall debt capacity and commercial credit available to the businesses collectively. Also, our business, financial condition, results of operations and cash flows could be harmed by a deterioration of our credit profile or by factors adversely affecting the credit markets generally. See "Risk Factors—Risks Relating to the Separation—Following the Separation, we will have debt obligations that could restrict our business and adversely impact our results of operations, financial condition or cash flows. In addition, the separation of our business from LB may increase the overall cost of debt funding and decrease the overall debt capacity and commercial credit available to us."

Material U.S. Federal Income Tax Consequences of the Distribution

The following is a discussion of the material U.S. federal income tax consequences of the Distribution to U.S. Holders (as defined below) of LB common stock. This discussion is based on the Code, applicable Treasury regulations, administrative interpretations and court decisions as in effect as of the date of this information statement, all of which may change, possibly with retroactive effect. For purposes of this discussion, a "U.S. Holder" is a beneficial owner of LB common stock that is for U.S. federal income tax purposes:

- A citizen or resident of the U.S.;
- A corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S., any state therein or the District of Columbia; or
- An estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

This discussion addresses only the consequences of the Distribution to U.S. Holders that hold LB common stock as a capital asset. It does not address all aspects of U.S. federal income taxation that may be important to a U.S. Holder in light of that stockholder's particular circumstances or to a U.S. Holder subject to special rules, such as:

- A financial institution, regulated investment company or insurance company;
- A tax-exempt organization;
- A dealer or broker in securities, commodities or foreign currencies;
- A stockholder that holds LB common stock as part of a hedge, appreciated financial position, straddle, conversion, or other risk reduction transaction;
- A stockholder that holds LB common stock in a tax-deferred account, such as an individual retirement account; or
- A stockholder that acquired LB common stock pursuant to the exercise of options or similar derivative securities or otherwise as compensation.

If a partnership, or any entity treated as a partnership for U.S. federal income tax purposes, holds LB common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partners and the activities of the partnership. A partner in a partnership holding LB common stock should consult its tax adviser.

A U.S. Holder who acquired different blocks of LB common stock at different times and at different prices generally must apply the rules described in the following sections separately to each identifiable block of shares of LB common stock. A U.S. Holder who holds LB common stock with differing bases or holding periods should consult its tax adviser.

This discussion of material U.S. federal income tax consequences is not a complete analysis or description of all potential U.S. federal income tax consequences of the Distribution. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address any U.S. federal, estate, gift or other non-income tax or any non-U.S., state or local tax consequences of the Distribution. **Accordingly, each holder of LB common stock should consult his, her or its tax adviser to determine the particular U.S. federal, state or local or non-U.S. income or other tax consequences of the Distribution to such holder.**

Tax Opinion

The consummation of the Separation, along with certain related transactions, is conditioned upon the receipt of the opinion of Davis Polk & Wardwell LLP substantially to the effect that the Distribution, together with certain related transactions, will qualify as a generally tax-free "reorganization" within the meaning of Section 368(a)(1)(D) of the Code and a generally tax-free distribution within the meaning of Section 355 of the Code, and the distribution by LB of the proceeds from the LB Cash Payment to its creditors in retirement of outstanding LB indebtedness or to LB stockholders in repurchase of, or distribution with respect to, shares of LB common stock, should qualify as money distributed to LB creditors or stockholders in connection with the reorganization for purposes of Section 361(b) of the Code, which we refer to as the "Tax Opinion." In rendering the Tax Opinion to be given as of the closing of the Separation, which we refer to as the "Closing Tax Opinion," Davis Polk & Wardwell LLP will rely on (i) customary representations and covenants made by us and LB, including those contained in certificates of officers of us and LB, and (ii) specified assumptions, including an assumption regarding the completion of the Separation and certain related transactions in the manner contemplated by the transaction agreements. In addition, Davis Polk & Wardwell LLP's ability to provide the Closing Tax Opinion will depend on the absence of changes in existing facts or law between the date of this information statement and the closing date of the Distribution. If any of the representations, covenants or assumptions on which Davis Polk & Wardwell LLP will rely is inaccurate, Davis Polk & Wardwell LLP may not be able to provide the Closing Tax Opinion or the tax consequences of the Distribution could differ from those described below. The opinions of Davis Polk & Wardwell LLP do not preclude the IRS or the courts from adopting a contrary position.

The Distribution

Assuming that the Distribution, together with certain related transactions, will qualify as a generally tax-free "reorganization" within the meaning of Section 368(a)(1)(D) of the Code and a generally tax-free distribution within the meaning of Section 355 of the Code, and that the Restructuring steps will qualify as transactions that are tax-free for U.S. federal income tax purposes, in general, for U.S. federal income tax purposes:

- Subject to limited exceptions, the Distribution will not result in the recognition of income, gain or loss to LB or us;
- No gain or loss will be recognized by, and no amount will be included in the income of, U.S. Holders of LB common stock upon the receipt of our common stock in the Distribution;
- The aggregate tax basis of the shares of our common stock distributed in the Distribution to a U.S. Holder of LB common stock will be determined by allocating the aggregate tax basis such U.S. Holder has in the shares of LB common stock immediately before such Distribution between such LB common stock and our common stock in proportion to the relative fair market value of each immediately following the Distribution;
- The holding period of any shares of our common stock received by a U.S. Holder of LB common stock in the Distribution will include the holding period of the shares of LB common stock held by a U.S. Holder prior to the Distribution; and
- A U.S. Holder of LB common stock that receives cash in lieu of a fractional share of our common stock will recognize capital gain or loss, measured by the difference between the cash received for such

fractional share and the U.S. Holder's tax basis in that fractional share, determined as described above, and such gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the LB common stock is more than one year as of the closing date of the Distribution.

In general, if the Distribution, together with certain related transactions, does not qualify as a generally tax-free "reorganization" within the meaning of Section 368(a)(1)(D) of the Code and a generally tax-free distribution within the meaning of Section 355 of the Code, the Distribution will be treated as a taxable dividend to holders of LB common stock in an amount equal to the fair market value of our common stock received, to the extent of such holder's ratable share of LB's earnings and profits. In addition, if the Separation does not qualify as a tax-free transaction, LB will recognize significant taxable gain, which could result in significant tax to LB.

Even if the Separation were otherwise to qualify as a generally tax-free transaction, the Distribution will be taxable to LB under Section 355(e) of the Code if 50% or more of either the total voting power or the total fair market value of the stock of LB or our common stock is acquired as part of a plan or series of related transactions that includes the Distribution. If Section 355(e) applies as a result of such an acquisition, LB would recognize taxable gain as described above, but the Distribution would generally be tax-free to you. Under some circumstances, the Tax Matters Agreement would require us to indemnify LB for the tax liability associated with the taxable gain. See "—Agreements with LB—Tax Matters Agreement."

Under the Tax Matters Agreement, we will generally be required to indemnify LB for the resulting taxes in the event that the Separation and/or related transactions fail to qualify for their intended tax treatment due to any action by us or any of our subsidiaries (see "—Agreements with LB—Tax Matters Agreement"). If the Separation were to be taxable to LB, the liability for payment of such tax by LB or by us under the Tax Matters Agreement could have a material adverse effect on LB or us, as the case may be.

Information Reporting and Backup Withholding

U.S. Treasury regulations generally require holders who own at least 5% of the total outstanding stock of LB (by vote or value) and who receive our common stock pursuant to the Distribution to attach to their U.S. federal income tax return for the year in which the Distribution occurs a detailed statement setting forth certain information relating to the tax-free nature of the Distribution. LB and/or we will provide the appropriate information to each holder upon request, and each such holder is required to retain permanent records of this information. In addition, payments of cash to a U.S. Holder of LB common stock in lieu of fractional shares of our common stock in the Distribution may be subject to information reporting, unless the U.S. Holder provides the withholding agent with proof of an applicable exemption. Such payments that are subject to information reporting may also be subject to backup withholding, unless such U.S. Holder provides the withholding agent with a correct taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. Backup withholding does not constitute additional tax, but merely an advance payment, which may be refunded or credited against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely supplied to the IRS.

Appraisal Rights

No LB stockholder will have any appraisal rights in connection with the Separation.

Listing and Trading of Our Common Stock

As of the date of this information statement, there is no public market for our common stock. We have applied for listing of our common stock on the NYSE under the ticker symbol "VSCO."

Trading Between Record Date and Distribution Date

Beginning on the record date for the Distribution and continuing up to and including the Distribution Date, we expect there will be two markets in LB common stock: a "regular-way" market and an "ex-distribution" market. Shares of LB common stock that trade on the "regular-way" market will trade with an entitlement to receive shares of VS common stock in the Distribution. Shares that trade on the "ex-distribution" market will trade without an entitlement to receive shares of VS common stock in the Distribution. Therefore, if you sell shares of LB common stock in the "regular-way" market after the close of business on the record date for the

Distribution and up to and including the Distribution Date, you will be selling your right to receive shares of VS common stock in the Distribution. If you own shares of LB common stock as of the close of business on the record date for the Distribution and sell those shares in the "ex-distribution" market, up to and including the Distribution Date, you will still receive the shares of VS common stock that you would be entitled to receive in respect of your ownership, as of the record date, of the shares of LB common stock that you sold.

Furthermore, beginning on , 2021 and continuing up to and including the Distribution Date, we expect there will be a "when-issued" market in our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for shares of VS common stock that will be distributed to LB stockholders on the Distribution Date. If you own shares of LB common stock as of the close of business on the record date, you would be entitled to receive shares of our common stock in the Distribution. You may trade this entitlement to receive shares of VS common stock, without trading the shares of LB common stock you own, in the "when-issued" market. On the first trading day following the Distribution Date, we expect "when-issued" trading with respect to VS common stock will end and "regular-way" trading in VS common stock will begin.

Conditions to the Distribution

We expect the Distribution will be effective on , 2021, the Distribution Date, provided that, among other conditions described in the Separation and Distribution Agreement, the following conditions will have been satisfied or waived by LB in its sole discretion:

- The Separation-related restructuring and financing transactions contemplated by the Separation and Distribution Agreement, including the LB Cash Payment, will each have been completed, and LB shall be satisfied in its sole and absolute discretion that, as of the effective time of the Distribution, it shall have no liability whatsoever under such financing transactions;
- The LB Board of Directors will have approved the Distribution and will not have abandoned the Distribution or terminated the Separation and Distribution Agreement at any time prior to the Distribution;
- The SEC will have declared effective our registration statement on Form 10, of which this information statement is a part, under the Exchange Act, no stop order suspending the effectiveness of our registration statement on Form 10 will be in effect and no proceedings for such purpose will have been instituted or threatened by the SEC, and this information statement, or a notice of Internet availability thereof, will have been mailed to the holders of LB common stock as of the record date for the Distribution;
- All actions and filings necessary or appropriate under applicable federal, state or other securities laws or "blue sky" laws and the rules and regulations thereunder will have been taken or made and, where applicable, become effective or accepted;
- Our common stock to be delivered in the Distribution will have been approved for listing on the NYSE, subject to official notice of issuance;
- The VS Board of Directors, as named in this information statement, will have been duly elected, and the amended and restated certificate of incorporation and amended and restated bylaws of VS, in substantially the form attached as exhibits to the registration statement of which this information statement is a part, will be in effect;
- Each of the ancillary agreements contemplated by the Separation and Distribution Agreement will have been executed and delivered by the parties thereto;
- LB will have received the opinion of Davis Polk & Wardwell LLP (which will not have been revoked or modified in any material respect), reasonably satisfactory to LB, to the effect that, for U.S. federal income tax purposes, the Distribution, together with certain related transactions, will qualify as a generally tax-free "reorganization" within the meaning of Section 368(a)(1)(D) of the Code and a generally tax-free distribution within the meaning of Section 355 of the Code and the distribution by LB of the proceeds from the LB Cash Payment to its creditors in retirement of outstanding LB

indebtedness or to LB stockholders in repurchase of, or distribution with respect to, shares of LB common stock, should qualify as money distributed to LB creditors or stockholders in connection with the reorganization for purposes of Section 361(b) of the Code (the "Tax Opinion Condition");

- An independent appraisal firm acceptable to LB will have delivered one or more opinions to the LB Board of Directors concerning the solvency and capital adequacy matters of each of (a) LB and its subsidiaries prior to the consummation of the Distribution and (b) LB and its subsidiaries and VS and its subsidiaries after consummation of the Distribution, and such opinions will be acceptable in form and substance to the LB Board of Directors in its sole and absolute discretion and such opinions will not have been withdrawn or rescinded;
- No applicable law will have been adopted, promulgated or issued that prohibits the consummation of the Distribution or any of the other transactions contemplated by the Separation and Distribution Agreement or an ancillary agreement contemplated by the Separation and Distribution Agreement;
- Any material governmental approvals and consents and any material permits, registrations and consents from third parties, in each case, necessary to effect the Distribution, will have been obtained;
- VS shall have entered into a registration rights agreement with certain stockholders of LB;
- No event or development will have occurred or exist that, in the judgment of the LB Board of Directors, in its sole and absolute discretion, makes it inadvisable to effect the Distribution or any of the other transactions contemplated by the Separation and Distribution Agreement or an ancillary agreement contemplated by the Separation and Distribution Agreement; and
- Certain necessary actions to complete the Separation will have occurred, including that LB will have entered into a distribution agent agreement with a distribution agent or otherwise provided instructions to a distribution agent regarding the Distribution.

The fulfillment of the foregoing conditions will not create any obligations on LB's part to effect the Separation, and the LB Board of Directors has reserved the right, in its sole discretion, to abandon, modify or change the terms of the Separation, including by accelerating or delaying the timing of the consummation of all or part of the Distribution, at any time prior to the Distribution Date.

We cannot assure you that all of the conditions will be satisfied or waived. In addition, if the Distribution is completed and the LB Board of Directors waived any such condition, such waiver could have a material adverse effect on LB's and VS's respective business, financial condition or results of operations, the trading price of VS common stock, or the ability of stockholders to sell their shares after the Distribution, including, without limitation, as a result of illiquid trading due to the failure of VS common stock to be accepted for listing or litigation relating to any preliminary or permanent injunctions sought to prevent the consummation of the Distribution. See "—Material U.S. Federal Income Tax Consequences of the Distribution—The Distribution" above for a discussion of the U.S. federal income tax consequences for LB and its stockholders that may arise if LB waives the Tax Opinion Condition and the Distribution is treated as a taxable transaction for U.S. federal income tax purposes.

Agreements with LB

As part of the Separation, we will enter into a Separation and Distribution Agreement and several other agreements with LB to effect the Separation and provide a framework for our relationships with LB after the Separation. These agreements will provide for the allocation between us and LB of the assets, liabilities and obligations of LB and its subsidiaries, and will govern the relationships between VS and LB subsequent to the Separation (including with respect to transition services, employee matters, tax matters, domestic transportation services matters, and certain commercial arrangements).

In addition to the Separation and Distribution Agreement (which will contain many of the key provisions related to the Separation and the distribution of our shares of common stock to LB stockholders), these agreements include, among others:

- Tax Matters Agreement;
- L Brands to VS Transition Services Agreement;
- VS to L Brands Transition Services Agreement;

- Employee Matters Agreement;
- Domestic Transportation Services Agreement; and
- Certain other commercial arrangements.

The forms of the principal agreements described below are expected to be filed as exhibits to the registration statement of which this information statement forms a part. The following descriptions of these agreements are summaries of the material terms of these agreements.

The Separation and Distribution Agreement

The Separation and Distribution Agreement will govern the overall terms of the Separation. Generally, the Separation and Distribution Agreement will include LB's and our agreements relating to the restructuring steps to be taken to complete the Separation, including the assets and rights to be transferred, liabilities to be assumed and related matters.

Subject to the receipt of required governmental and other consents and approvals and the satisfaction of other closing conditions, in order to accomplish the Separation, the Separation and Distribution Agreement will provide for LB and us to transfer specified assets between the companies that will operate the Spin Business after the Distribution, on the one hand, and LB's remaining businesses, on the other hand. The Separation and Distribution Agreement will require LB and us to use commercially reasonable efforts to obtain consents, approvals and amendments required to assign the assets and liabilities that are to be transferred pursuant to the Separation and Distribution Agreement.

Unless otherwise provided in the Separation and Distribution Agreement or any of the related ancillary agreements, all assets will be transferred on an "as is, where is" basis. Generally, if the transfer of any assets or any claim or right or benefit arising thereunder requires a consent that will not be obtained before the Distribution, or if the transfer or assignment of any such asset or such claim or right or benefit arising thereunder would be ineffective, would adversely affect the rights of the transferor thereunder or would violate any applicable law, the party retaining any asset that otherwise would have been transferred shall hold such asset in trust for the use and benefit of the party entitled thereto and retain such liability for the account of the party by whom such liability is to be assumed, and take such other action in order to place such party, insofar as reasonably possible, in the same position as would have existed had such asset or liability been transferred prior to the Distribution.

In addition, we will also grant and receive licenses under certain intellectual property in connection with the Separation and Distribution Agreement, which will generally provide us and LB the freedom to continue operating our respective businesses following the Distribution, including as follows:

- We will grant LB a non-exclusive, worldwide, perpetual, irrevocable, fully paid-up and royalty-free license to certain intellectual property transferred to us in connection with the Separation but used by LB in its business as of the Distribution in order for LB to continue operating its business.
- We will receive from LB a non-exclusive, worldwide, perpetual, irrevocable, fully paid-up and royalty-free license to certain intellectual property retained by LB but used in the Spin Business as of the Distribution in order for us to continue operating the Spin Business.

The Separation and Distribution Agreement will specify those conditions that must be satisfied or waived by LB prior to the completion of the Separation, which are described further above in "—Conditions to the Distribution." In addition, LB will have the right to determine the date and terms of the Separation, and will have the right, at any time until completion of the Distribution, to determine to abandon or modify the Distribution and to terminate the Separation and Distribution Agreement.

In addition, the Separation and Distribution Agreement will govern the treatment of indemnification, insurance and litigation responsibility and management. Generally, the Separation and Distribution Agreement will provide for uncapped cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of the Spin Business with us and financial responsibility for the obligations and liabilities of LB's retained businesses with LB. The Separation and Distribution Agreement will also establish procedures for handling claims subject to indemnification and related matters.

Tax Matters Agreement

In connection with the Separation, we and LB will enter into a tax matters agreement (the "Tax Matters Agreement") that will govern the parties' respective rights, responsibilities and obligations with respect to taxes, including taxes arising in the ordinary course of business, and taxes, if any, incurred as a result of the failure of the Distribution (and certain related transactions) to qualify for tax-free treatment for U.S. federal income tax purposes. The Tax Matters Agreement will also set forth the respective obligations of the parties with respect to the filing of tax returns, the administration of tax contests and assistance and cooperation on tax matters.

In general, the Tax Matters Agreement will govern the rights and obligations that we and LB have after the Separation with respect to taxes for both pre- and post-closing periods. Under the Tax Matters Agreement, LB generally will be responsible for all of our pre-closing taxes that are reported on combined tax returns with LB or any of its affiliates, all of our pre-closing income taxes that are reported on tax returns that include only us and/or our subsidiaries ("separate tax returns") for taxable years that end before the Separation and all of our pre-closing non-income taxes that are reported on separate tax returns. We will generally be responsible for all other taxes that are reported on separate tax returns.

In the Tax Matters Agreement, we will also agree to certain covenants that contain restrictions intended to preserve the tax-free treatment of the Distribution. We may take certain actions prohibited by these covenants only if we obtain and provide to LB a ruling from the IRS or an opinion from a tax adviser acceptable to LB in its sole discretion, in each case, to the effect that such action will not jeopardize the tax-free treatment of these transactions, or if we obtain prior written consent of LB, in its sole and absolute discretion, waiving such requirement. We will be barred from taking any action, or failing to take any action, where such action or failure to act adversely affects or could reasonably be expected to adversely affect the tax-free treatment of the Distribution, for all relevant time periods. In addition, these covenants will include specific restrictions on our:

- Discontinuing the active conduct of our trade or business;
- Issuance or sale of stock or other securities (including securities convertible into our stock but excluding certain compensatory arrangements);
- Amending our certificate of incorporation (or other organizational documents) or take any other action, whether through a stockholder vote or otherwise, affecting the voting rights of our common stock; and
- Entering into certain corporate transactions that could jeopardize the tax-free treatment of the Distribution.

We will generally agree to indemnify LB against any and all tax-related liabilities incurred by them relating to the Distribution to the extent caused by any action undertaken by us. The indemnification will apply even if LB has permitted us to take an action that would otherwise have been prohibited under the tax-related covenants described above.

L Brands to VS Transition Services Agreement

The L Brands to VS Transition Services Agreement will set forth the terms on which LB will provide to VS, on a transitional basis, certain services or functions that the companies historically have shared. The transition services will include various services or functions, many of which currently use a shared technology platform, including human resources, payroll, certain logistics functions and information technology services, generally for a period of up to two years following the Distribution for all such services other than information technology services, which will be provided for a period of up to three years following the Distribution. Compensation for the transition services will be determined using several billing methodologies, including customary billing, pass-through billing, percent of sales billing or fixed fee billing. The L Brands to VS Transition Services Agreement will provide that VS may, subject to certain conditions, terminate any or all of the services, or any part of a service, upon 60 days' prior written notice to LB. LB may, subject to certain conditions, terminate a service if the performance of such service subjects LB to a reasonable risk of violating applicable law or would reasonably be expected to materially and adversely affect LB's business, in each case upon providing VS with reasonable prior written notice. VS will indemnify LB from liabilities for claims arising from the L Brands to VS Transition Services Agreement, including LB's provision of the services, VS's use of the services or breach of the agreement, or from VS's gross negligence, fraud or willful misconduct. LB will indemnify VS from liabilities for claims arising from LB's breach of the agreement or from LB's gross negligence, fraud or willful misconduct. Subject to certain customary exceptions, LB's maximum aggregate

liability under the L Brands to VS Transition Services Agreement will be limited to the fees actually received by LB under the agreement, provided that, for liabilities related to data privacy, cybersecurity or similar matters, if LB is able to recover a greater amount from its third-party service providers, it will pass through such excess recovery to VS on a pro-rata basis.

VS to L Brands Transition Services Agreement

The VS to L Brands Transition Services Agreement will set forth the terms on which VS will provide to LB, on a transitional basis, certain services or functions transferred to us in connection with the Separation that the companies have historically shared. The transition services will include various services or functions, including information technology, certain logistics functions, customer marketing and customer call center services, generally for a period of up to two years following the Distribution for all such services other than information technology services, which will be provided for a period of up to three years following the Distribution, but may be extended for a maximum of two additional one-year periods subject to increased administrative charges. Compensation for the transition services will be determined using several billing methodologies, including customary billing, pass-through billing, percent of sales billing or fixed fee billing. The VS to L Brands Transition Services Agreement will provide that LB may, subject to certain conditions, terminate any or all of the services, or any part of a service, upon 60 days' prior written notice to VS. VS may, subject to certain conditions, terminate a service if the performance of such service subjects VS to a reasonable risk of violating applicable law or would reasonably be expected to materially and adversely affect the Spin Business, in each case upon providing LB with reasonable prior written notice. LB will indemnify VS from liabilities for claims arising from the VS to L Brands Transition Services Agreement, including VS's provision of the services, LB's use of the services or breach of the agreement, or from LB's gross negligence, fraud or willful misconduct. VS will indemnify LB from liabilities for claims arising from VS's breach of the agreement or from VS's gross negligence, fraud or willful misconduct. Subject to certain customary exceptions, VS's maximum aggregate liability under the VS to L Brands Transition Services Agreement will be limited to the fees actually received by VS under the agreement, provided that, for liabilities related to data privacy, cybersecurity or similar matters, if VS is able to recover a greater amount from its third-party service providers, it will pass through such excess recovery to LB on a pro-rata basis.

Employee Matters Agreement

We intend to enter into an Employee Matters Agreement with LB prior to the Separation that will govern each company's respective compensation and benefit obligations with respect to current and former employees, directors and consultants. The Employee Matters Agreement will set forth general principles relating to employee matters in connection with the Separation, such as the assignment of employees, the assumption and retention of liabilities and related assets, expense reimbursements, workers' compensation, leaves of absence, the provision of comparable benefits, employee service credit, the sharing of employee information and duplication or acceleration of benefits.

The Employee Matters Agreement generally will allocate liabilities and responsibilities relating to employment, compensation and benefits-related matters, with (i) LB generally retaining liabilities (both pre- and post-Distribution) and responsibilities with respect to (a) LB employees and participants who will remain with (or who will otherwise transfer to) LB and former employees who were last actively employed by LB primarily in its business and (b) benefit plans and programs sponsored by LB and (ii) VS assuming liabilities (both pre- and post-Distribution) and responsibilities with respect to (a) employees and participants who will transfer with VS in connection with the Separation and former employees who were last actively employed primarily in the Spin Business and (b) benefit plans and programs sponsored by VS. The Employee Matters Agreement will provide that, following the Distribution, VS active employees generally will no longer participate in benefit plans sponsored or maintained by LB and will commence participation in VS benefit plans, subject to the terms of the L Brands to VS Transition Services Agreement.

In addition, during the 24 month period following the Separation (or, for employees providing transition services under the L Brands to VS Transition Services Agreement or the VS to L Brands Transition Services Agreement, as applicable, through the date on which the applicable transition service period ends, if later), each of LB and VS will be subject to mutual nonsolicit and no hire restrictions, subject to certain exceptions set forth in the Employee Matters Agreement.

Effective on or prior to the Distribution, except as otherwise expressly provided in the Employee Matters Agreement, the L Brands to VS Transition Services Agreement or otherwise agreed between LB and VS, to the extent not already employed by VS or one of its applicable subsidiaries, the employment of each VS employee will be transferred to VS or one of its applicable subsidiaries, and VS or one of its subsidiaries will generally assume responsibility for any individual employment, retention, severance or similar agreements applicable to such VS employee. Any employees who transfer to VS following the Distribution Date (including in connection with any transition services) will be deemed a VS employee as of the date of such transfer.

Each VS employee participating in a cash bonus plan maintained by LB in respect of the spring 2021 performance period will remain eligible to receive such cash bonus award, subject to the terms of the applicable bonus plan and actual achievement of applicable performance goals determined as of the end of the performance period. The actual spring 2021 cash bonuses payable to VS employees will be paid by VS in accordance with the terms of the applicable LB cash bonus plan, and LB will reimburse VS for the aggregate cost of the Spring 2021 bonuses paid by VS to VS employees. The Employee Matters Agreement will also set forth the treatment of any outstanding equity awards. For additional details regarding the treatment of outstanding equity awards in connection with the Separation, see “Separation—Treatment of Outstanding Equity Compensation Awards” above.

Domestic Transportation Services Agreement

In connection with the Separation, we intend to enter into a Domestic Transportation Services Agreement with a subsidiary of LB pursuant to which LB’s subsidiary will continue to provide transportation services for certain personal care and apparel merchandise of the Spin Business in the United States and Canada for an initial term of three years following the Distribution, which term will thereafter continuously renew unless and until we or LB’s subsidiary elect to terminate the arrangement upon 18 or 36 months’ prior written notice, respectively. LB’s subsidiary will indemnify VS from liabilities for claims arising from such subsidiary’s breach of the agreement, such subsidiary’s violation of applicable law or such subsidiary’s gross negligence, fraud or willful misconduct. VS will indemnify LB’s subsidiary from liabilities for claims arising from VS’s use of the services or breach of the agreement, the merchandise of the Spin Business subject to the agreement, VS’s violation of applicable law or VS’s gross negligence, fraud or willful misconduct. Subject to certain customary exceptions, the maximum aggregate liability of each of VS and LB’s subsidiary under the Domestic Transportation Services Agreement in any calendar year will be limited to $7,500,000. LB’s subsidiary’s maximum liability for lost, damaged, destroyed or stolen VS products under the agreement will be $250,000 per occurrence, provided that if LB's subsidiary recovers a greater amount under its third-party service provider contracts, it will pass through such excess recovery to VS, or $5,000,000 per calendar year.

Commercial Arrangements

We intend to enter into certain other commercial arrangements with LB in connection with the Separation. These commercial arrangements will include a campus security and emergency operations services agreement pursuant to which VS or a subsidiary thereof will continue to provide campus security and emergency operations services for LB for an initial term of three years following the Distribution, which term will thereafter continuously renew unless and until we or LB elect to terminate the arrangement upon 12 months’ prior notice. In addition, we intend to enter into agreements relating to the ownership, management, maintenance, support and use of certain shared aircraft, pursuant to which LB will operate the aircraft and allocate to the Spin Business its share of the operating costs. We also intend to enter into an agreement pursuant to which LB will lease to VS a portion of one of LB’s distribution centers and an agreement pursuant to which LB will grant VS a limited, non-exclusive, royalty-free license to use certain of LB’s formulas relating to certain candle bases and fragrances in certain VS candle products for two years following the Distribution. These agreements modify our historical intercompany arrangements, and we do not believe such commercial arrangements are material to the Spin Business.

Transferability of Shares of Our Common Stock

The shares of our common stock that you will receive in the Distribution will be freely transferable, unless you are considered an “affiliate” of ours under Rule 144 under the Securities Act. Persons who can be considered our affiliates after the Separation generally include individuals or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with us, and may

include certain of our officers and directors. In addition, individuals who are affiliates of LB on the Distribution Date may be deemed to be affiliates of ours. We estimate that our directors and executive officers, who may be considered "affiliates" for purposes of Rule 144, will beneficially own approximately shares of our common stock immediately following the Separation. See "Ownership of Common Stock by Certain Beneficial Owners and Management" included elsewhere in this information statement. Our affiliates may sell shares of our common stock received in the Distribution only:

- Under a registration statement that the SEC has declared effective under the Securities Act; or
- Under an exemption from registration under the Securities Act, such as the exemption afforded by Rule 144.

In general, under Rule 144 as currently in effect, an affiliate will be entitled to sell, within any three-month period, a number of shares of our common stock that does not exceed the greater of:

- One percent of our common stock then outstanding; or
- The average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 for the sale.

Rule 144 also includes notice requirements and restrictions governing the manner of sale for sales by our affiliates. Sales may not be made under Rule 144 unless certain information about us is publicly available.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to LB stockholders who are entitled to receive shares of our common stock in the Distribution. The information statement is not, and is not to be construed as, an inducement or encouragement to buy, hold or sell any of our securities. We believe the information contained in this information statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither LB nor we undertake any obligation to update such information except in the normal course of our respective public disclosure obligations.

DIVIDEND POLICY

We do not currently intend to pay any cash dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business. The declaration and amount of any dividends to holders of our common stock will be at the discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, cash flows, capital requirements of our business, covenants associated with our debt obligations, legal requirements, regulatory constraints, industry practice and any other factors the Board of Directors deems relevant. In addition, our ability to pay cash dividends on our capital stock may be limited by the terms of any future debt or preferred securities we issue or any credit facilities we enter into.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of May 1, 2021 on a historical and pro forma basis to give effect to the Separation and other matters, as discussed in "The Separation."

The pro forma adjustments are based upon available information and assumptions that management believes are reasonable; however, such adjustments are subject to change based on the finalization of the terms of the Separation and the agreements which define our relationship with LB after the completion of the Separation. In addition, such adjustments are estimates and may not prove to be accurate.

You should read the information in the following table together with "Selected Historical Combined Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Combined Financial Statements" and our historical combined financial statements and the related notes included elsewhere in this information statement.

We are providing the capitalization table for information purposes only. The capitalization table below may not reflect the capitalization or financial condition that would have resulted had we been operating as an independent, publicly traded company on May 1, 2021 and is not necessarily indicative of our future capitalization or financial condition.

	As of May 1, 2021	
	Actual (Unaudited)	Pro Forma (Unaudited)
	(in millions)	
Cash and cash equivalents[1]	$ 332	$ 250
Indebtedness:		
Long-term debt[2]	—	975
Long-term debt due to related party[3]	97	—
Total indebtedness	97	975
Equity:		
Common stock, par value $0.01 per share; shares authorized, shares issued and outstanding, pro forma[4]	—	—
Paid-in capital[4]	—	95
Accumulated other comprehensive income	7	7
Net investment by L Brands. Inc.[4]	1,000	—
Total equity	1,007	102
Total capitalization	$1,104	$1,077

(1) Reflects an expected cash amount of $250 million at Separation following receipt of debt proceeds and the cash transfer to LB (including the LB Cash Payment).

(2) Reflects an estimated $1.0 billion of new long-term debt from senior notes and/or term loan facilities we expect to incur in connection with the Separation, less $25 million of estimated debt issuance costs.

(3) Reflects that we will no longer have the related party note at the time of the Separation.

(4) At Separation, LB's net investment in us will be eliminated to reflect the distribution of our common stock to LB's stockholders, at an exchange ratio of one share of our common stock for every shares of LB common stock.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The unaudited pro forma combined financial statements consist of an unaudited pro forma combined statement of income (loss) for the thirteen weeks ended May 1, 2021 and for the year ended January 30, 2021 and an unaudited pro forma combined balance sheet as of May 1, 2021. The unaudited pro forma combined financial statements should be read in conjunction with our historical audited combined financial statements and the related notes, "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this information statement. The unaudited pro forma combined statement of income (loss) has been prepared to give effect to the Pro Forma Transactions (as defined below) as if the Pro Forma Transactions had occurred or became effective as of February 2, 2020, the beginning of our most recently completed fiscal year. The unaudited pro forma combined balance sheet has been prepared to give effect to the Pro Forma Transactions as though the Pro Forma Transactions had occurred as of May 1, 2021. The unaudited pro forma combined financial statements constitute forward-looking information and are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. See "Special Note Regarding Forward-Looking Statements."

The unaudited pro forma combined financial statements presented below have been derived from our historical audited combined financial statements and the unaudited combined interim financial statements included elsewhere in this information statement and do not purport to represent what our financial position and results of operations would have been had the Separation occurred on the dates indicated and are not necessarily indicative of our future financial position and future results of operations. In addition, the unaudited pro forma combined financial statements are provided for illustrative and informational purposes only. The pro forma adjustments are based on available information and assumptions we believe are reasonable; however, such adjustments are subject to change.

LB did not account for us as, and we were not operated as, an independent, publicly traded company for the periods presented. Our unaudited pro forma combined financial statements have been prepared to reflect adjustments to our historical audited combined financial statements that are (1) directly attributable to the Pro Forma Transactions; (2) factually supportable; and (3) with respect to the unaudited pro forma statement of income (loss), expected to have a continuing impact on our results of operations. The unaudited pro forma combined financial statements have been adjusted to give effect to the following (the "Pro Forma Transactions"):

- The contribution by LB to us of certain of the assets and liabilities that comprise the Spin Business and the retention by LB of certain specified assets and liabilities reflected in our historical combined financial statements, in each case, pursuant to the Separation and Distribution Agreement;
- The anticipated post-Separation capital structure, including: (i) the incurrence of debt and the LB Cash Payment; and (ii) the issuance of our common stock to holders of LB common stock;
- The resulting elimination of LB's net investment in us;
- Transaction costs specifically related to the Separation; and
- The impact of, and transactions contemplated by, the Separation and Distribution Agreement, Tax Matters Agreement, L Brands to VS Transition Services Agreement, VS to L Brands Transition Services Agreement, Employee Matters Agreement, Domestic Transportation Services Agreement and other agreements related to the Separation between us and LB and the provisions contained therein.

A final determination regarding our capital structure has not yet been made, and the Separation and Distribution Agreement, Tax Matters Agreement, L Brands to VS Transition Services Agreement, VS to L Brands Transition Services Agreement, Employee Matters Agreement, Domestic Transportation Services Agreement and certain other transaction agreements have not been finalized. As such, the pro forma statements may be revised in future amendments to reflect the impact on our capital structure and the final form of those agreements, to the extent any such revisions would be deemed material.

The operating expenses reported in our historical audited combined statements of income (loss) and unaudited combined interim statements of income (loss) include allocations of certain LB costs, such as corporate costs, shared services, and other related costs that benefit us.

As an independent, publicly traded company, we expect to incur additional recurring expenses. The significant assumptions involved in determining our estimates of the recurring costs of being an independent, publicly traded company include:

- Costs to perform financial reporting, tax, regulatory compliance, corporate governance, treasury, legal, internal audit and investor relations activities;
- Compensation, including equity-based awards, and benefits with respect to new and existing positions;
- Depreciation and amortization related to incremental information technology infrastructure investments;
- Insurance premiums; and
- Changes in our overall facility costs.

Incremental recurring expenses attributable to these additional activities are estimated to be approximately $100 million before income taxes annually. A pro forma adjustment has not been made to the accompanying unaudited pro forma combined statement of income to reflect these additional expenses because they are projected amounts based on estimates that are not factually supportable.

We currently estimate that we will incur between $100 million and $150 million in capital expenditures and expense over a period of time to separate and implement information systems as we become an independent, publicly traded company. These estimated costs will consist of internal and external labor, software licensing, networking, security and physical infrastructure required to separate the current information technology capabilities (systems & infrastructure) in support of two independent companies. The accompanying unaudited pro forma combined statements of income (loss) and the unaudited pro forma combined balance sheet have not been adjusted for these estimated costs and capital expenditures as they are projected amounts based on estimates that are not factually supportable.

Subject to the terms of the Separation and Distribution Agreement, LB will pay all nonrecurring third-party costs and expenses related to the Separation and incurred prior to the completion of the Separation. Such nonrecurring amounts are expected to include investment banker fees (other than fees and expenses in connection with the debt financing), third-party legal and accounting fees, and similar costs. After the completion of the Separation, subject to the terms of the Separation and Distribution Agreement, the L Brands to VS Transition Services Agreement, the VS to L Brands Transition Services Agreement and other agreements entered into between LB and us in connection with the Separation, all costs and expenses related to the Separation incurred by either LB or us will be borne by the party incurring the costs and expenses unless otherwise agreed between LB and us.

Our retained cash balance is subject to adjustments prior to and following the completion of the Separation. The following unaudited pro forma combined balance sheet does not reflect any such adjustments, as the amounts are not currently determinable and would represent a financial projection.

Victoria's Secret & Co.
Unaudited Pro Forma Combined Balance Sheet
As of May 1, 2021
(in millions, except par value amounts)

	Historical	Pro Forma Adjustments[1]	Pro Forma
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 332	$ (82)(a)	$ 250
Accounts Receivable, Net	111	—	111
Due from Related Parties	2	—	2
Inventories	761	—	761
Prepaid Expenses	39	—	39
Other	54	—	54
Total Current Assets	1,299	(82)	1,217
Property and Equipment, Net	1,036	—	1,036
Operating Lease Assets	1,602	—	1,602
Trade Name	246	—	246
Deferred Income Taxes	13	(3)(c)	10
Other Assets	51	—	51
Total Assets	**$4,247**	**$ (85)**	**$4,162**
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts Payable	$ 366	$ —	$ 366
Accrued Expenses and Other	688	—	688
Current Operating Lease Liabilities	356	—	356
Income Taxes Payable	29	(7)(c)	22
Due to Related Parties	5	(1)(b)	4
Total Current Liabilities	1,444	(8)	1,436
Deferred Income Taxes	45	26(c)	71
Long-term Debt	—	975(f)	975
Long-term Debt due to Related Party	97	(97)(b)	—
Long-term Operating Lease Liabilities	1,541	—	1,541
Other Long-term Liabilities	113	(76)(c)	37
Total Liabilities	**$3,240**	**$ 820**	**$4,060**
Equity			
Common stock, $0.01 par value; shares authorized, shares issued and outstanding, pro forma	—	(d)	—
Paid-in Capital	—	95(d)	95
Accumulated Other Comprehensive Income	7	—	7
Net Investment by L Brands. Inc.	1,000	(1,000)(d)	—
Total Equity	**1,007**	**(905)**	**102**
Total Liabilities and Equity	**$4,247**	**$ (85)**	**$4,162**

(1) The change in our cost structure related to becoming an independent, publicly traded company is not reflected above.

See Notes to Unaudited Pro Forma Combined Financial Statements.

Victoria's Secret & Co.
Unaudited Pro Forma Combined Statement of Income
Thirteen Weeks Ended May 1, 2021
(in millions, except per share amounts)

	Historical	Pro Forma Adjustments[1]	Pro Forma
Net Sales	$1,554	$ —	$ 1,554
Costs of Goods Sold, Buying and Occupancy	(882)	—	(882)
Gross Profit	672	—	672
General, Administrative and Store Operating Expenses	(446)	5(e)	(441)
Operating Income	226	5	231
Interest Expense	(1)	(11)(b)(f)	(12)
Income before Income Taxes	225	(6)	219
Provision for Income Taxes	51	(2)(c)	49
Net Income	$ 174	$ (4)	$ 170
Pro forma Net Income Per Share:			
Basic	$	$	$
Diluted	$	$	$
Weighted Average Shares:			
Basic			
Diluted			

(1) The change in our cost structure related to becoming an independent, publicly traded company is not reflected above.

See Notes to Unaudited Pro Forma Combined Financial Statements.

Victoria's Secret & Co.
Unaudited Pro Forma Combined Statement of Loss
Year Ended January 30, 2021
(in millions, except per share amounts)

	Historical	Pro Forma Adjustments[1]	Pro Forma
Net Sales	$ 5,413	$ —	$ 5,413
Costs of Goods Sold, Buying and Occupancy	(3,842)	—	(3,842)
Gross Profit	1,571	—	1,571
General, Administrative and Store Operating Expenses	(1,672)	4(e)	(1,668)
Operating Loss	(101)	4	(97)
Interest Expense	(6)	(48)(f)	(54)
Other Income	1	—	1
Loss before Income Taxes	(106)	(44)	(150)
Benefit for Income Taxes	(34)	(11)(c)	(45)
Net Loss	$ (72)	$ (33)	$ (105)
Pro forma Net Loss Per Share:			
Basic	$		$
Diluted	$		$
Weighted Average Shares:			
Basic			
Diluted			

(1) The change in our cost structure related to becoming an independent, publicly traded company is not reflected above.

See Notes to Unaudited Pro Forma Combined Financial Statements.

Notes to Unaudited Pro Forma Combined Financial Statements

(a) The following represents adjustments to reflect an expected cash amount of $250 million at Separation:

	As of May 1, 2021
	(in millions)
Cash Received from Incurrence of Debt	$ 1,000
Cash Transfer to LB at Separation	(1,057)
Cash Paid for Debt Issuance Costs	(25)
Total Pro Forma Adjustment to Cash	$ (82)

(b) At the time of the Separation, we will no longer have long-term debt due to related party of $97 million and associated accrued interest of $1 million. Accordingly, we have removed these amounts from the unaudited pro forma combined balance sheet as of May 1, 2021. Additionally, we have removed the related interest expense from the unaudited pro forma combined statement of income (loss) for the thirteen weeks ended May 1, 2021.

(c) At the time of the Separation, LB will retain the net liabilities associated with uncertain tax positions related to LB's various tax filings, the liability for the one time deemed mandatory repatriation as part of the Tax Cuts and Jobs Act of 2017 and certain deferred tax assets related to losses generated. Accordingly, we have made the following adjustments related to tax assets and liabilities in the unaudited pro forma combined balance sheet as of May 1, 2021:

	As of May 1, 2021
	(in millions)
Deferred Income Tax Assets	$ (3)
Income Taxes Payable	(7)
Deferred Income Tax Liabilities	26
Other Long-Term Liabilities	(76)

The pro forma income tax expense (benefit) adjustment reflects a blended statutory tax rate of 26.0% based on statutory rates by jurisdiction. Management believes the blended statutory tax rate provides a reasonable basis for the pro forma adjustment. However, the effective tax rate of VS could be significantly different depending on actual operating results by jurisdiction and the application of enacted tax law to those specific results. The following summarizes the calculation of our pro forma income tax expense (benefit) adjustment in the unaudited pro forma combined statements of income (loss) for the thirteen weeks ended May 1, 2021 and for the year ended January 30, 2021:

	Thirteen Weeks Ended May 1, 2021	Year Ended January 30, 2021
	(dollars in millions)	
Total Pro Forma Adjustments to Income (Loss) before Income Taxes	$ (6)	$ (44)
Blended Statutory Tax Rate	26.0%	26.0%
Total Pro Forma Adjustment to Income Taxes (Benefit)	$ (2)	$ (11)

(d) Reflects the reclassification of LB's net investment in us, which was recorded in net investment by LB, into additional paid-in-capital and common stock to reflect the assumed issuance of million shares of our common stock with $0.01 par value per share pursuant to the Separation and Distribution Agreement immediately prior to the Separation. We have assumed the number of outstanding shares of our common stock based on the number of shares of LB common stock outstanding on May 1, 2021 and a distribution ratio of one share of our common stock for every shares of LB common stock. The following summarizes the pro forma adjustment to additional paid-in capital:

	As of May 1, 2021
	(in millions)
Net Investment by LB	$ 1,000
Cash Transfer to LB at Separation	(1,057)
Long-Term Debt due Related to Party and Associated Accrued Interest	98
Adjustment Related to Tax Assets and Liabilities, Net	54
Total Pro Forma Adjustment to Additional Paid-In Capital	$ 95

(e) Reflects the removal of $5 million for the thirteen weeks ended May 1, 2021 and $4 million for the year ended January 30, 2021 from the unaudited pro forma combined statements of income (loss), related to transaction costs paid to advisors, attorneys and other third parties directly related to the Separation. Transaction costs have been eliminated as these costs are directly attributable to the Separation and are not expected to have a continuing impact on our operating results following consummation of the Separation.

(f) The adjustments assume that we will incur debt consisting of senior notes and/or term loan facilities and a revolving facility. We expect to incur up to $1.0 billion of new debt from senior notes and/or term loan facilities, the proceeds of which we intend to use to make the LB Cash Payment and to pay related fees and expenses. We currently estimate the debt will have an estimated weighted average interest rate of approximately 4.50%. The terms of such indebtedness are being negotiated and will be finalized prior to the Separation, and the pro forma adjustments may change accordingly. The adjustments also assume that we will incur estimated debt issuance fees of $25 million. We also expect to enter into an asset-based revolving facility, but no amount is expected to be drawn or used to fund the LB Cash Payment.

	Thirteen Weeks Ended May 1, 2021	Year Ended January 30, 2021
	(dollars in millions)	
Interest Expense on Total Debt at Estimated Weighted Average Rate of Approximately 4.50%	$(11)	$(45)
Amortization of Debt Issuance Costs	(1)	(3)
Total Interest Expense from Debt	$(12)	$(48)

A 1/8% variance in the estimated weighted average interest rate on the debt would change the annual interest expense by approximately $1 million.

(g) Pro forma basic earnings per share (EPS) and pro forma basic weighted average number of shares outstanding are based on the number of LB basic weighted average shares outstanding for the thirteen weeks ended May 1, 2021, adjusted for a distribution ratio of one share of our common stock for every shares of LB common stock.

(h) Pro forma diluted EPS and pro forma diluted weighted average number of shares outstanding are based on the number of basic shares of our common stock as described in Note (g) above. The actual dilutive effect following the completion of the Separation will depend on various factors, including employees who may change employment between VS and LB and the impact of equity-based compensation arrangements. We cannot fully estimate the dilutive effects at this time.

SELECTED HISTORICAL COMBINED FINANCIAL DATA

The following table presents our selected historical combined financial data as of and for the thirteen weeks ended May 1, 2021 and May 2, 2020 and for each of the years in the three-year period ended January 30, 2021. We derived the selected historical combined financial data as of January 30, 2021 and February 1, 2020, and for each of the years in the three-year period ended January 30, 2021, from our audited combined financial statements included elsewhere in this information statement. We derived the selected historical combined financial data as of February 2, 2019 from our unaudited combined financial information that is not included in this information statement. We derived the selected historical combined financial data as of and for the thirteen weeks May 1, 2021 and May 2, 2020 from our unaudited interim combined financial statements included elsewhere in this information statement. In management's opinion, the unaudited combined financial information has been prepared on the same basis as our audited combined financial statements and includes all adjustments necessary for a fair statement of the information for the periods presented.

Our historical audited combined financial statements and unaudited combined financial information include costs for certain functions, including information technology, human resources and store design and construction, that historically were provided and administered on a centralized basis by LB. In fiscal year ended January 30, 2021, as part of the steps to prepare VS to operate as a separate standalone company, these functions were transitioned to the VS business and are now operated and administered as part of VS. In addition, for purposes of preparing our audited combined financial statements and the unaudited combined financial information, we have allocated a portion of LB's total corporate expenses, including the related benefit costs associated with such functions such as share-based compensation, to such financial statements, with the allocations related primarily to the support provided by LB executive management and other corporate and governance functions, such as finance, internal audit, tax and treasury. These costs may not be representative of the future costs we will incur as an independent, publicly traded company. In addition, our historical financial information does not reflect changes that we expect to experience in the future as a result of the Separation, including changes in financing, operations, cost structure and personnel needs of our business. Consequently, the financial information included here may not necessarily reflect our financial position, results of operations and cash flows in the future or what our financial condition, results of operations and cash flows would have been had we been an independent, publicly traded company during the periods presented.

Our historical results are not necessarily indicative of financial results to be achieved in future periods, and the historical results for the thirteen weeks ended May 1, 2021 are not necessarily indicative of the results that may be expected for the full year. The selected historical combined financial data presented below should be read in conjunction with our audited combined financial statements and the related notes, our unaudited interim combined financial statements and the related notes, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Unaudited Pro Forma Condensed Combined Financial Statements" and accompanying notes included elsewhere in this information statement.

	Thirteen Weeks Ended		Fiscal Year Ended		
	May 1, 2021	May 2, 2020	January 30, 2021	February 1, 2020	February 2, 2019
Summary of Operations			(in millions)		
Net Sales	$1,554	$894	$5,413	$7,509	$8,103
Gross Profit	672	21	1,571	2,063	2,689
Operating Income (Loss)[(a)]	226	(373)	(101)	(892)	400
Adjusted Operating Income (Loss)[(b)]	226	(276)	98	81	481
Net Income (Loss)	174	(299)	(72)	(897)	251
Adjusted Net Income (Loss)[(b)]	174	(227)	87	50	319
EBITDA[(b)]	306	(285)	226	(480)	818
Adjusted EBITDA[(b)]	306	(188)	425	493	899
			(as a percentage of net sales)		
Gross Profit	43.2%	2.3%	29.0%	27.5%	33.2%
Operating Income (Loss)	14.5%	(41.8)%	(1.9)%	(11.9)%	4.9%
Adjusted Operating Income (Loss)[(b)]	14.5%	(31.0)%	1.8%	1.1%	5.9%
Net Income (Loss)	11.2%	(33.4)%	(1.3)%	(11.9)%	3.1%
Adjusted Net Income (Loss)[(b)]	11.2%	(25.4)%	1.6%	0.7%	3.9%
EBITDA[(b)]	19.6%	(31.9)%	4.2%	(6.4)%	10.1%
Adjusted EBITDA[(b)]	19.6%	(21.1)%	7.9%	6.6%	11.1%

	Thirteen Weeks Ended	Fiscal Year Ended		
	May 1, 2021	January 30, 2021	February 1, 2020	February 2, 2019
Other Financial Information		(in millions)		
Cash and Cash Equivalents	$ 332	$ 335	$ 245	$ 369
Total Assets[c]	4,247	4,229	5,270	4,447
Working Capital[c]	(145)	(317)	(82)	303
Net Cash Provided by Operating Activities	102	674	315	698
Capital Expenditures	(19)	(127)	(225)	(341)
Other Long-term Liabilities[c]	113	113	177	604
Equity	1,007	891	1,314	2,380
Comparable Sales Increase (Decrease)[d]	25%	1%	(8)%	(2)%
Comparable Store Sales Increase (Decrease)[d]	3%	(15)%	(9)%	(6)%
Return on Average Assets[c]	4%	(2)%	(18)%	6%
Current Ratio[c]	0.9	0.8	0.9	1.2
Stores and Associates of End of Period				
Number of Company-Operated Stores	929	933	1,181	1,222
Selling Square Feet of Company-Operated Stores (in thousands)	6,245	6,313	7,693	7,953
Number of Associates	27,700	27,900	44,300	43,100

(a) Operating income (loss) includes the effect of the following special items:

i. In the thirteen weeks ended May 2, 2020, a $97 million charge related to the impairment of certain store assets.

ii. In 2020, a $254 million charge related to the impairment of certain store and lease assets, a $51 million charge related to restructuring actions, a $54 million net gain related to the establishment of a joint venture for the U.K. and Ireland business and a $36 million net gain related to the closure and termination of our lease and the related liability for the Hong Kong flagship store.

iii. In 2019, a $720 million impairment charge related to goodwill and a $263 million charge related to the impairment of certain store and lease assets.

iv. In 2018, a $101 million charge related to the impairment of certain store assets.

(b) See below "—Non-GAAP Financial Measures."

(c) The first quarter of 2021 and fiscal year 2020 and 2019 amounts reflect our adoption of Accounting Standards Codification ("ASC") 842, *Leases*, in 2019.

(d) The percentage change in comparable sales represents direct and comparable store sales. The percentage change in comparable store sales represents the change in sales at comparable stores only and excludes the change in sales from our direct channels. The change in comparable sales provides an indication of period over period growth (decline). A store is typically included in the calculation of comparable sales when it has been open 12 months or more and it has not had a change in selling square footage of 20% or more. Closed stores are excluded from the comparable sales calculation if they have been closed for four consecutive days or more. Upon re-opening, the stores are included in the calculation. Therefore, comparable sales results for the first quarter of 2021 and 2020 exclude the closure period of stores that were closed for four consecutive days or more as a result of the COVID-19 pandemic. Additionally, stores are excluded if total selling square footage in the mall changes by 20% or more through the opening or closing of a second store. The percentage change in comparable sales is calculated on a comparable calendar period as opposed to a fiscal basis. Comparable sales attributable to our international stores are calculated on a constant currency basis.

Non-GAAP Financial Measures

In addition to our results provided throughout this information statement that are in accordance with accounting principles generally accepted in the United States ("GAAP'), provided below are non-GAAP financial measures which present operating income (loss) and net income (loss) for the thirteen weeks ended May 1, 2021 and May 2, 2020, and fiscal years 2020, 2019 and 2018 on an adjusted basis, which remove certain special items. In addition, we present EBITDA and adjusted EBITDA for the thirteen weeks ended May 1, 2021 and May 2, 2020, and fiscal years 2020, 2019 and 2018 which are non-GAAP financial measures. EBITDA is defined as earnings before interest expense, income tax expense and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to remove certain special items. We believe that these special items are not indicative of our ongoing operations due to their size and nature. We use adjusted financial information as key performance measures of results of operations for the purpose of evaluating performance internally. These non-GAAP financial measures are not intended to replace the presentation of our financial results in accordance

with GAAP. Instead, we believe that the presentation of adjusted financial information provides additional information to investors to facilitate the comparison of past and present operations. In particular, EBITDA and Adjusted EBITDA are not an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Additionally, they are not intended to be a measure of free cash flow for management's discretionary use, as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Further, our definition of adjusted financial information may differ from similarly titled measures used by other companies and therefore may not be comparable among companies. The table below reconciles the GAAP financial measures to the non-GAAP financial measures.

The non-GAAP financial measures presented below should be read in conjunction with our audited combined financial statements and the related notes, our unaudited interim combined financial statements and the related notes, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Unaudited Pro Forma Condensed Combined Financial Statements" and accompanying notes included elsewhere in this information statement.

	Thirteen Weeks Ended		Fiscal Year Ended		
	May 1, 2021	May 2, 2020	January 30, 2021	February 1, 2020	February 2, 2019
			(in millions)		
Reconciliation of Operating Income (Loss) to Adjusted Operating Income					
Operating Income (Loss)—GAAP	$226	$(373)	$(101)	$(892)	$400
Asset Impairments[a]	—	97	214	253	81
Restructuring Charges[b]	—	—	51	—	—
Hong Kong Store Closure and Lease Termination[c]	—	—	(36)	—	—
Establishment of Victoria's Secret U.K. and Ireland Joint Venture[d]	—	—	(30)	—	—
Impairment of Goodwill[e]	—	—	—	720	—
Adjusted Operating Income (Loss)	$226	$(276)	$ 98	$ 81	$481
Reconciliation of Net Income (Loss) to Adjusted Net Income					
Net Income (Loss)—GAAP	$174	$(299)	$ (72)	$(897)	$251
Asset Impairments[a]	—	97	214	253	81
Restructuring Charges[b]	—	—	51	—	—
Hong Kong Store Closure and Lease Termination[c]	—	—	(36)	—	—
Establishment of Victoria's Secret U.K. and Ireland Joint Venture[d]	—	—	(30)	—	—
Impairment of Goodwill[e]	—	—	—	720	—
Tax Effect	—	(25)	(40)	(26)	(13)
Adjusted Net Income (Loss)	$174	$(227)	$ 87	$ 50	$319
Reconciliation of Net Income (Loss) to EBITDA					
Net Income (Loss)—GAAP	$174	$(299)	$ (72)	$(897)	$251
Interest Expense	1	2	6	8	2
Income Tax Expense (Benefit)	51	(78)	(34)	(2)	140
Deprecation and Amortization	80	90	326	411	425
EBITDA	$306	$(285)	$ 226	$(480)	$818

	Thirteen Weeks Ended		Fiscal Year Ended		
	May 1, 2021	May 2, 2020	January 30, 2021	February 1, 2020	February 2, 2019
			(in millions)		
Reconciliation of EBITDA to Adjusted EBITDA					
EBITDA	306	(285)	226	(480)	818
Asset Impairments[a]	—	97	214	253	81
Restructuring Charges[b]	—	—	51	—	—
Hong Kong Store Closure and Lease Termination[c]	—	—	(36)	—	—
Establishment of Victoria's Secret U.K. and Ireland Joint Venture[d]	—	—	(30)	—	—
Impairment of Goodwill[e]	—	—	—	720	—
Adjusted EBITDA	$306	$(188)	$425	$ 493	$899

(a) We recognized pre-tax impairment charges of $97 million ($72 million after tax) and $117 million ($99 million after tax) related to certain store and lease assets in the first and second quarter of 2020, respectively. We recognized pre-tax impairment charges of $218 million ($200 million after-tax) and $35 million ($30 million after-tax) related to certain store and lease assets in the third and fourth quarter of 2019, respectively. In the third quarter of 2018, we recognized an $81 million pre-tax impairment charge ($68 million after-tax) related to certain store assets.

(b) In the second quarter of 2020, we recognized pre-tax severance charges of $51 million ($40 million after tax) related to restructuring activities.

(c) In the second quarter of 2020, we recognized a net pre-tax gain of $36 million ($25 million after tax) related to the closure and termination of our lease for the Hong Kong flagship store.

(d) In the third quarter of 2020, we recognized a pre-tax gain of $30 million ($27 million after tax) related to the establishment of a joint venture for the U.K. and Ireland business with Next PLC.

(e) In the fourth quarter of 2019, we recognized a $690 million pre-tax goodwill impairment charge ($687 million after-tax) related to the North America reporting unit. In the third quarter of 2019, we recognized a $30 million goodwill impairment charge (no tax impact) related to the Greater China reporting unit.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations for the quarters ended May 1, 2021 and May 2, 2020 and the three years ended January 30, 2021 should be read in conjunction with our audited combined financial statements and the notes thereto, included elsewhere in this information statement, as well as the information presented under "Unaudited Pro Forma Combined Financial Statements," "Selected Historical Combined Financial Data" and "Business." The following discussion and analysis includes forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those expressed or implied by the forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed elsewhere in this information statement. See in particular "Special Note Regarding Forward-Looking Statements" and "Risk Factors."

Our operating results are generally impacted by economic changes and, therefore, we monitor the retail environment using, among other things, certain key industry performance indicators including competitor performance and mall traffic data. These can provide insight into consumer spending patterns and shopping behavior in the current retail environment and assist us in assessing our performance as well as the potential impact of industry trends on our future operating results. Additionally, we evaluate a number of key performance indicators including comparable sales, gross profit, operating income and other performance metrics such as sales per average selling square foot and inventory per selling square foot in assessing our performance.

Overview

Victoria's Secret is an iconic global brand of women's intimate and other apparel, personal care and beauty products. We sell our products through two brands, Victoria's Secret and PINK. Victoria's Secret is a category-defining global lingerie brand with a leading market position and a rich, 40-year history of serving women across the globe. PINK is a lifestyle brand for the college-oriented customer, built around a strong intimates core. We also sell beauty products under both the Victoria's Secret and PINK brands. Together, Victoria's Secret, PINK and Victoria's Secret Beauty support, inspire and celebrate women through every phase of their life.

Victoria's Secret and PINK merchandise is sold online through our e-commerce platform, through company-operated retail stores located in the U.S., Canada and Greater China, and through international stores and websites operated by partners under franchise, license, wholesale and joint venture arrangements. We have a presence in over 70 countries and generated approximately $5.4 billion in global sales in 2020 across all channels. We believe we benefit from global brand awareness, a wide and compelling product assortment and a powerful, deep connection with our customers.

Our 867 North American stores as of May 1, 2021 represent the majority of our business and, despite the impact of the global COVID-19 pandemic, our North American stores business generated approximately 50% of our revenue in 2020. In addition to our physical stores, our customer-centric digital platform – including our social media following, our websites and our mobile applications – allows us to connect to our customers and communicate with them anytime and anywhere. Sales in our direct channel increased 31% to $2.2 billion in 2020 from $1.7 billion in 2019. We and our partners operated 520 stores outside of North America as of May 1, 2021, including 62 company-operated stores in Greater China and 458 stores internationally outside of China, which are operated by partners under franchise, license, wholesale and joint venture arrangements. Our international stores consist of full assortment stores as well as Victoria's Secret Beauty and Accessories stores. Victoria's Secret Beauty and Accessories stores represent smaller footprint stores including stores in airports and other travel retail locations.

During 2020, we took a number of important steps to improve performance and in preparation to operate as a separate standalone company, including:

- Completing a comprehensive review of our home office organization in order to achieve meaningful reductions in overhead expenses and decentralize significant shared functions and services to support the creation of standalone companies;
- Permanently closing 241 stores in North America;

- Closing the unprofitable Hong Kong flagship store, restructuring lease terms on the two mainland China flagship stores and implementing a significant overhead expense reduction plan; and
- Managing inventories with discipline, including working with suppliers to identify opportunities to reduce merchandise costs in order to increase merchandise margin rates.

In addition, due to challenging business results for our business in the U.K., we entered into Administration in June 2020 to restructure store lease agreements and reduce operating losses in the Victoria's Secret U.K. business. In October 2020, we entered into a joint venture with Next PLC for the business in the U.K. and Ireland. Under this arrangement, we own 49% of the joint venture, and Next owns 51% and is responsible for operations. We account for our investment in the joint venture under the equity method of accounting.

During 2020, COVID-19 had a profound impact on the retail industry and our business. In response, we placed an emphasis on safety. Accordingly, we adopted a new operating model in our stores focused on providing a safe environment, while also delivering an engaging shopping experience. Additionally, we remain focused on the safe operations of our distribution, fulfillment and call centers while maximizing our direct channel. For further information related to the impact of COVID-19, see "Impacts of COVID-19."

Despite operating in the COVID-19 environment, we were able to improve performance, driven primarily by strong growth in our direct channel. Net sales in 2020 declined by 28%, or $2.096 billion, compared to $7.509 billion in 2019. Store comparable sales declined 15% and our direct channel grew sales by 31%, each compared to 2019. Our North America store sales declined by 45%, or $2.317 billion, compared to 2019. Store sales were negatively impacted by the temporary COVID-19-related closures, the permanent closure of 241 North American stores, occupancy restrictions and declines in store traffic. Sales in the direct channel were $2.223 billion, up 31% compared to 2019 despite a temporary suspension of operations in March 2020. We are unable to predict how much of this increase was a shift due to store closures as opposed to a permanent channel shift to on-line selling, as well as how the consumer will engage with our channels in the future and whether the growth in the direct channel will continue after the COVID-19 pandemic subsides. International revenue declined by 44%, or $309 million, compared to 2019, driven by pandemic related store closures and the exclusion of U.K. retail sales due to the establishment of the joint venture with Next. Our operating loss in 2020, which includes allocated corporate expenses for purposes of the "carve-out" financial statements of $77 million in 2020, decreased by $791 million to an operating loss of $101 million in 2020, primarily driven by the benefits of our profit improvement plan and by goodwill impairment charges of $720 million recorded in 2019, partially offset by the impact of store closures as a result of the pandemic in the first half of the year. For additional information related to our 2020 financial performance, see "Results of Operations – 2020 Compared to 2019."

During the first quarter of 2021, net sales increased 74%, or $660 million, to $1.554 billion compared to $894 million in the first quarter of 2020. Our direct channel grew sales by 69%, or $213 million, to $521 million compared to $308 million in the first quarter of 2020. The increase in direct channel sales was due to improved customer response to our merchandise assortment as well as the temporary suspension of operations for approximately one week in March 2020. Our North American store sales increased 82%, or $419 million, to $933 million compared to $514 million in the first quarter of 2020. The increase in store sales was primarily due to comparisons to the COVID-19-related store closures in the first quarter of 2020. Additionally, we believe our performance benefitted from improved assortments and selling execution. Our operating income in the first quarter of 2021, which includes allocated corporate expenses for purposes of the "carve-out" financial statements of $19 million, increased to $226 million compared to a loss of $373 million in the first quarter of 2020, due to improved sales and margin rates, as well as $97 million of store asset impairments recognized in the first quarter of 2020.

We continue to focus on opportunities for improved performance, driven by the brand repositioning work, improved assortments and more disciplined inventory management.

Impacts of COVID-19

In March 2020, the spread of COVID-19 was declared a global pandemic by the World Health Organization. This pandemic has negatively affected the U.S. and global economies, disrupted global supply chains and financial markets, and led to significant travel and transportation restrictions, including mandatory closures and orders to "shelter-in-place." The actions that governments around the world have taken to contain the spread of COVID-19 have resulted in a period of disruption, including closure of our stores, limited store operating hours,

reduced customer traffic and consumer spending and delays in manufacturing and shipping of products and raw materials. During this period, we are focused on protecting the health and safety of our customers, employees, contractors, suppliers and other business partners. We are also working with our suppliers to minimize potential disruptions, while managing our business in response to a changing dynamic. There remains a high level of uncertainty around the pandemic and the potential for further restrictions.

Our business operations and financial performance for 2020 were materially impacted by the COVID-19 pandemic as net sales declined by 28% compared to 2019. During the COVID-19 pandemic, our first priority was and continues to be the safety of our associates and customers. All of our stores in North America were closed on March 17, 2020, but we were able to re-open the majority of our stores as of the beginning of the third quarter of 2020. Store comparable sales in 2020 declined 15% compared to 2019 and our North America store sales in 2020 declined by 45% compared to 2019. Store sales were negatively impacted by the temporary COVID-19-related closures, occupancy restrictions and declines in store traffic, as well as the permanent closure of 241 North American stores. International revenue also declined by 44% in 2020 compared to 2019, driven in part by pandemic related store closures.

Upon reopening, we adopted new operating models in our stores that focused on providing a safe environment for our customers and associates, while also delivering an engaging shopping experience. We followed capacity limitations that ranged from 25% to 50% of normal, reduced store operating hours, closed fitting rooms, added registers to promote social distancing and invested in increased labor to accommodate capacity restrictions and new cleaning protocols and in personal protective equipment for our employees. We will continue to follow local laws to ensure a safe environment.

We are also engaged in maximizing our direct business while focusing on distribution, fulfillment and call center safety during the pandemic. Although operations for our direct channel were temporarily suspended for approximately one week in late March 2020, sales in our direct channel grew 31% in fiscal 2020 to $2.223 billion compared to $1.693 billion in fiscal 2019. We are unable to predict how much of this increase was a shift due to store closures as opposed to a permanent channel shift to online selling, as well as how the consumer will engage with our channels in the future and whether the growth in the direct channel will continue after the COVID-19 pandemic subsides. We have dedicated resources to maximize our fulfillment capacity to meet the significant increase in digital demand, and, as a result, are achieving high productivity while maintaining standard delivery times, despite fulfillment and shipping capacity constraints.

In response to the global COVID-19 crisis, during 2020 we took prudent actions to manage expenses and to preserve cash, including:

- Furloughed most store associates as of April 5, 2020 during the temporary store closures, while continuing to provide healthcare benefits for eligible associates, saving an estimated $150 million;
- Suspended associate merit increases and temporarily reduced salaries for senior vice presidents and above by 20% in 2020;
- Reduced 2020 capital expenditures from $225 million in 2019 to $127 million;
- Actively managed inventory to adjust for the impact of channel shifts to meet customer demand;
- Suspended many store and select office rent payments during the temporary closures. The Company completed negotiations with the majority of landlords, leading to a combination of rent waivers or abatements relating to closure periods, rent relief relating to the post-reopening “recovery” period given traffic declines, and rent deferrals, leading to a one-time total reduction in 2020 occupancy expenses of $90 million; and
- Extended payment terms to vendors.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act which, among other things, provided employer payroll tax credits for wages paid to employees who were unable to work during the COVID-19 pandemic and options to defer payroll tax payments. During 2020, we recognized $28 million of qualified payroll tax credits.

We began to see improvement during the third and fourth quarters of 2020, reflecting positive trends in our direct channel as consumer spending continued to shift towards digital shopping experiences due to the impact of

COVID-19. We also saw positive trends in our stores channel in most markets resulting from fewer store closures as a result of COVID-19 in the second half of 2020 due to the relaxation of pandemic-related restrictions and government stimulus payments. These positive trends continued into the first quarter of 2021. We remain focused on the safe operations of our stores, distribution, fulfillment and call center facilities. Our direct operations were only temporarily suspended for approximately one week in March 2020 and have resumed since. Although we have not experienced significant service disruptions to customers, we continue to work to minimize any impact.

The extent to which the COVID-19 pandemic affects our business will depend on future developments in the United States and around the world, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions required to contain and treat it, among others. As the timing and availability of vaccines will be different around the world, we believe the pace of the recovery will vary by geography depending on both vaccine distribution and other macroeconomic factors. Future waves of the pandemic could require us to close stores again if certain restrictions are reinstated by state and local authorities. The Company anticipates, and continues to take necessary, proactive steps to accommodate a prolonged COVID-19 operating environment. Although the ultimate impact of the COVID-19 pandemic on our business and financial results remains uncertain, a continued and prolonged public health crisis such as the COVID-19 pandemic could have a material negative impact on our business, operating results and financial condition. See “Risk Factors —Risks Relating to Our Business— The COVID-19 global pandemic has had and is expected to continue to have an adverse effect on our business and results of operations” for additional information.

Key Factors Affecting Our Business

We believe the key business and marketplace factors, independent of the health and economic impact of the COVID-19 pandemic, that are impacting our business include the following:

- ***Expanding Existing Products and Adding New Products***. Our success has been enabled by the breadth of our product offering, our consumer-insight driven approach and our leading innovation capabilities. We intend to increase our market share in our existing categories and continue investing in the development and introduction of new products and categories, which we expect will increase our share of our customers’ spend and support future growth. We believe we have opportunities for continued improved performance, driven by improved assortments and more disciplined inventory management.
- ***Challenging Retail Environment***. We are currently operating in a complex, unpredictable and challenging retail environment with rapidly changing traffic, shopping and promotional patterns. The mix between mall-based retailing and online shopping continues to shift. In developed economies, mixed real wage growth and shifts in consumer spending also continue to pressure global discretionary spending. Consumers continue to focus on value pricing and convenience with increased expectations for real-time delivery.
- ***Macroeconomic Trends***. Macroeconomic factors may affect consumer spending patterns and thereby our results of operations. These factors include general economic conditions, inflation, consumer confidence, employment rates, business conditions, changes in the housing market, the availability of credit, interest rates, tax rates and fuel and energy costs. Factors that impact consumer discretionary spending, which remains volatile globally, continue to create a complex and challenging retail environment for us and our distribution partners. We intend to continue to evaluate and adjust our operating strategies, foreign currency and cost management opportunities to help mitigate any impacts on our results of operations resulting from broader macroeconomic conditions and policy changes, while remaining focused on the long-term growth of our business.
- ***Increased Competition***. More competitors are seeking growth in our categories, thereby increasing competition globally. Some of these competitors are entering markets where we already have a mature business, and may provide consumers discretionary purchase alternatives or lower-priced product offerings.
- ***Sourcing and Supply Chain Management***. For our business to be successful, our suppliers must provide us with quality products in substantial quantities, in compliance with regulatory requirements, at acceptable costs and on a timely basis. Competition for resources throughout the supply chain, such

as production and transportation capacities, has increased. Trends affecting the supply chain include the impact of fluctuating prices of labor and raw materials as well as limitations on shipping capacity. In addition, the announcement or imposition of any new or increased tariffs, duties or taxes could adversely affect our supply chain.

- ***Foreign Currencies***. Although our revenue and expenses have been predominantly denominated in U.S. dollars, we earn revenues, pay expenses, hold assets and incur liabilities in currencies other than the U.S. dollar. Foreign currencies continue to be volatile. Significant fluctuations of the U.S. dollar against various foreign currencies, including the Euro, British Pound and Chinese Yuan may impact our financial results, affecting translation, and revenue, operating margins and net income.
- ***Regulations***. The current environment has introduced greater uncertainty with respect to potential tax and trade regulations. The current domestic and international political environment, including potential changes related to global trade, tariffs and taxation, have resulted in uncertainty Such changes may require us to modify our current sourcing practices, which may impact our product costs and, if not mitigated, could have a material adverse effect on our business and results of operations.
- ***Public Company Costs***. As a result of the Separation and costs associated with running an independent, publicly traded company, we expect to incur expenditures that are higher than historical allocations, which may have an impact on our profitability and operating cash flows.

These factors contribute to a global market environment of intense competition, constant product innovation and continuing cost pressure, and combine with the continuing global economic conditions to create a challenging commercial and economic environment. We evaluate these factors as we develop and execute our strategies. For more information on the risk factors affecting our business, see “Risk Factors” in this information statement.

Background

On May 11, 2021, LB announced the repositioning of LB through the spinoff of the VS Business from its remaining business to create an independent, publicly traded company. Directly or indirectly through our subsidiaries, we will hold certain assets and liabilities of the VS Business after the Separation. Each holder of LB common stock will receive one share of common stock of VS for every shares of LB common stock held as of the close of business on the record date for the Distribution. Following the Separation, we will be an independent, publicly traded company, and LB will retain no ownership interest in us. For additional information, see “The Separation.”

Basis of Presentation

We have historically operated as part of LB and not as a standalone company. The accompanying audited combined financial statements and unaudited interim combined financial statements included in this information statement were prepared in connection with the Separation and were derived from the consolidated financial statements and accounting records of LB. These combined financial statements reflect our combined historical financial position, results of operations, and cash flows as they were historically managed in accordance with GAAP. The combined financial statements may not be indicative of our future performance and do not necessarily reflect what the financial position, results of operations, and cash flows would have been had we operated as an independent, publicly traded company during the periods presented, particularly because of changes we expect to experience in the future as a result of the Separation, including changes in the financing, cash management, operations, cost structure and personnel needs of our business.

The combined financial statements include certain LB assets and liabilities that are specifically identifiable or otherwise attributable to us. Our combined statements of income (loss) also include costs for certain functions, including information technology, human resources and store design and construction, that historically were provided and administered on a centralized basis by LB. In 2020, as part of the steps to prepare VS to operate as a separate standalone company, these functions were transitioned to the VS business and are now operated and administered as part of VS. Prior to the transition of these functions in 2020, these costs were directly charged to us by LB.

In addition, for purposes of preparing the combined financial statements on a “carve-out” basis, a portion of LB’s corporate expenses have been allocated to us. These expense allocations include the cost of corporate

functions and resources that continued to be provided by or administered by LB including, but not limited to, executive management and other corporate and governance functions, such as finance, internal audit, tax and treasury. The related employee payroll and benefit costs associated with such functions, such as share-based compensation, are included in the expense allocations. Corporate expenses of $77 million in 2020, $110 million in 2019 and $118 million in 2018 were allocated and are included in our combined statements of income (loss). Corporate expenses of $19 million in the first quarter of 2021 and $20 million in the first quarter of 2020 were allocated and are included in our interim combined statements of income (loss).

Costs were allocated to us based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net sales. Management considers the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to, or the benefit received by, us during the periods presented. However, the allocations may not reflect the expenses we would have incurred if we had been a standalone company for the periods presented. Actual costs that may have been incurred if we had been a standalone company would depend on a number of factors, including the organizational structure, whether functions were outsourced or performed by employees, and strategic and capital decisions. Going forward, we may perform these functions using our own resources or outsourced services. For a period following the Separation, however, some of these functions will continue to be provided to us by LB under a L Brands to VS Transition Services Agreement. Additionally, we will temporarily provide some services to LB under a VS to L Brands Transition Services Agreement. We also will enter into certain commercial arrangements with LB in connection with the Separation.

Subsequent to the completion of the Separation, we expect to incur expenditures to establish certain standalone functions and information technology systems, and other one-time costs. Recurring standalone costs include accounting, tax, regulatory compliance, corporate governance, treasury, legal, internal audit and investor relations functions, as well as the annual expenses associated with running an independent, publicly traded company including listing fees, board of director fees and external audit costs. We expect recurring standalone costs to be higher than historical allocations, which may have an impact on profitability and operating cash flows. See “Unaudited Pro Forma Combined Financial Statements” for more information.

We manage and evaluate business activities based on geography and, as a result, determined that the Victoria’s Secret North America and Victoria’s Secret International businesses are our operating segments. The North America and International operating segments both sell women’s intimate and other apparel and beauty products under the Victoria’s Secret and PINK brand names and serve customers through stores and online channels. The operating segments share similar economic and other qualitative characteristics and, therefore, the results are aggregated into one reportable segment.

Our fiscal year ends on the Saturday nearest to January 31. As used herein, “2020,” “2019” and “2018” refer to the 52-week periods ended January 30, 2021, February 1, 2020 and February 2, 2019, respectively. As used herein, “first quarter of 2021” and “first quarter of 2020” refer to the thirteen weeks ended May 1, 2021 and May 2, 2020, respectively.

Components of Results of Operations

Net Sales

Net sales are comprised of sales to our customers in our company-operated stores in the U.S., Canada, Greater China and the U.K. (prior to the joint venture in the third quarter of 2020); sales to our customers through our direct channel; royalties associated with franchise stores; and wholesale and sourcing sales related to partner-operated stores. Our net sales reflect certain adjustments and other items including gift card breakage revenue, revenue earned in connection with our private label credit card arrangement, revenue associated with certain loyalty programs that allow customers to earn points based on purchasing activity and a reserve for projected merchandise returns.

Cost of Goods Sold, Buying and Occupancy

Costs of goods sold include merchandise costs, net of discounts and allowances, freight and inventory shrinkage. Buying and occupancy expenses primarily include payroll, benefit costs and operating expenses for our buying departments and distribution network; and rent, common area maintenance, real estate taxes, utilities, maintenance, fulfillment expenses and depreciation for our stores, warehouse facilities and equipment.

General, Administrative and Store Operating Expenses

General, administrative and store operating expenses primarily include payroll and benefit costs for our store-selling and administrative departments (including corporate functions), marketing, advertising and other operating expenses not specifically categorized elsewhere in the combined statements of income (loss).

General, administrative and store operating expenses include allocations of costs for certain centralized functions and programs provided and administered by LB. See "—Basis of Presentation" above and Note 1 to our audited combined financial statements and unaudited interim combined financial statements for further details on our methodology for allocating these costs. Allocations of expenses from LB are not necessarily indicative of future expenses and do not necessarily reflect results that would have been achieved as an independent, publicly traded company for the periods presented. Recurring standalone costs may be higher than historical allocations, which may have an impact on profitability and operating cash flows. See "Unaudited Pro Forma Combined Financial Statements" for more information.

Impairment of Goodwill

In 2019, our goodwill impairment assessments concluded that the carrying values of our North America and Greater China reporting units exceeded their fair values. Accordingly, we recognized pre-tax goodwill impairment charges of $720 million in 2019.

Interest Expense

Interest expense relates to borrowings specifically attributable to us and our legal obligations. Our future capital structure may result in a substantial increase in interest expense.

Other Income (Loss)

Other Income (loss) primarily consists of non-operating foreign currency activity and interest earned on our cash and cash equivalents balances.

Company-Operated Store Data

The following table compares the first quarter of 2021 U.S. company-operated store data to the first quarter of 2020:

	First Quarter		
	2021	2020	% Change
Sales per Average Selling Square Foot(a)	154	71	117%
Sales per Average Store (in thousands)(a)	1,064	464	129%
Average Store Size (selling square feet)	6,885	6,587	5%
Total Selling Square Feet (in thousands)	5,790	6,804	(15)%

(a) Sales per average selling square foot and sales per average store, which are indicators of store productivity, are calculated based on store sales for the period divided by the average, including the beginning and end of period, of total square footage and store count, respectively. As a result of the COVID-19 pandemic, all our stores in the U.S. were closed on March 17, 2020 and nearly all stores remained closed throughout the remainder of the first quarter of 2020. As a result, comparisons of year-over-year trends are not a meaningful way to discuss our operating results this quarter.

The following table compares 2020 U.S. company-operated store data to the comparable periods for 2019 and 2018:

				% Change	
	2020	2019	2018	2020	2019
Sales per Average Selling Square Foot[a]	415	684	739	(39)%	(7)%
Sales per Average Store (in thousands)[a]	2,789	4,455	4,763	(37)%	(6)%
Average Store Size (selling square feet)	6,928	6,551	6,484	6%	1%
Total Selling Square Feet (in thousands)	5,861	6,898	7,119	(15)%	(3)%

(a) Sales per average selling square foot and sales per average store, which are indicators of store productivity, are calculated based on store sales for the period divided by the average, including the beginning and end of period, of total square footage and store count, respectively. As a result of the COVID-19 pandemic, all our stores in the U.S. were closed on March 17, 2020 with the majority having been re-opened as of the beginning of the third quarter. As a result, comparisons of 2020 trends to prior years is not a meaningful way to discuss our operating results.

The following table represents company-operated store data for the first quarter of 2021:

	Stores at January 30, 2021	Opened	Closed	Stores at May 1, 2021
U.S.	846	—	(5)	841
Canada	25	1	—	26
Greater China — Beauty and Accessories	36	1	(1)	36
Greater China — Full Assortment	26	—	—	26
Total	**933**	**2**	**(6)**	**929**

The following table represents company-operated store data for the first quarter of 2020:

	Stores at February 1, 2020	Opened	Closed	Stores at May 2, 2020
U.S.	1,053	1	(21)	1,033
Canada	38		(1)	37
U.K. / Ireland	26	—	—	26
Greater China — Beauty and Accessories	41	—	(1)	40
Greater China — Full Assortment	23	1	—	24
Total	**1,181**	**2**	**(23)**	**1,160**

The following table represents company-operated store data for 2020:

	Stores at February 1, 2020	Opened	Closed	Transferred to U.K. Joint Venture	Stores at January 30, 2021
U.S.	1,053	21	(228)	—	846
Canada	38	—	(13)	—	25
U.K. / Ireland	26	—	—	(26)	—
Greater China – Beauty and Accessories	41	1	(6)	—	36
Greater China – Full Assortment	23	4	(1)	—	26
Total	**1,181**	**26**	**(248)**	**(26)**	**933**

The following table represents company-operated store data for 2019:

	Stores at February 2, 2019	Opened	Closed	Stores at February 1, 2020
U.S.	1,098	7	(52)	1,053
Canada	45	—	(7)	38
U.K. / Ireland	26	—	—	26
Greater China – Beauty and Accessories	38	10	(7)	41
Greater China – Full Assortment	15	8	—	23
Total	**1,222**	**25**	**(66)**	**1,181**

The following table represents company-operated store data for 2018:

	Stores at February 3, 2018	Opened	Closed	Stores at February 2, 2019
U.S.	1,124	3	(29)	1,098
Canada	46	—	(1)	45
U.K. / Ireland	24	2	—	26
Greater China – Beauty and Accessories	29	13	(4)	38
Greater China – Full Assortment	7	8	—	15
Total	**1,230**	**26**	**(34)**	**1,222**

Partner-Operated Store Data

The following table represents partner-operated store data for the first quarter of 2021:

	Stores at January 30, 2021	Opened	Closed	Stores at May 1, 2021
Beauty and Accessories	338	2	(3)	337
Full Assortment	120	1	—	121
Total	**458**	**3**	**(3)**	**458**

The following table represents partner-operated store data for the first quarter of 2020:

	Stores at February 1, 2020	Opened	Closed	Stores at May 2, 2020
Beauty and Accessories	360	—	(7)	353
Full Assortment	84	2	—	86
Total	**444**	**2**	**(7)**	**439**

The following table represents partner-operated store data for 2020:

	Stores at February 1, 2020	Opened	Closed	Transferred to U.K. Joint Venture	Stores at January 30, 2021
Beauty and Accessories	360	8	(30)	—	338
Full Assortment	84	12	(2)	26	120
Total	**444**	**20**	**(32)**	**26**	**458**

The following table represents partner-operated store data for 2019:

	Stores at February 2, 2019	Opened	Closed	Stores at February 1, 2020
Beauty and Accessories	383	24	(47)	360
Full Assortment	56	28	—	84
Total	**439**	**52**	**(47)**	**444**

The following table represents partner-operated store data for 2018:

	Stores at February 3, 2018	Opened	Closed	Stores at February 2, 2019
Beauty and Accessories	397	32	(46)	383
Full Assortment	37	19	—	56
Total	**434**	**51**	**(46)**	**439**

Results of Operations

First Quarter of 2021 Compared to First Quarter of 2020

The following table summarizes our results of operations for the periods presented:

	2021	2020	% Change
First Quarter		**(in millions)**	
Net Sales	$1,554	$ 894	74%
Costs of Goods Sold, Buying and Occupancy	(882)	(873)	1%
Gross Profit	672	21	3,100%
General, Administrative and Store Operating Expenses	(446)	(394)	13%
Operating Income (Loss)	226	(373)	161%
Interest Expense	(1)	(2)	(50)%
Other Income (Loss)	—	(2)	100%
Income (Loss) Before Income Taxes	225	(377)	160%
Provision (Benefit) for Income Taxes	51	(78)	165%
Net Income (Loss)	$ 174	$ (299)	158%
Gross Profit	43.2%	2.3%	
Operating Profit (Loss)	14.5%	(41.8)%	

Results of Operations—First Quarter of 2021 Compared to First Quarter of 2020

For the first quarter of 2021, our operating income, which includes allocated corporate expenses for purposes of the "carve-out" financial statements of $19 million, increased to $226 million compared to a loss of $373 million in the first quarter of 2020, and the operating income rate improved to 14.5% from (41.8)%. The following information summarizes our results of operations for the first quarter of 2021 compared to the first quarter of 2020.

Net Sales

The following table provides net sales for the first quarter of 2021 in comparison to the first quarter of 2020:

First Quarter	2021	2020	% Change
		(in millions)	
Stores - North America	$ 933	$ 514	82%
Direct	521	308	69%
International(a)	100	72	39%
Total	**$ 1,554**	**$ 894**	**74%**

(a) Results include company-operated stores in the U.K. (before our joint venture with Next) and Greater China, and royalties associated with franchised stores and wholesale sales.

The following table provides a reconciliation of net sales for the first quarter of 2021 in comparison to the first quarter of 2020:

First Quarter	(in millions)
2020 Net Sales	$ 894
Comparable Store Sales	12
Sales Associated with New, Closed and Non-comparable Stores, Net(a)	401
Direct Channel	212
Private Label Credit Card	3
International Wholesale, Royalty and Other	29
Foreign Currency Translation	3
2021 Net Sales	$ 1,554

(a) Includes the increased sales from period over period due to the 2020 COVID-19-related stores closures.

The following table compares comparable sales for the first quarter of 2021 in comparison to the first quarter of 2020:

First Quarter	2021	2020
Comparable Sales (Stores and Direct)(a)	25%	(15)%
Comparable Store Sales(a)	3%	(18)%

(a) The percentage change in comparable sales represents direct and comparable store sales. The percentage change in comparable store sales represents the change in sales at comparable stores only and excludes the change in sales from our direct channel. The change in comparable sales provides an indication of period over period growth (decline). A store is typically included in the calculation of comparable sales when it has been open 12 months or more and it has not had a change in selling square footage of 20% or more. Closed stores are excluded from the comparable sales calculation if they have been closed for four consecutive days or more. Upon re-opening, the stores are included in the calculation. Therefore, comparable sales results for the first quarter of 2021 and 2020 exclude the closure period of stores that were closed for four consecutive days or more as a result of the COVID-19 pandemic. Additionally, stores are excluded if total selling square footage in the mall changes by 20% or more through the opening or closing of a second store. The percentage change in comparable sales is calculated on a comparable calendar period as opposed to a fiscal basis. Comparable sales attributable to our international stores are calculated on a constant currency basis.

In the stores channel in the first quarter of 2021, our North America net sales increased $419 million, or 82% compared to the first quarter of 2020, to $933 million. Store sales improved compared to the prior year period due to the COVID-19-related store closures in the first quarter of 2020, partially offset by the impact of the permanent closure of 241 stores in North America in 2020. As a result of the COVID-19 pandemic, all stores in North America were closed on March 17, 2020, and nearly all remained closed throughout the remainder of the first quarter of 2020. The increase in comparable store sales was driven by a significant increase in conversion (which we define as the percentage of customers who visit our stores who make a purchase) and

average unit retail (which we define as the average price per unit purchased), partially offset by a decline in store traffic of approximately 40%. Sales related to our partner-operated stores outside of North America also increased compared to the first quarter of 2020 as a result of the COVID-19-related store closures in the prior year.

In the direct channel, net sales increased $213 million, or 69%, to $521 million despite a temporary suspension of operations in March 2020. The increase was primarily driven by a double-digit increase in website traffic and average unit retail.

Gross Profit

For the first quarter of 2021, our gross profit increased $651 million compared to the first quarter of 2020 to $672 million, and our gross profit rate (expressed as a percentage of net sales) increased to 43.2% from 2.3% in the first quarter of 2020. The gross profit increase was due to higher merchandise margin dollars related to the increase in net sales compared to the prior year period primarily due to the COVID-19-related store closures in the first quarter of 2020 and increase in the merchandise margin rate driven by improved response to our merchandise assortments, the disciplined management of inventory, as well as strong selling execution in stores and online, which enabled us to reduce promotional activity during the quarter. Occupancy expenses were lower driven by store asset impairment charges of $97 million in the prior year and permanent store closures.

The gross profit rate increase was driven by buying and occupancy leverage on higher net sales, an increase in the merchandise margin rate reflecting a meaningful pullback in promotional activity and the store asset impairment charges in the prior year.

General, Administrative and Store Operating Expenses

For the first quarter of 2021, our general, administrative and store operating expenses increased $52 million, or 13%, compared to the first quarter of 2020, driven primarily by an increase of $43 million in marketing investments compared to the prior year period primarily due to the COVID-19-related store closures in the first quarter of 2020, an increase of $12 million in incentive compensation compared to the first quarter of 2020 given company performance and a $10 million charitable contribution in the first quarter of 2021 to support philanthropic funds. These increases were partially offset by cost reductions and the impact of the permanent store closures.

For purposes of preparing the combined financial statements on a “carve-out” basis, the Company has been allocated a portion of LB’s total corporate expenses. These allocations are included in general, administrative and store operating expenses. Corporate allocated expenses decreased $1 million to $19 million in the first quarter of 2021 from $20 million in the first quarter of 2020.

The general, administrative and store operating expense rate (expressed as a percentage of net sales) in the first quarter of 2021 decreased to 28.7% from 44.1% in the first quarter of 2020 due to leverage on higher net sales.

Provision (benefit) for Income Taxes

For the first quarter of 2021, our effective tax rate was 22.5% compared to 20.8% in the first quarter of 2020. The first quarter of 2021 rate varied from our combined estimated federal and state statutory rate primarily due to the recognition of excess tax benefits recorded through the income statement on share-based awards that vested in the quarter. In the first quarter of 2020, we recognized a benefit for income taxes of $78 million on a loss before income taxes of $377 million. The first quarter of 2020 rate was lower than the Company's combined estimated federal and state statutory rate primarily due to losses related to certain foreign subsidiaries, which generated no tax benefit.

Comparison of Years Ended 2020, 2019 and 2018

The following table summarizes our results of operations for the periods presented:

				% Change	
	2020	2019	2018	2020	2019
	(in millions)				
Net Sales	$ 5,413	$ 7,509	$ 8,103	(28)%	(7)%
Costs of Goods Sold, Buying and Occupancy	(3,842)	(5,446)	(5,414)	(29)%	1%
Gross Profit	1,571	2,063	2,689	(24)%	(23)%
General, Administrative and Store Operating Expenses	(1,672)	(2,235)	(2,289)	(25)%	(2)%
Impairment of Goodwill	—	(720)	—	(100)%	0%
Operating Income (Loss)	(101)	(892)	400	89%	(323)%
Interest Expense	(6)	(8)	(2)	(25)%	300%
Other Income (Loss)	1	1	(7)	0%	114%
Income (Loss) Before Income Taxes	(106)	(899)	391	88%	(330)%
Provision (Benefit) for Income Taxes	(34)	(2)	140	1,600%	(101)%
Net Income (Loss)	$ (72)	$ (897)	$ 251	92%	(457)%
Gross Profit	29.0%	27.5%	33.2%		
Operating Profit (Loss)	(1.9)%	(11.9)%	4.9%		

Results of Operations—2020 Compared to 2019

For 2020, our operating loss, which includes allocated corporate expenses for purposes of the “carve-out” financial statements of $77 million, decreased $791 million to an operating loss of $101 million, and the operating loss rate improved to (1.9)% from (11.9)%. The following information summarizes our results of operations for 2020 compared to 2019.

Net Sales

The following table provides net sales for 2020 in comparison to 2019:

	2020	2019	% Change
	(in millions)		
Stores - North America	$2,795	$5,112	(45)%
Direct	2,223	1,693	31%
International[(a)]	395	704	(44)%
Total	**$5,413**	**$7,509**	**(28)%**

(a) Results include company-operated stores in the U.K. (pre-joint venture) and Greater China, and royalties associated with franchised stores and wholesale sales.

The following table provides a reconciliation of net sales for 2019 to 2020:

	(in millions)
2019 Net Sales	**$ 7,509**
Comparable Store Sales	(499)
Sales Associated with New, Closed and Non-comparable Remodeled Stores, Net[(a)]	(1,930)
Direct Channel	524
Private Label Credit Card	(59)
International Wholesale, Royalty and Other	(135)
Foreign Currency Translation	3
2020 Net Sales	**$ 5,413**

(a) Includes the impact of COVID-19-related stores closures.

The following table compares comparable sales for 2020 to 2019:

	2020	2019
Comparable Sales (Stores and Direct)[a]	1%	(8)%
Comparable Store Sales[a]	(15)%	(9)%

(a) The percentage change in comparable sales represents direct and comparable store sales. The percentage change in comparable store sales represents the change in sales at comparable stores only and excludes the change in sales from our direct channel. The change in comparable sales provides an indication of period over period growth (decline). A store is typically included in the calculation of comparable sales when it has been open 12 months or more and it has not had a change in selling square footage of 20% or more. Closed stores are excluded from the comparable sales calculation if they have been closed for four consecutive days or more. Upon re-opening, the stores are included in the calculation. Therefore, comparable sales results for 2020 exclude the closure period of stores that were closed for four consecutive days or more as a result of the COVID-19 pandemic. Additionally, stores are excluded if total selling square footage in the mall changes by 20% or more through the opening or closing of a second store. The percentage change in comparable sales is calculated on a comparable calendar period as opposed to a fiscal basis. Comparable sales attributable to our international stores are calculated on a constant currency basis.

In the stores channel in 2020, our North America net sales decreased $2.317 billion, or 45% compared to 2019, to $2.795 billion. Store sales were negatively impacted by the temporary COVID-19-related closures, the permanent closure of 241 North American stores, occupancy restrictions and declines in store traffic. As a result of the COVID-19 pandemic, all stores in North America were closed on March 17, 2020, the majority of which were reopened by the beginning of August 2020. Occupancy levels in our stores varied over time as we reopened stores, but ultimately settled at approximately 30% capacity in August 2020. The decrease in comparable store sales was driven by a decline in store traffic which was down approximately 50% since the beginning of the pandemic in March 2020, partially offset by a significant increase in conversion and average unit retail. Our partner-operated stores outside of North America were also impacted by temporary COVID-19-related closures, significant declines in store traffic and occupancy restrictions.

In the direct channel, net sales increased $530 million, or 31%, to $2.223 billion despite a temporary suspension of operations in March 2020. The increase in direct sales was driven by double-digit increases in website traffic, conversion and average unit retail beginning with the closing of our stores in March 2020. Digital sales as a percentage of our total net sales increased to 41% in 2020 compared to 23% in 2019.

For both channels, lingerie comparable sales increased in all categories driven by merchandise performance. PINK comparable sales decreased, primarily driven by declines in sleepwear and tops. Victoria’s Secret Beauty comparable sales increased, principally driven by growth in PINK Beauty. Revenue earned in connection with our private label credit card arrangement decreased $59 million primarily driven by the decline in net sales in the U.S.

Gross Profit

For 2020, our gross profit decreased $492 million compared to 2019 to $1.571 billion, and our gross profit rate (expressed as a percentage of net sales) increased to 29.0% from 27.5% in 2019. The gross profit decrease was due to lower merchandise margin dollars related to the decrease in net sales driven by the temporary COVID-19-related store closures and permanent store closures. This decrease was partially offset by improved response to our merchandise assortments driven by the disciplined management of inventory, as well as strong selling execution online, all of which enabled us to reduce promotional activity during the year. Additionally, occupancy expenses were lower this year due to the store closures, rent relief totaling $90 million and a $34 million decrease in store and lease asset impairment charges recognized in occupancy expense.

The gross profit rate increase was driven by an increase in the merchandise margin rate reflecting a meaningful pullback in promotional activity. The merchandise margin rate improvement was partially offset by buying and occupancy deleverage on lower net sales. The deleverage on buying and occupancy as a result of lower net sales was partially offset by the rent relief, a decrease in store and lease asset impairment charges and a benefit from the penetration into the direct channel.

General, Administrative and Store Operating Expenses

For 2020, our general, administrative and store operating expenses decreased $563 million, or 25% compared to 2019, to $1.672 billion driven primarily by lower store selling and marketing expenses as a result of the temporary COVID-19-related store closures and our permanent store closures. These decreases were partially offset by severance and related costs associated with headcount reductions totaling $51 million, costs of

$36 million associated with the terminated sale agreement of the VS business in the first half of 2020, a $31 million increase in marketing expenses in the direct channel, costs of $19 million associated with employee retention arrangements and an $8 million increase in incentive compensation given company performance in the fall season.

For purposes of preparing the combined financial statements on a "carve-out" basis, the Company has been allocated a portion of LB's total corporate expenses. These allocations are included in general, administrative and store operating expenses. Corporate allocated expenses decreased $33 million, to $77 million in 2020 from $110 million in 2019, primarily driven by headcount reductions and the transition of certain corporate functions in 2020 into the business as part of the steps to prepare us to operate as a separate standalone company.

The general, administrative and store operating expense rate (expressed as a percentage of net sales) in 2020 increased to 30.9% from 29.8% in 2019 due to deleverage on lower net sales as well as severance and the other increased expenses mentioned above.

Impairment of Goodwill

In 2019, our goodwill impairment assessments concluded that the carrying values of our North America and Greater China reporting units exceeded their fair values. Accordingly, we recognized pre-tax goodwill impairment charges of $720 million.

Provision for Income Taxes

For 2020, our effective tax rate was 31.9% compared to 0.2% in 2019. The 2020 rate varied from our combined estimated federal and state statutory rate primarily due to tax matters associated with our investments in the United Kingdom. The 2019 rate was impacted by the goodwill impairment charges which generated minimal tax benefit.

Results of Operations—2019 Compared to 2018

For 2019, our operating income declined $1.292 billion from $400 million in 2018 to an operating loss of $892 million in 2019, and the operating income rate decreased to (11.9)% from 4.9% in 2018. The following information summarizes our results of operations for 2019 compared to 2018.

Net Sales

The following table provides net sales for 2019 in comparison to 2018:

	2019	2018	% Change
	(in millions)		
Stores - North America	$5,112	$5,628	(9)%
Direct	1,693	1,747	(3)%
International[(a)]	704	728	(3)%
Total	**$7,509**	**$8,103**	**(7)%**

(a) Results include company-operated stores in the U.K. and Greater China, and royalties associated with franchised stores and wholesale sales.

The following table provides a reconciliation of net sales for 2018 to 2019:

	(in millions)
2018 Net Sales	**$8,103**
Comparable Store Sales	(507)
Sales Associated with New, Closed and Non-comparable Remodeled Stores, Net	(4)
Direct Channels	(56)
Private Label Credit Card	6
International Wholesale, Royalty and Other	(18)
Foreign Currency Translation	(15)
2019 Net Sales	**$7,509**

The following table compares comparable sales for 2019 to 2018:

	2019	2018
Comparable Sales (Stores and Direct)[a]	(8)%	(2)%
Comparable Store Sales[a]	(9)%	(6)%

(a) The percentage change in comparable sales represents direct and comparable store sales. The percentage change in comparable store sales represents the change in sales at comparable stores only and excludes the change in sales from our direct channel. The change in comparable sales provides an indication of period over period growth (decline). A store is typically included in the calculation of comparable sales when it has been open 12 months or more and it has not had a change in selling square footage of 20% or more. Additionally, stores are excluded if total selling square footage in the mall changes by 20% or more through the opening or closing of a second store. The percentage change in comparable sales is calculated on a comparable calendar period as opposed to a fiscal basis. Comparable sales attributable to our international stores are calculated on a constant currency basis.

In the stores channel, our North America net sales decreased $516 million compared to 2018, or 9%, to $5.112 billion. The decrease in comparable store sales was driven by a decline in store traffic and average unit retail, partially offset by an increase in conversion. Net sales from our partner-operated stores outside of North America decreased due to declines in the travel retail business and the negative impacts of foreign currency in Greater China, partially offset by the increase from new company-operated stores in Greater China.

In the direct channel, net sales decreased $54 million compared to 2018, or 3%, to $1.693 billion. The decrease in direct sales was driven by a decrease in average unit retail and conversion.

For both channels, lingerie comparable sales decreased, primarily due to declines in bras and apparel, driven by weak merchandise performance. PINK comparable sales decreased, primarily driven by declines in apparel, principally in tops, due to weak merchandise performance and the exit of the swim business. Victoria’s Secret Beauty comparable sales increased, as growth in accessories and PINK Beauty were partially offset by a decline in the lip business.

Gross Profit

For 2019, our gross profit decreased $626 million to $2.063 billion, and our gross profit rate (expressed as a percentage of net sales) decreased to 27.5% from 33.2%. The gross profit decrease was primarily driven by lower merchandise margin dollars related to the decrease in net sales and an increase in long-lived store asset impairment charges from $101 million in 2018 to $263 million in 2019.

The gross profit rate decrease was driven by a decline in the merchandise margin rate due to increased promotions to drive traffic and clear inventory, the increase in long-lived store asset impairment charges and buying and occupancy deleverage on lower net sales.

General, Administrative and Store Operating Expenses

For 2019, our general, administrative and store operating expenses decreased $54 million compared to 2018, or 2%, to $2.235 billion primarily due to the lower marketing and store selling expenses.

For purposes of preparing the combined financial statements on a “carve-out” basis, the Company has been allocated a portion of LB’s total corporate expenses. These allocations are included in general, administrative and store operating expenses. Corporate allocated expenses decreased $8 million to $110 million in 2019 from $118 million in 2018, driven by reductions in executive management and other corporate and governance functions.

The general, administrative and store operating expense rate (expressed as a percentage of net sales) in 2019 increased to 29.8% from 28.3% in 2018 as the declines in marketing and store selling expenses were more than offset by deleverage on lower net sales.

Impairment of Goodwill

In 2019, our goodwill impairment assessments concluded that the carrying values of our North America and Greater China reporting units exceeded their fair values. Accordingly, we recognized pre-tax goodwill impairment charges of $720 million.

Provision for Income Taxes

For 2019, our effective tax rate was 0.2% compared to 35.7% in 2018. The 2019 rate varied from our combined estimated federal and state statutory rate primarily due to the goodwill impairment charges, which generated minimal tax benefit. The 2018 rate was higher than our combined estimated federal and state statutory rate primarily due to losses related to certain foreign subsidiaries, which generate no tax benefit.

Liquidity and Capital Resources

Historically, we have generated annual cash flow from operating activities. However, we have operated within LB's cash management structure, which uses a centralized approach to cash management and financing of our operations. A substantial portion of our cash is transferred to LB. This arrangement is not reflective of the manner in which we would have financed our operations had we been an independent, publicly traded company during the periods presented.

The cash and cash equivalents held by LB at the corporate level are not specifically identifiable to us and, therefore, have not been reflected in the combined balance sheets. LB's third-party long-term debt and the related interest expense have not been allocated to VS for any of the periods presented as VS was not the legal obligor of such debt.

Following the Separation from LB, our capital structure and sources of liquidity will change from the historical capital structure because we will no longer participate in LB's centralized cash management program. Our ability to fund our operating needs will depend on our future ability to continue to generate positive cash flow from operations, and on our ability to obtain debt financing on acceptable terms. Based upon our history of generating positive cash flows, we believe we will be able to meet our short-term liquidity needs. Management believes that our cash balances and funds provided by operating activities, along with expected borrowing capacity and access to capital markets, taken as a whole, provide (i) adequate liquidity to meet all of our current and long-term obligations when due, including third-party debt that we expect to incur in connection with the Separation, (ii) adequate liquidity to fund capital expenditures, and (iii) flexibility to meet investment opportunities that may arise. However, there can be no assurances that we will be able to obtain additional debt or equity financing on acceptable terms in the future.

In connection with the Separation, we expect to incur up to $1.0 billion of new debt from senior notes and/or term loan facilities, the proceeds of which we intend to use to make the LB Cash Payment and to pay related fees and expenses. We also expect to establish a $750 million asset-based revolving facility, which is expected to be undrawn at the Separation. The debt may also restrict our business and may adversely impact our financial condition, results of operations or cash flows. In addition, the Separation may increase the overall cost of debt funding and decrease the overall debt capacity and commercial credit available to us.

We expect to utilize our cash flows to continue to invest in our brands, talent and capabilities, and growth strategies as well as to repay our indebtedness over time.

Our cash flows for the periods below were as follows:

	First Quarter		Fiscal Year		
	2021	2020	2020	2019	2018
	(in millions)				
Cash provided by (used for) operating activities	$102	$(300)	$ 674	$ 315	$ 698
Cash used for investing activities	$ (19)	$ (28)	$(123)	$(243)	$(343)
Cash provided by (used for) financing activities	$ (88)	$ 254	$(465)	$(192)	$(264)

Cash Provided by Operating Activities

Cash flow provided by operating activities is dependent on the level of net income (loss), adjustments to net income (loss) and changes in working capital.

Net cash provided by operating activities was $102 million in the first quarter of 2021, including net income of $174 million. Net income included depreciation of $80 million, deferred income tax expense of $34 million and share-based compensation expense of $7 million. Other changes in assets and liabilities represent items that had a current period cash flow impact, such as changes in working capital. The most significant item in working

capital was a decrease in operating cash flows of $97 million for the decrease in accounts payable, accrued expenses and other and a decrease in operating cash flows of $60 million for the increase in inventory.

Net cash provided by operating activities was $674 million in 2020, including the net loss of $72 million. Net loss included depreciation of $326 million, store and lease asset impairment charges of $254 million, deferred income tax benefits of $64 million, gain from formation of the U.K. and Ireland joint venture of $54 million, gain from the Hong Kong store closure and lease termination of $39 million and share-based compensation expense of $25 million. Other changes in assets and liabilities represent items that had a current period cash flow impact, such as changes in working capital. The most significant items in working capital were an increase in operating cash flow of $141 million associated with the decrease in inventories and an increase in operating cash flow of $97 million associated with other assets and liabilities.

Net cash provided by operating activities was $315 million in 2019, including the net loss of $897 million. Net loss included depreciation of $411 million, goodwill impairment charges of $720 million, store and lease asset impairment charges of $263 million, share-based compensation expense of $38 million and deferred income tax benefits of $30 million. Other changes in assets and liabilities represent items that had a current period cash flow impact, such as changes in working capital. The most significant items in working capital were a decrease in operating cash flow of $118 million associated with the decrease in accounts payables, accrued expenses and other and a decrease in operating cash flows of $57 million associated with other assets and liabilities.

Net cash provided by operating activities was $698 million in 2018, including net income of $251 million. Net income included depreciation of $425 million, store asset impairment charges of $101 million, share-based compensation expense of $39 million and deferred income tax benefits of $35 million. Other changes in assets and liabilities represent items that had a current period cash flow impact, such as changes in working capital. The most significant items in working capital were a decrease in operating cash flow of $114 million associated with the decrease in Income taxes payable and an increase in operating cash flows of $97 million associated with other assets and liabilities.

Cash Used for Investing Activities

Net cash used for investing activities in the first quarter of 2021 was $19 million for capital expenditures. The capital expenditures were primarily related to spending on technology and logistics to support our digital business and other retail capabilities.

Net cash used for investing activities in 2020 was $123 million consisting primarily of $127 million of capital expenditures, offset by $4 million of other investing activities. The capital expenditures were primarily related to spending on technology and logistics to support our digital business and other retail capabilities.

Net cash used for investing activities in 2019 was $243 million consisting primarily of $225 million of capital expenditures. The capital expenditures were primarily related to spending on technology and logistics to support our digital business and other retail capabilities.

Net cash used for investing activities in 2018 was $343 million consisting primarily of $341 million of capital expenditures. The capital expenditures were related to the opening of new stores and remodeling and improving existing stores. Remaining capital expenditures were primarily related to spending on technology and infrastructure to support growth.

Cash Used for Financing Activities

Net cash used for financing activities in the first quarter of 2021 was $88 million related to net transfers to LB. Net cash used for financing activities in 2020 was $465 million consisting primarily of net transfers to LB of $407 million, $155 million of net repayments under our Foreign Facilities (as defined below), partially offset by borrowings from a related party of $97 million. Net cash used for financing activities in 2019 was $192 million consisting primarily of net transfers to LB of $197 million partially offset by $5 million of net borrowings under our Foreign Facilities. Net cash used for financing activities in 2018 was $264 million consisting primarily of net transfers to LB of $327 million partially offset by $63 million of net borrowings under our Foreign Facilities.

The Company had a related party note payable, with LB as the counterparty, of $97 million at May 1, 2021. At the time of the Separation, we will no longer have the related party note and associated accrued interest balance.

Certain of the Company's China subsidiaries utilize revolving and term loan bank facilities to support their operations (the "Foreign Facilities"). These facilities are guaranteed by LB and certain of LB's and our 100% owned subsidiaries. As of May 1, 2021, there were no outstanding borrowings under the Foreign Facilities. Further, during 2020, LB placed cash on deposit with certain financial institutions as collateral for the Foreign Facilities. The amount of collateral required was dependent upon the aggregate lending commitments and totaled $30 million as of May 1, 2021. The Company expects to terminate the Foreign Facilities prior to the Separation.

Under the Separation and Distribution Agreement, the Company is required to use commercially reasonable efforts to, effective as of the Distribution, terminate any guarantee provided by LB or any of its subsidiaries for the benefit of the Company or its subsidiaries, or remove or substitute LB and its subsidiaries as guarantors under such guarantees and, if not effected by the Distribution, to effect such termination, removal or substitution as soon as reasonably practicable after the Distribution.

Working Capital

Historically, we have generated annual cash flow from operating activities to support our working capital needs. However, we have operated within LB's cash management structure, which uses a centralized approach to cash management and financing of our operations. A substantial portion of our cash is transferred to LB. This arrangement is not reflective of the manner in which we would have been able to finance our operations had we been an independent, publicly traded company during the periods presented.

Contractual Obligations

The table below provides our estimated contractual obligations, aggregated by type, including the maturity profile as of January 30, 2021. These estimated contractual obligations may not be representative of our future contractual obligations profile as an independent, publicly traded company. Our estimated contractual obligations do not reflect changes that we expect to experience in the future as a result of the Separation, such as contractual arrangements that we may enter into in the future that were historically entered into by LB for shared-services.

	Payments Due by Period					
	Total	Less Than 1 Year	1-3 Years	4-5 Years	More than 5 Years	Other
	(in millions)					
Long-term Debt[a]	$ 115	$ 4	$ 8	$103	$ —	$—
Future Lease Obligations[b]	2,581	503	798	558	722	—
Purchase Obligations[c]	470	457	12	1	—	—
Other Liabilities[d][e]	143	90	25	18	—	10
Total	**$3,309**	**$1,054**	**$843**	**$680**	**$722**	**$10**

(a) Long-term debt obligations relate to our principal and interest payments for our outstanding related party note. Interest obligations exclude amounts which have been accrued through January 30, 2021.

(b) Future lease obligations primarily represent minimum payments due under store lease agreements.

(c) Purchase obligations primarily include purchase orders for merchandise inventory and other agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transactions.

(d) Other liabilities include future payments relating to our non-qualified supplemental retirement plan of $66 million in the "Less Than 1 Year" category.

(e) Other liabilities also include future estimated payments associated with unrecognized tax benefits. The "Less Than 1 Year" category includes $23 million of these tax items because it is reasonably possible that the amounts could change in the next 12 months due to audit settlements or resolution of uncertainties. The remaining portion totaling $10 million is included in the "Other" category as it is not reasonably possible that the amounts could change in the next 12 months. In addition, we have a remaining liability of $44 million related to the deemed repatriation tax on our undistributed foreign earnings resulting from the Tax Cuts and Jobs Act of 2017. The tax liability will be paid over the next four years.

Guarantees

Certain of our subsidiaries, along with other wholly-owned subsidiaries of LB, guarantee and pledge collateral to secure the LB asset-backed revolving credit facility ("ABL Facility"). The ABL Facility has aggregate commitments at $1 billion and has an expiration date in August 2024. As of May 1, 2021, there were no borrowings outstanding under the ABL Facility. Certain of our subsidiaries, along with other wholly-owned

subsidiaries of LB, have also guaranteed LB's obligations under certain of LB's long-term notes. As of May 1, 2021, in aggregate the outstanding balance of our guarantees for certain of LB's notes was $4.8 billion with maturity dates between October 2023 and July 2036. The guarantees are full and unconditional on a joint and several basis.

Our guarantees of obligations under LB's long-term notes are expected to terminate concurrently with the Separation, subject to standard notice provisions to the trustee. Our guarantees of obligations under the ABL Facility are also expected to terminate concurrently with the Separation, subject to consent of the lenders.

Off-Balance Sheet Arrangements

We do not engage in any off-balance sheet financial arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to risks in the ordinary course of business. Management, as part of LB, regularly assesses and manages exposures to these risks through operating and financing activities and, when appropriate, by taking advantage of natural hedges within us. Potential risks are discussed below.

Foreign Exchange Rate Risk

We have operations in foreign countries which expose us to market risk associated with foreign currency exchange rate fluctuations. Our Canadian dollar and Chinese Yuan denominated earnings are subject to exchange rate risk as substantially all our merchandise sold in Canada and Greater China is sourced through U.S. dollar transactions. Although we utilize foreign currency forward contracts to partially offset risks associated with our operations in Canada, these measures may not succeed in offsetting all the short-term impact of foreign currency rate movements and generally may not be effective in offsetting the long-term impact of sustained shifts in foreign currency rates.

Further, although our royalty arrangements with our international partners are denominated in U.S. dollars, the royalties we receive in U.S. dollars are calculated based on sales in the local currency. As a result, our royalties in these arrangements are exposed to foreign currency exchange rate fluctuations.

Interest Rate Risk

Our investment portfolio primarily consists of interest-bearing instruments that are classified as cash and cash equivalents based on their original maturities. Our investment portfolio is maintained in accordance with the LB investment policy, which specifies permitted types of investments, specifies credit quality standards and maturity profiles and limits credit exposure to any single issuer. The primary objective of our investment activities is the preservation of principal, the maintenance of liquidity and the maximization of interest income while minimizing risk. Our investment portfolio is comprised of U.S. government obligations, U.S. Treasury and AAA-rated money market funds and bank deposits. Given the short-term nature and quality of investments in our portfolio, we do not believe there is any material risk to principal associated with increases or decreases in interest rates.

During 2020, we borrowed $97 million from LB to pay down outstanding debt with external parties. This borrowing is due in September 2025 and has a variable interest rate based on the China Loan Prime Rate, which was 3.85% as of May 1, 2021. At the time of the Separation, we will no longer have the related party note.

Concentration of Credit Risk

We maintain cash and cash equivalents and derivative contracts with various major financial institutions. We monitor the relative credit standing of financial institutions with whom we transact and limit the amount of credit exposure with any one entity. Our investment portfolio is comprised of U.S. government obligations, U.S. Treasury and AAA-rated money market funds and bank deposits. We also periodically review the relative credit standing of franchise, license and wholesale partners and other entities to which we grant credit terms in the normal course of business.

Critical Accounting Policies and Estimates

We have chosen accounting policies that management believes are appropriate to accurately and fairly report our operating results and financial position in conformity with GAAP. We apply these accounting policies in a consistent manner. Significant accounting policies are summarized in Note 1 to our audited combined financial statements included elsewhere in this information statement.

The preparation of financial statements in conformity with GAAP requires management to adopt accounting policies related to estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. On an ongoing basis, management evaluates its accounting policies, estimates and judgments, including those related to inventories, long-lived assets, claims and contingencies, income taxes and revenue recognition. Management bases our estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. We believe the following assumptions and estimates are most significant to reporting our results of operations and financial position.

Inventories

Inventories are principally valued at the lower of cost or net realizable value, on an average cost basis. We record valuation adjustments to our inventories if the cost of inventory on hand exceeds the amount we expect to realize from the ultimate sale or disposal of the inventory. These estimates are based on management's judgment regarding future demand and market conditions and analysis of historical experience. If actual demand or market conditions are different than those projected by management, future period merchandise margin rates may be unfavorably or favorably affected by adjustments to these estimates.

We also record inventory loss adjustments for estimated physical inventory losses that have occurred since the date of the last physical inventory. These estimates are based on management's analysis of historical results and operating trends. Management believes that the assumptions used in these estimates are reasonable and appropriate. A 10% increase or decrease in the inventory valuation adjustment would have impacted net income by approximately $4 million for 2020. A 10% increase or decrease in the estimated physical inventory loss adjustment would have impacted net income by approximately $3 million for 2020.

Valuation of Long-lived Assets, Including Intangible Assets and Goodwill

Long-lived Store Assets

Long-lived store assets, which include leasehold improvements, store related assets and operating lease assets (subsequent to the adoption of ASC 842, *Leases*), are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Store assets are grouped at the lowest level for which they are largely independent of other assets or asset groups. If the estimated undiscounted future cash flows related to the asset group are less than the carrying value, we recognize a loss equal to the difference between the carrying value and the estimated fair value, determined by the estimated discounted future cash flows of the asset group. For operating lease assets, we determine the fair value of the assets by comparing the contractual rent payments to estimated market rental rates. An individual asset within an asset group is not impaired below its estimated fair value. The fair value of long-lived store assets are determined using Level 3 inputs within the fair value hierarchy.

In 2020, we executed a rationalization of our company-operated store footprint. We permanently closed 241 stores in North America in 2020. Given the closures in 2020 as well as the negative operating results of certain stores in 2020, 2019 and 2018, we reviewed the long-lived store assets for potential impairment in all periods presented. We determined that the estimated undiscounted future cash flows were less than the carrying values for certain asset groups and, as a result, determined the estimated fair values of the store asset groups using estimated discounted future cash flows and estimated market rental rates.

The following table provides pre-tax long-lived store asset impairment charges included in the Combined Statement of Income (Loss) for 2020, 2019 and 2018:

	2020	2019	2018
	(in millions)		
Store Asset Impairment	$136	$198	$101
Operating Lease Asset Impairment	118	65	—
Total Impairment	**$254**	**$263**	**$101**

Our fair value estimates incorporated significant assumptions and judgments including, but not limited to, estimated future cash flows, discount rates and market rental rates. The use of different assumptions or judgments in our assessment could materially increase or decrease the fair value of our store assets and, accordingly, could materially increase or decrease any related impairment charge. Sustained declines in our business performance could result in a material impairment charge in a future period.

When a decision has been made to dispose of property and equipment prior to the end of the previously estimated useful life, depreciation estimates are revised to reflect the use of the asset over the shortened estimated useful life.

Goodwill

Goodwill is reviewed for impairment at the reporting unit level each year in the fourth quarter and may be reviewed more frequently if certain events occur or circumstances change. We have the option to either first perform a qualitative assessment to determine whether it is more likely than not that each reporting unit's fair value is less than its carrying value (including goodwill), or to proceed directly to the quantitative assessment which requires a comparison of the reporting unit's fair value to its carrying value (including goodwill). If we determine that the fair value of a reporting unit is less than its carrying value, we recognize an impairment charge equal to the difference, not to exceed the total amount of goodwill allocated to the reporting unit. Our reporting units are determined in accordance with the provisions of ASC 350, *Intangibles - Goodwill and Other*. During 2019, we impaired the goodwill at the North America and Greater China reporting units, resulting in pre-tax impairment charges of $720 million. Subsequent to these impairments, we no longer recognized any goodwill.

Trade Name

The VICTORIA'S SECRET trade name is an indefinite-lived intangible. The trade name is reviewed for impairment each year in the fourth quarter and may be reviewed more frequently if certain events occur or circumstances change. We have the option to either first perform a qualitative assessment to determine whether it is more likely than not that the indefinite-lived intangible asset is impaired, or to proceed directly to the quantitative assessment which requires a comparison of the fair value of the intangible asset to its carrying value. To determine if the fair value of the asset is less than its carrying amount, we will estimate the fair value, usually determined by the relief from royalty method under the income approach, and compare that value with its carrying amount. If the carrying value of the trade name exceeds its fair value, we recognize an impairment charge equal to the difference.

As of the end of the fourth quarter of 2020, we performed our annual impairment assessment of the VICTORIA'S SECRET trade name. To estimate the fair value of the trade name, we used the relief from royalty method under the income approach. The annual assessment concluded that the fair value of the trade name was in excess of its carrying value.

The use of different assumptions or judgments in our impairment assessment of our trade name, including with respect to the estimated future cash flows, the discount rate used to discount such estimated future cash flows to their net present value and royalty rates used for the relief from royalty method, could materially increase or decrease the fair value of our trade names. A 50% reduction to our assumed royalty rate would not have resulted in a material impairment charge in 2020.

Claims and Contingencies

We are subject to various claims and contingencies related to lawsuits, taxes, insurance, regulatory and other matters arising out of the normal course of business. Our determination of the treatment of claims and

contingencies in the Combined Financial Statements is based on management's view of the expected outcome of the applicable claim or contingency. We consult with legal counsel on matters related to litigation and seek input from both internal and external experts with respect to matters in the ordinary course of business. We accrue a liability if the likelihood of an adverse outcome is probable and the amount is reasonably estimable. If the likelihood of an adverse outcome is only reasonably possible (as opposed to probable) or if an estimate is not reasonably determinable, disclosure of a material claim or contingency is disclosed in the notes to the financial statements.

Income Taxes

We account for income taxes under the asset and liability method. Under this method, taxes currently payable or refundable are accrued, and deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets are also recognized for realizable operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted income tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the Company's Combined Statement of Income (Loss) in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

In determining our provision for income taxes, we consider permanent differences between book and tax income and statutory income tax rates. Our effective income tax rate is affected by items including changes in tax law, the tax jurisdiction of new stores or business ventures and the level of earnings.

We follow a two-step approach to recognize and measure uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and for which actual outcomes may differ from forecasted outcomes. Our policy is to include interest and penalties related to uncertain tax positions in income tax expense.

Historically, our income tax expense and deferred tax balances have been included in LB's income tax returns. LB's income tax returns, like those of most companies, are periodically audited by domestic and foreign tax authorities. These audits include questions regarding tax filing positions, including the timing and amount of deductions and the allocation of income among various tax jurisdictions. At any one-time, multiple tax years are subject to audit by the various tax authorities. A number of years may elapse before a particular matter for which we have established an accrual is audited and fully resolved or clarified. We adjust our tax contingencies accrual and income tax provision in the period in which matters are effectively settled with tax authorities at amounts different from its established accrual, when the statute of limitations expires for the relevant taxing authority to examine the tax position or when more information becomes available. We include our tax contingencies accrual, including accrued penalties and interest, in Other Long-term Liabilities on the Combined Balance Sheets unless the liability is expected to be paid within one year. Changes to the tax contingencies accrual, including accrued penalties and interest, are included in provision (benefit) for income taxes on the combined statements of income (loss).

Revenue Recognition

In 2018, we adopted ASC 606, *Revenue from Contracts with Customers*, using the modified retrospective approach. We recognize revenue based on the amount we expect to receive when control of the goods or services is transferred to our customer. We recognize sales upon customer receipt of merchandise, which for direct channel revenues reflect an estimate of shipments that have not yet been received by our customer based on shipping terms and historical delivery times. Our shipping and handling revenues are included in net sales with the related costs included in costs of goods sold, buying and occupancy in the combined statements of income (loss). We also provide a reserve for projected merchandise returns based on historical experience. Net sales exclude sales and other similar taxes collected from customers.

We offer certain loyalty programs that allow customers to earn points based on purchasing activity. As customers accumulate points and reach point thresholds, they can use the points to purchase merchandise in stores or online. We allocate revenue to points earned on qualifying purchases and defer recognition until the points are redeemed. The amount of revenue deferred is based on the relative stand-alone selling price method, which includes an estimate for points not expected to be redeemed based on historical experience.

We sell gift cards with no expiration dates to customers. We do not charge administrative fees on unused gift cards. We recognize revenue from gift cards when they are redeemed by the customer. In addition, we recognize revenue on unredeemed gift cards where the likelihood of the gift card being redeemed is remote and there is no legal obligation to remit the unredeemed gift cards to relevant jurisdictions (gift card breakage). Gift card breakage revenue is recognized in proportion, and over the same period, as actual gift card redemptions. We determine the gift card breakage rate based on historical redemption patterns. Gift card breakage is included in net sales in the combined statements of income (loss).

Revenue earned in connection with the Victoria’s Secret U.S. private label credit card arrangement is primarily recognized based on credit card sales and usage, and is included in net sales in the combined statements of income (loss). We recognized Net Sales of $135 million, $194 million and $187 million for 2020, 2019 and 2018, respectively, related to our private label credit card arrangement.

We also recognize revenues associated with franchise, license, wholesale and sourcing arrangements. Revenue recognized under franchise and license arrangements generally consists of royalties earned and recognized upon sale of merchandise by franchise and license partners to retail customers. Revenue is generally recognized under wholesale and sourcing arrangements at the time the title passes to the partner.

Recently Issued and Adopted Accounting Standards

Refer to Note 1 to our audited combined financial statements and unaudited interim combined financial statements included elsewhere in this information statement for discussion of recently issued and adopted accounting standards.

BUSINESS

Overview

Victoria's Secret is an iconic global brand of women's intimate and other apparel, personal care and beauty products. We sell our products through two brands, Victoria's Secret and PINK. Victoria's Secret is a category-defining global lingerie brand with a leading market position and a rich, 40-year history of serving women across the globe. PINK is a lifestyle brand for the college-oriented customer, built around a strong intimates core. We also sell beauty products under both the Victoria's Secret and PINK brands. Together, Victoria's Secret, PINK and Victoria's Secret Beauty support, inspire and celebrate women through every phase of their life.

Victoria's Secret and PINK merchandise is sold online through our e-commerce platform, through company-operated retail stores located in the U.S., Canada and Greater China, and through international stores and websites operated by partners under franchise, license, wholesale and joint venture arrangements. We have a presence in over 70 countries and generated approximately $5.4 billion in global sales in 2020 across all channels. We believe we benefit from global brand awareness, a wide and compelling product assortment and a powerful, deep connection with our customers.

Our 867 North American stores as of May 1, 2021 represent the majority of our business and, despite the impact of the global COVID-19 pandemic, our North American stores business generated approximately 50% of our revenue in 2020. In addition to our physical stores, our customer-centric digital platform – including our social media following, our websites and our mobile applications – allows us to connect to our customers and communicate with them anytime and anywhere. Sales in our direct channel increased 31% to $2.2 billion in 2020 from $1.7 billion in 2019. We and our partners operated 520 stores outside of North America as of May 1, 2021, including 62 company-operated stores in Greater China and 458 stores internationally outside of China, which are operated by partners under franchise, license, wholesale and joint venture arrangements.

Our brands operate across several categories and appeal to a broad and inclusive customer base. We are focused on maintaining our reputation for beautiful products known for comfort, quality and fit, while also expanding our assortment and size range to broaden our customer offering. We target global markets across demographic and economic spectrums. We leverage our brands, as well as our expertise in product design and innovation, to create merchandise women love and marketing campaigns that resonate. We are focused on aligning our brand positioning, product assortment and values to those of our customers. We believe our global brand awareness creates a platform for us to further strengthen our brands, enhance customer loyalty and grow our customer base.

Although recent performance has improved significantly, we experienced challenging business results in 2019 and 2020. In 2019, net sales decreased 7% and our gross profit decreased 23% compared to the prior year period as our merchandise and brand positioning failed to resonate with our customers. In 2019, we recognized a net loss of $897 million which included a $720 million charge related to the impairment of goodwill. In 2020, our business operations and financial performance were materially impacted by the COVID-19 pandemic. All of our stores in North America were closed on March 17, 2020, but we were able to re-open the majority of our stores as of the beginning of the third quarter of 2020. Although sales in our direct channel grew 31% in 2020, the closure of, and restrictions in operating, our stores led to a decrease in net sales of 28% in 2020, and a decrease in gross profit of 24%, each compared to the prior year period, and a net loss of $72 million.

In response to the COVID-19 pandemic and in order to improve business performance, we launched a profit improvement plan beginning in the third quarter of 2020. We began to see performance improve in the third and fourth quarter of 2020 and, most recently, we reported net income of $174 million for the first quarter of 2021.

Our highly experienced management team is executing our strategy to continue to improve the performance and profitability of the business and we believe there are opportunities for further improvement, which will be driven by delivering a best-in-class product, brand and retail experience to our customers.

VS is headquartered in Reynoldsburg, Ohio. Following the Separation, we will become an independent, publicly traded company led by a highly experienced management team fully dedicated to leveraging our capabilities and driving our strategic initiatives. We will also have increased flexibility to deploy our free cash flow towards our operating and capital allocation priorities. In connection with the Separation, we expect to incur up to $1.0 billion of new debt from senior notes and/or term loan facilities, the proceeds of which we intend to

use to make the LB Cash Payment and to pay related fees and expenses. We also expect to establish a $750 million asset-based revolving facility, which is expected to be undrawn at the Separation. We expect to trade under the ticker symbol “VSCO” on the NYSE.

Our Competitive Strengths

Two Category-Defining Brands with Global Brand Awareness and Resonance.

Both the Victoria’s Secret and PINK brands have a strong global presence and awareness among consumers, which we believe provides us with a competitive advantage. We estimate Victoria’s Secret’s overall U.S. brand awareness as 87% and PINK’s overall U.S. brand awareness as 86% based on a company-sponsored marketing study. While our history runs deep as a dominant player in intimates, our brands also provide compelling offerings in fragrance, beauty, apparel, loungewear, sleepwear, athletic attire and swimwear. We believe our recent and decisive actions to evolve our positioning and promote inclusivity and diversity will allow us to attract new customers while also deepening our connection with existing ones. For example, on June 16, 2021, we announced the creation of two new partnerships, The VS Collective and The Victoria’s Secret Global Fund for Women’s Cancers, as we continue our evolution to inspire women with products, experiences and initiatives that champion them and support their journey. Through social, cultural and business relationships, The VS Collective is expected to work to create new associate programs, revolutionary product collections, compelling and inspiring content, and rally support for causes vital to women. The Victoria’s Secret Global Fund for Women’s Cancers is expected to fund innovative research projects aimed at progressing treatments and cures for women’s cancers and investing in the next generation of women scientists who represent the diverse population they serve. We are focused on fueling our customer’s desire to be herself by empowering her with products that not only offer her comfort and style, but also allow her to celebrate and express her true self.

Global Scale at Retail.

We believe VS has significant scale and strength in reaching its consumer base. Our vast reach is evidenced by our leading market position in the U.S. intimates category, with meaningful market share based on a 2020 company-sponsored marketing study. The number of our North American active customers (which we define as customers who have purchased from us in the last twelve months) totaled 27 million as of May 2021, 25 million in 2020 and 32 million in each of 2019 and 2018. Additionally, as of May 2021, we had over 69 million Victoria’s Secret and approximately 8 million PINK Instagram followers, approximately 6.3 million active Victoria’s Secret Credit Card holders and approximately 5.5 million active members of PINK’s loyalty program, PINK Nation. We interact with our customers through three powerful distribution channels:

- ***Digital.*** Our large and growing digital business allows for an interconnected customer experience across our brands and platforms. We deliver a differentiated digital experience through seamless and personalized touchpoints. Importantly, we are focused on developing our social media platforms and websites, applications with personalized digital marketing campaigns, advanced omni-channel offerings and improved store and website inventory connectivity. Our digital connection to consumers is evidenced by the fact that approximately 15 million consumers as of May 1, 2021, or approximately 60% of our customer base, purchased from our digital channel in the last twelve months.
- ***North American Stores.*** Our retail footprint in North America, as of May 1, 2021, spans the U.S. and Canada with 867 stores, representing a combined 6.0 million square feet of selling space. Our North American stores channel creates an immersive environment for customers to experience our brands and try new products. Our sales associates and store managers are central in creating an engaging and compelling store experience by providing a high level of customer service. Although traffic levels were challenged in the first quarter of 2021 and in 2020 due to the pandemic, our improved assortment and focus on store selling initiatives drove increases in conversion (which we define as the percentage of customers who visit our stores who make a purchase) and average unit retail (which we define as the average price per unit purchased) compared to 2019.
- ***International.*** We have a significant international footprint with 520 international stores and 26 international digital sites as of May 1, 2021. We believe we have meaningful opportunity to grow through new Victoria’s Secret Beauty and Accessories and full assortment stores, new digital sites and new geographies. Victoria’s Secret Beauty and Accessories stores represent smaller footprint stores

including stores in airports and other travel retail locations, which enable significant global exposure. Our international stores span the Americas, Europe, Asia, Africa and the Middle East, in addition to the strong digital component of our international business.

Agile and Highly Responsive Supply Chain and Sourcing Capabilities.

Our sourcing and production function has a long and deep presence in key sourcing markets including those in the U.S. and Asia. Our intimates and apparel categories are supported by an internationally outsourced platform, primarily in Asia, which has consistently provided rapid speed to market, high quality and innovative products and an efficient cost base. Meanwhile, our beauty platform is largely centered in Ohio, where a number of our suppliers are located, boasting innovation and agile manufacturing. We have thoughtfully designed our supply chain around three key principles: speed-to-market, quality and cost efficiency.

The current environment requires unprecedented agility, and we are leveraging the speed that we have in our supply chain, our close partnerships with suppliers and the capabilities of our sourcing, production and logistics teams to actively manage our inventory and adjust for channel shifts across our business. We have focused on speed to market and believe our lead times are amongst the shortest in the industry, allowing us to read and react to customer preferences. As an example, we have worked with our suppliers to develop an “instant panty” program that allows us to go from order to product in stores within two weeks. The agility within our supply chain provides us with flexibility to quickly re-order strong sellers as we seek to maximize our sales and merchandise margin rate opportunities.

Our strong relationships with our suppliers have allowed us to manufacture our products with cost efficiency without sacrificing quality. We have approximately 200 vendors across product categories as of January 30, 2021. Our global supply base and flexibility are key competitive advantages and allow us to provide a broad product range, innovation and assortment to our customers.

Highly-Talented Management Team with Deep Industry Experience.

We put an emphasis on ensuring a strong and impactful team is in place to direct the business towards growth and reach its potential at this crucial inflection point. The Company is led by Martin Waters, our Chief Executive Officer, who has deep knowledge of the VS brand from his involvement in our business since 2008. Additionally, Amy Hauk, Chief Executive Officer of PINK and Greg Unis, Chief Executive Officer of Victoria’s Secret Beauty, are experienced and talented retail leaders. Amy Hauk joined LB in 2008 and has served as Chief Executive Officer of PINK since 2018. Greg Unis joined the Company as Chief Executive Officer of Victoria’s Secret Beauty in 2016. The management team is highly collaborative across brands as well as channels, with each channel (Digital, North American Stores and International) also supported by well qualified leaders.

Our Strategies

Continue to Drive Penetration and Growth in our Digital Channel.

Investing in our digital channel continues to be a key priority and we believe that our global brands and our scaled retail footprint in North America is a unique platform to continue to grow our digital business. Omni-channel initiatives, including buy online pick-up in store, and an increased focus on mobile and application interactions will continue to provide flexibility and convenience to our customers. Our shopping and services initiatives will continue to modernize the customer’s digital shopping experience through features like digital selling guides, virtual try-on, digital appointments, improved checkout performance and alternative payment options. Further, with our customer at the core of our strategy, we are also increasing the personalization of our digital platforms through site experience and marketing designed for our customer. Our ongoing digital investments all help to create a seamless shopping experience between online and offline and bolster our leadership in the digital channel. In addition, we are scaling the distribution capacity of our digital business in order to support our growth and our omni-channel offerings. These strategies are aimed at increasing our digital channel mix and driving margin accretion.

Expand our International Business.

Growing our international business is a key strategy. We plan to drive strong comparable sales growth in franchise stores through continued improved product offerings and adjusting assortments to better reflect local preferences. We plan to increase our international store count, enabled by a new store design, lower costs and

flexible store formats, which provide a pathway to profitable growth. Additionally, we expect to continue investing in and growing the digital components of our international business, including through country-specific web platforms tailored to local languages and preferences and through additional regional expansion. We believe our recent joint venture partnership with Next PLC ("Next") in the United Kingdom will allow us leverage growth through the already existing and impressive Next digital presence. We also anticipate additional opportunities for growth in our travel retail channel as global travel begins to normalize following the COVID-19 pandemic.

Continue Optimizing Customer Experience through Elevated and Profitable Company-Operated Stores.

We believe we can further optimize our existing base of stores within North America to continue to deliver an elevated retail experience and to meet our customer's evolving channel preferences. We believe our stores channel is important to engaging with existing and new customers and, accordingly, see it as a key part of our strategy. We are investing in our stores through refreshing existing stores and working towards a store of the future that will include smaller, more flexible space with a unique dual-brand layout to meet the needs of our customer and accommodate shifting consumer preferences for omni-channel shopping. We also continue to focus on appropriate space allocation within the store and right-sizing the overall size of the North American stores which we believe will lead to sales transference to other stores and our digital channel. In addition to our initiatives related to our physical stores, we plan to continue to invest in store talent and labor optimization. These initiatives are designed to increase productivity in our stores measured through improved sales per selling square foot, as well as overall store profitability.

Invest in our Brands and our Business to Drive Growth.

In addition to the strategies outlined above, we continue to make significant investments in our iconic brands, our physical and digital business channels and our organizational capabilities in order to support the continued growth of our business. We believe our success is significantly enabled by frequent and innovative product launches, which include bra launches at Victoria's Secret Lingerie and PINK and new fragrances at Victoria's Secret Beauty. We are making targeted investments in technology to maintain our high digital penetration and to expand the omni-channel offering for our customers. We are also increasing our distribution capacity and efficiency in order to make decisions close to market, deliver orders to customers more quickly and provide the best and widest assortment across product categories and sizes across all channels. Our management team is committed to a diverse and inclusive corporate culture and we are building a world class team to support the execution of our growth strategies.

Recent Actions to Enable our Go-Forward Strategy.

Beginning in the third quarter of 2020, we launched a profit improvement plan to enable the go-forward strategy of the business and reduce costs. We focused on four main strategic actions which have delivered improved operating income:

- ***Merchandise Margin Rate Expansion.*** With improved assortment and disciplined inventory management, we drove a significant increase in our merchandise margin rate in the first quarter of 2021 and in 2020, resulting from a pullback in promotions and a shift to more full-priced selling.
- ***Improved Store Performance.*** Key initiatives in North American stores include simplified execution through the permanent closure of 241 stores in 2020, store labor optimization through an enhanced labor model, fewer floorset moves and a rightsizing of store leadership models, resulting in a decrease in store selling costs.
- ***International Restructuring.*** Through 2020, we took actions to improve performance in our international business, primarily in the United Kingdom, Ireland and China. We transitioned our U.K. and Ireland business to a joint venture with a native U.K. retail business, Next. Partnering with Next allows us to not only leverage our existing scale and capabilities, but also build upon Next's digital platform. In China, we closed our Hong Kong flagship store, renegotiated our leases for key street locations and reduced overhead in our home office. We also made digital growth in international markets a priority. Through the first quarter of 2021, we grew our digital footprint with additional web and social commerce sites to a total of 26 as of May 1, 2021, across partner and company owned operations.

- ***Reorganized Corporate Office.*** In 2020, we performed an organizational review of the business to right-size and realign all major corporate functions to better support a standalone VS business. Home office headcount was reduced by approximately 25%. The goal of the restructuring was to create an effective, efficient and independent organizational structure to support a high performing business and culture.

Our Brands

Our business operates two category-defining intimates and beauty brands, Victoria's Secret and PINK. We offer a range of products across intimate apparel, sleepwear, loungewear, swimwear and beauty.

Victoria's Secret

Victoria's Secret is a leading lingerie brand, with an established history of over 40 years. The Victoria's Secret brand celebrates female confidence and inspires women with beautiful products and experiences. Victoria's Secret offers bras, panties, lingerie, sleepwear, loungewear, sport and swim products across its global retail locations and its online e-commerce channel. Bras and panties represent the two largest categories today for Victoria's Secret, accounting for over 65% of the brand's 2020 retail sales. We believe our assortment is differentiated by our focus on fit, comfort and quality.

PINK

PINK is a lifestyle brand that is focused on celebrating and supporting diversity, equity, inclusion, self-confidence and individuality. The brand focuses on a collegiate-oriented customer. Our products are designed to make customers feel good both inside and out, and include bras, panties, active wear, loungewear, accessories and swimwear, which was recently re-introduced to the assortment, with bras and apparel representing the two largest categories. PINK is sold across North America and internationally at Victoria's Secret and PINK retail stores and online. Loyal PINK customers can join PINK Nation, a free, members-only online community for exclusive special offers and the inside scoop on all things PINK.

Victoria's Secret Beauty

Victoria's Secret Beauty expands our offering and enhances our emotional connection to our customers. To complement the core Victoria's Secret offering, VS launched its first fragrance line in 1991. Today, the Victoria's Secret Beauty business has grown to be the #1 fragrance brand in America.[1] In addition, our Bombshell franchise is the #1 fragrance in America.[2] Beauty products include fine fragrance, mists, PINK Beauty products and accessories. Products are sold at Victoria's Secret specialty retail stores and online.

Distribution Channels

Our distribution channels include digital, North American stores and international stores. We utilize these channels to reach our consumers in the physical and digital locations they frequent within their geographies.

Digital

The digital channel is a key and growing distribution channel and accounted for approximately $2.2 billion, or 40%, of our revenues in 2020. The channel includes sales that are derived from our websites and mobile applications.

Our digital presence, including social media, our websites and our mobile applications, allows us to get to know our customers better and communicate with them anytime and anywhere. Our digital customers engage in more transactions relative to non-digital customers. Within digital, we have taken a mobile-first approach to help drive sales.

We have taken steps to modernize the digital platform, including the use of artificial intelligence-driven chatbots and geo-targeted digital marketing. Our digital platform is designed to further support our physical presence and contribute to the growth of omni-channel sales.

[1] Source: Euromonitor, US retail unit sales, 2020, excluding mists. Aggregated sales of all Victoria's Secret fragrance brands.

[2] Source: Euromonitor, US retail unit sales, 2020, excluding mists. Aggregated sales of Victoria's Secret Bombshell fragrance.

North American Stores

The North American stores channel represents the stores in our North American physical retail locations and accounted for approximately 50% of our revenues in 2020. We operate 867 physical locations as of May 1, 2021, including a range of full assortment stores, Victoria's Secret Lingerie stores and free-standing PINK stores.

We are investing in our physical stores by refreshing existing stores and developing a prototype for a store of the future. We continue to right-size our stores to optimize our physical retail footprint and enable omni-channel sales. Additionally, we are investing in our people through field talent and leadership development to optimize the customer experience.

International

The international channel represents our company operated stores and websites in China as well as royalty and wholesale sales related to the stores and websites operated by our franchise, license and wholesale partners. International net sales accounted for approximately 7% of our revenues in 2020. As of May 1, 2021, we have 62 company operated stores in China as well as 458 partner-operated stores around the world, including locations across the Americas, Europe, Asia, Africa and the Middle East.

Revenue recognized under franchise and license arrangements generally consists of royalties earned and recognized upon sale of merchandise by franchise and license partners to retail customers. Revenue is generally recognized under wholesale and sourcing arrangements at the time the title passes to the partner. We continue to increase the number of locations under these types of arrangements as part of our international expansion.

Design, Product Development and Sourcing

Our product design and innovation is an important component of our strategy. We achieve success through frequent and fashionable product launches across product categories with a focus on fit, fabric, finish, and superior quality. Our merchant, design and sourcing teams have a long history of designing innovative products to meet our customers' needs. We believe our focus on product development differentiates our offering through superior fit, broad ranges of sizes, and comfortable and appealing silhouettes. Additionally, we believe that our sourcing and production functions, which have a long and deep presence in key sourcing markets including those in the U.S. and Asia, allow us to partner with premier manufacturers to manufacture high-quality products quickly.

Our product development team works with four key design periods for the year, Spring, Summer, Fall and Holiday, that represent our various selling seasons. Certain product lines offer more frequent introductions of new merchandise, and the primary selling seasons, Fall and Holiday, often will see greater quantities of introductions for new merchandise. We tailor our buying strategies to align with customer demand and trends across our core categories with agile and fast lead times.

Our global supply chain organization is responsible for the operational planning, manufacturing, sourcing, and distribution of products to our customers. We believe we have developed a high degree of expertise in managing the complexities associated with a global supply chain that produced more than 425 million finished goods units in 2020.

Distribution and Merchandise Inventory

A substantial portion of our merchandise is shipped to our distribution centers in the Columbus, Ohio area. Additionally, we use third-party operated distribution centers located throughout North America to distribute our merchandise. We use a variety of shipping terms that result in the transfer of title of the merchandise at either the point of origin or point of destination. Our policy is to maintain sufficient quantities of inventories on hand in our retail stores and distribution centers to enable us to offer customers an appropriate selection of current merchandise. We emphasize rapid turnover and take markdowns as required to keep merchandise fresh and current.

We are actively managing our inventory to adjust for the impacts of COVID-19, including store closures, channel shifts, product category shifts and meeting customer demand. The current environment requires unprecedented agility, and we are leveraging the speed that we have in our supply chain, our close partnerships with our suppliers and the capabilities of our sourcing, production and logistics teams to respond quickly.

Advertising and Customer Support

Our brand marketing and advertising efforts are focused on highlighting our products' fashion, innovative design and quality while also accentuating our brands' positioning in the broader market and changing landscape. We have shifted the focus of our global message across platforms towards promoting brand inclusivity and highlighting our products through an empowering, relatable, fresh brand voice to align with our customers' values. Our marketing strategies drive brand awareness and create continued loyalty between our customers and our brands. We also find it important to cater messaging towards different geographic and cultural preferences and customs in order to connect with our customers. We are committed to evolving our brand projection to serve our consumer and are developing a number of initiatives to continue evolving our brand through traditional media, entertainment platforms, and community-driven forums. We pursue our marketing strategy across a variety of platforms to reach our omni-channel customers, both in-store and online. We use traditional media outlets such as television and print, as well as digital media channels including social media, paid search and influencers. We have a dedicated team focused on marketing analytics to ensure our advertising and promotional investments are providing effective returns.

Our e-commerce channel and store locations also provide customers with an enhanced understanding of the brands through uniform messaging and brand essence across platforms. Each brand has a marketing team focused on ensuring the customer is appropriately reached and engaged. Our in-store sales force is also highly knowledgeable and we have regular in-store training to promote positive customer interactions through helpful and informed store associates.

Competition

The sale of women's intimates, apparel, and personal and beauty care products is a highly competitive business. We believe we compete effectively in our core categories by leveraging our brand equity, unique scale and our high-quality and innovative products.

Our primary competitors include individual and chain specialty stores, department stores, mass merchandisers, online retailers and discount retailers. Brand image, presentation, marketing, design, price, service, assortment, fit and quality are the principal competitive factors. A select list of key competitors include Aerie, Calvin Klein, Gap and Hanesbrands. Additionally, we see a large and growing offering from private label intimates apparel created for retailers such as Walmart, Amazon and Target in addition to emerging brands such as Adore Me and Savage by Fenty.

Properties

Company-operated Retail Stores

Our company-operated retail stores are located in shopping malls, lifestyle centers and off-mall locations in the U.S., Canada and Greater China. As a result of our strong brands and established retail presence, we have been able to lease high-traffic locations in most retail centers in which we operate.

The following table provides the number of our company-operated retail stores in operation as of May 1, 2021, January 30, 2021 and February 1, 2020:

	May 1, 2021	January 30, 2021	February 1, 2020
U.S.	841	846	1,053
Canada	26	25	38
U.K. / Ireland	—	—	26
Greater China – Beauty and Accessories	36	36	41
Greater China – Full Assortment	26	26	23
Total	**929**	**933**	**1,181**

The following table provides the changes in the number of our company-operated retail stores operated for the first quarter of 2021 and 2020:

	Beginning of First Quarter	Opened	Closed	End of First Quarter
2021	933	2	(6)	929
2020	1,181	2	(23)	1,160

The following table provides the changes in the number of our company-operated retail stores operated for the past three fiscal years:

	Beginning of Year	Opened	Closed	Transferred to Joint Venture[a]	End of Year
2020	1,181	26	(248)	(26)	933
2019	1,222	25	(66)	—	1,181
2018	1,230	26	(34)	—	1,222

(a) Relates to the U.K. joint venture with Next PLC.

Franchise, License and Wholesale Arrangements

In addition to our company-operated stores, our products are sold at hundreds of partner locations and on partner websites in more than 70 countries. We are focused on ensuring our partners have the commitment and capability to provide a quality customer experience and to grow our brands internationally.

Under the terms of our franchise, license and wholesale arrangements, we provide our partners the rights to sell our products in various geographic regions along with operational policies and standards governing such matters as the supply and sale of our products, in stores and online, marketing and store training. Our partners are generally responsible for providing the capital necessary to lease retail space, build-out stores and/or develop websites, fund the operations of the business, and over the longer-term, reinvest in the business. Our partners are also responsible for the day-to-day operations of the business, and must do so in accordance with our policies and standards which are focused on ensuring a consistent customer experience around the world. Such arrangements can typically be terminated, upon delivery of notice, in the event of any breach of representations or warranties.

Our franchise and license arrangements with our partners typically have an initial term of five to ten years, with an option to renew, subject to customary conditions. Revenue recognized under franchise and license arrangements generally consists of royalties earned and recognized upon sale of merchandise by franchise and license partners to retail customers, typically based on a percentage of sales. Royalty rates, which generally range from low double digits to mid-teens, vary based on store format, local business conditions and various other factors.

Our wholesale arrangements with our partners typically have an initial term of five years, with an option to renew, subject to customary conditions. Wholesale prices, which vary by product category, are generally based on a discount to the suggested retail price. Revenue is generally recognized under wholesale arrangements at the time the title passes to the partner.

The following table provides the number of our international stores operated by our partners as of May 1, 2021, January 30, 2021 and February 1, 2020:

	May 1, 2021	January 30, 2021	February 1, 2020
Beauty and Accessories	337	338	360
Full Assortment	121	120	84
Total	**458**	**458**	**444**

Facilities

The following table provides the location, use and size of our distribution, corporate and product development facilities as of January 30, 2021:

Location	Use	Approximate Square Footage
Columbus, Ohio area	Distribution, shipping and corporate offices	3,010,000
New York	Office, sourcing and product development/design	445,000
Kettering, Ohio	Call center	94,000
Hong Kong	Office and sourcing	55,000
Mainland China	Office	51,000
Canada	Office	6,000
Various international locations	Office and sourcing	149,000

United States

Our business is principally conducted from office, distribution and shipping facilities located in the Columbus, Ohio, area. Additional facilities are located in New York and Kettering, Ohio.

Our distribution and shipping facilities consist of three buildings located in the Columbus, Ohio, area. These buildings, including attached office space, comprise approximately 3.0 million square feet.

As of May 1, 2021, we operate 841 retail stores located in leased facilities, primarily in malls and shopping centers, throughout the U.S. A substantial portion of these lease commitments consists of store leases generally with an initial term of 10 years. The store leases expire at various dates between 2021 and 2034. Typically, when space is leased for a retail store in a mall or shopping center, we supply all improvements, including interior walls, floors, ceilings, fixtures and decorations. The cost of improvements varies widely, depending on the design, size and location of the store. In certain cases, the landlord of the property may provide an allowance to fund all or a portion of the cost of improvements, serving as a lease incentive. Rental terms for new locations usually include a fixed minimum rent plus a percentage of sales in excess of a specified amount. We usually pay certain operating costs such as common area maintenance, utilities, insurance and taxes.

International

Canada

We lease an office in the Toronto, Ontario, area. As of May 1, 2021, we operate 26 retail stores located in leased facilities, primarily in malls and shopping centers, throughout the Canadian provinces. These lease commitments consist of store leases with initial terms of 5 to 10 years expiring on various dates between 2021 and 2031.

United Kingdom / Ireland

As a result of our joint venture with Next PLC, we no longer operate any stores in the U.K. or Ireland. However, as of May 1, 2021, we continue to lease a store in the U.K., with a lease expiration in 2025, and a store in Ireland, with a lease expiration in 2037, which are sublet to and operated by the joint venture.

Greater China

We lease offices in Shanghai, Shenzhen and Hong Kong within Greater China. As of May 1, 2021, we operate 62 retail stores in leased facilities in Greater China. These lease commitments consist of store leases with initial terms ranging from 3 to 15 years expiring on various dates between 2021 and 2032.

Other International

As of May 1, 2021, we also have global representation through stores operated by our partners: 337 Victoria’s Secret Beauty and Accessories stores in 67 countries; 104 Victoria’s Secret stores in 30 countries; and 17 PINK stores in six countries. We also operate sourcing-related office facilities in various international locations.

Seasonal Business

Our operations are seasonal in nature and consist of two principal selling seasons: Spring (the first and second quarters) and Fall (the third and fourth quarters). The fourth quarter, including the holiday season, typically accounts for approximately one-third of our net sales and is our most profitable quarter. Accordingly, cash requirements are highest in the third quarter as our inventories build in advance of the holiday season.

Regulations

We and our products are subject to regulation by various federal, state, local and foreign regulatory authorities. We are subject to a variety of tax and customs regulations and international trade arrangements. While there are no current regulatory matters that we expect to be material to our results of operations, financial position, or cash flows, there can be no assurances that existing or future laws, regulations and standards applicable to our operations or products will not lead to a material adverse impact on our results of operations, financial position or cash flows.

Human Capital Management

Human Capital

At VS, our purpose goes beyond selling product. We work to foster a safe, welcoming and empowering workplace for our thousands of associates around the globe and are truly making a difference in our communities. The Company will establish a Human Capital and Compensation Committee that oversees the Company's programs, policies, practices and strategies relating to culture, talent, diversity, inclusion and equal employment opportunities as well as the Company's executive compensation plans.

Workforce Demographics

As of January 30, 2021, we employed approximately 27,900 associates, approximately 16,500 of whom were part-time. In addition, temporary associates are hired during peak periods, such as the holiday season. Approximately 70% of our associates work in our stores, 15% in distribution centers with the balance in home office and call centers. As of January 30, 2021, women make up approximately 85% of our workforce.

Focus on Inclusion

We focus on recruiting, retaining and advancing diverse talent that reflects the customers we serve and the communities where we live and work. By continuing to encourage a workplace environment where diversity and inclusion are valued, we believe we can serve our customers better, as well as retain highly talented associates, suppliers and vendors of different backgrounds and experiences.

Led by LB's Office of Inclusion and with oversight from the Human Capital and Compensation Committee, we have built, and will continue to build, an inclusion strategy with five key pillars:

- Increase the diversity of candidate slates and hires for all roles.
- Develop, deploy and ensure completion of required learning at all levels bringing awareness and education to associates on diversity, equity and inclusion.
- Improve retention of diverse associates at all levels. Monitor culture change and employee satisfaction through survey results.
- Increase volunteerism and giving to organizations targeting racial equity and social justice.
- Increase spend with minority-owned third-party companies.

More than 99% of our associates have completed training on our strategic vision for diversity and inclusion which includes lessons on bias, equity and conscious inclusion. The training emphasizes both our and our associates' responsibility to build an inclusive culture.

In addition, we have inclusion resource groups that provide opportunity for associates to connect with one another around their shared passion for creating an inclusive workplace for all associates. These groups provide professional development for associates, support the needs of the business, help shape the culture of our company and volunteer in the community. Our associates participate in four inclusion resource groups designed for associates who identify as, or are allies of, the following groups: Hispanic and Latinx, LGBTQ, Black and African American and women.

Commitment to Equitable and Competitive Wages

We are committed to equal opportunity and treatment for all associates which includes equal career advancement opportunities and equitable and competitive wages. We evaluate fairness in total compensation with reference to both internal and external comparisons. Our compensation programs are designed to link annual changes in compensation to overall Company performance, as well as each individual's contribution to the results achieved. The emphasis on overall Company performance is intended to align the associates' financial interests with the interests of shareholders.

Our investment in our workforce in 2020 included the expansion of participation in the short-term cash incentive compensation program to include all salaried associates in the home office, distribution or call centers beginning with the fall 2020 season and going forward.

Commitment to Providing Quality Benefits

We offer competitive, performance-based compensation; a company-matched savings and retirement plan; and flexible and affordable health and wellness and lifestyle benefits. Subject to certain eligibility requirements, associates can choose benefits and resources that fit their lifestyle, including, but not limited to, 14 weeks paid maternity leave, six weeks paid paternal leave, tuition reimbursement, free access to life planning services and generous merchandise discounts.

Associate Development

We are committed to investing in all our associates. We provide diverse learning opportunities and challenging work experiences. We believe that associates can reach their career goals through multiple roles, career paths and locations around the world. We offer a variety of enrichment experiences for those joining us as interns, new graduates, in mid-career or as a capstone to a career. Examples include:

- Development Days: Dedicated time to advance technical, creative or business skills.
- Leadership Development: Courses for associates in management positions to build critical skills and grow as effective leaders.
- Merchant-in-Training Program: Immersive program to learn the craft both on the job and from experts in the classroom.
- Onboarding: Dedicated time to learn the business and to form important relationships for mentoring and development.
- Tuition Assistance: Reimbursement of 80 percent of eligible tuition expenses, up to $3,000 per calendar year.

Safety is Our Priority

Health and safety of our associates, customers and vendors is our highest priority. We provide safe and clean facilities, comply with all applicable workplace safety laws and have global safety policies and procedures to protect from avoidable injury. In response to COVID-19, we implemented robust safety protocols to protect associates working in our distribution centers, stores and home offices. Associates whose work can be done remotely are working from home. For associates who are working in our stores, offices and distribution centers, we are utilizing COVID-19 safety measures developed to align with CDC guidelines.

Code of Conduct

We have a written Code of Conduct that is based on our values and is a resource where associates can find information that defines behaviors that are acceptable and those that are not. We conduct an annual Code of Conduct compliance process which requires associates to complete a Code of Conduct disclosure and a separate training course. We maintain an Ethics Hotline 24 hours a day, 7 days a week where associates may anonymously report potential instances of unethical conduct and potential violations of law or company policies.

Intellectual Property

Our trademarks and patents, which constitute our primary intellectual property, have been registered or are the subject of pending applications in the U.S. Patent and Trademark Office and with the registries of many foreign countries where our products are manufactured and/or sold. In particular, our trademark portfolio consists

of over 7,000 trademark registrations and applications in the United States and other countries around the world, including for VICTORIA'S SECRET and PINK. We believe our products are identified by our trademarks and, thus, our trademarks are of significant value. Accordingly, we intend to maintain our trademarks and related registrations and vigorously protect our intellectual property assets against infringement, misappropriation or other violations. Although the laws vary by jurisdiction, in general, trademarks remain valid and enforceable as long as the marks are used in connection with the related products and services and the required registration renewals are filed.

We also place high importance on product innovation and design, and a number of these innovations and designs are the subject of issued patents and pending patent applications.

Due to the worldwide consumer recognition of our products, we face an increased risk of counterfeiting by third parties. We vigorously monitor and enforce our intellectual property and proprietary rights against counterfeiting, infringement, misappropriation and other violations by third parties where and to the extent legal, feasible and appropriate. However, the actions we take to protect our intellectual property rights may not be adequate to prevent third parties from copying our products or infringing, misappropriating or otherwise violating our trademarks or other intellectual property rights, and the laws of foreign countries may not protect intellectual property rights to the same extent as do the laws of the U.S. See "Risk Factors— Our ability to adequately maintain, enforce and protect our trade names, trademarks and patents could have an impact on our brand images and ability to penetrate new markets."

Information Systems

Our management information systems consist of a full range of retail, financial and merchandising systems. The systems include applications related to point-of-sale, e-commerce, merchandising, planning, sourcing, logistics, inventory management, data security and support systems including human resources and finance.

Legal Proceedings

There are no pending material legal proceedings. The Company continues to have ordinary, routine litigation incidental to the business, to which we or any of our subsidiaries is a party or to which any of our property is the subject.

MANAGEMENT

Executive Officers Following the Separation

The following table sets forth information, as of the date of this information statement, regarding certain individuals who are expected to serve as our executive officers following the Separation. We expect that those individuals noted below who are current employees of LB will transfer from their respective employment with LB to VS and, immediately prior to the Separation, resign from any officer roles with LB.

Name	Age	Position
Martin Waters	55	Chief Executive Officer
Tim Johnson	54	Chief Financial Officer
Amy Hauk	54	Chief Executive Officer of PINK
Gregory Unis	50	Chief Executive Officer of Victoria's Secret Beauty
Dein Boyle	61	Chief Operating Officer

There are no family relationships among any of the officers named above. Each of our officers will hold office from the date of election until a successor is elected. Set forth below is information about the executive officers identified above.

Martin Waters will be the Chief Executive Officer of VS. Mr. Waters has served as the Chief Executive Officer of VS since February 2021 and Victoria's Secret Lingerie since November 2020. He previously served as the Chief Executive Officer of L Brands International from 2008 to 2021 with responsibility for launching and growing the global Victoria's Secret and Bath & Body Works businesses under LB. He holds a B.A. in retail marketing from Manchester University in the United Kingdom. Mr. Waters joined LB in 2008.

Amy Hauk will be the Chief Executive Officer of PINK. Ms. Hauk has served as the Chief Executive Officer of PINK since 2018. Ms. Hauk previously served as chief merchant and executive vice president of merchandising for Bath & Body Works from 2008 to 2018. She holds a B.A. in history from University of California, Davis. Ms. Hauk joined LB in 2008.

Gregory Unis will be the Chief Executive Officer of Victoria's Secret Beauty. Mr. Unis has served as the Chief Executive Officer of Victoria's Secret Beauty since 2016. Mr. Unis previously served as executive vice president and global head of men's and licensing merchandise for Coach from 2010 to 2016. He holds an M.B.A. from Columbia University Business School and a B.A. from Boston University. Mr. Unis joined LB in 2016.

Tim Johnson will be the Chief Financial Officer of VS. Mr. Johnson currently serves as (i) a director of Aaron's Inc. since May 2021, (ii) a director of FST Logistics since December 2020, (iii) a director of DYLN since October 2020 and (iv) a director of LogicSource, Inc. since January 2020, serving as the chair of the audit committee. He served as the Chief Financial Officer and Chief Administrative Officer of Big Lots, Inc. ("Big Lots") from August 2015 to August 2019 and Chief Financial Officer from August 2012 to August 2015. Mr. Johnson also served as an interim Co-Chief Executive Officer from December 2018 to October 2019. Prior to that, he held various roles of increasing responsibility at Big Lots from August 2000 to August 2015. He holds a B.S. in business and accounting from Miami University.

Dein Boyle will be the Chief Operating Officer of VS. Mr. Boyle has served as the Chief Operating Officer of VS since 2020. He previously served as chief operating officer of PINK from 2016 to 2020, chief administrative officer of PINK from 2015 to 2016, and executive vice president at PINK from 2012 to 2014. He holds a B.A. in business administration from Indiana State University. Mr. Boyle joined LB in 2008.

Board of Directors Following the Separation

The following individuals are expected to serve as members of our Board of Directors following the Separation.

Name	Age	Position
Martin Waters	55	Chief Executive Officer and Director
Irene Chang Britt	59	Director
Sarah Davis	56	Director

Name	Age	Position
Jacqueline Hernandez	55	Director
Donna A. James	64	Director
Lauren B. Peters	60	Director
Anne Sheehan	64	Director

Set forth below is additional information regarding the directors identified above, as well as a description of the specific skills and qualifications such candidates are expected to provide the Board of Directors of VS.

Martin Waters will serve on the Board of Directors. For Mr. Waters' biography, see "—Executive Officers Following the Separation" above. Mr. Waters' qualifications for election include his service as Chief Executive Officer of VS and his previous service in various leadership roles at LB since 2008.

Irene Chang Britt will serve on the Board of Directors. Ms. Chang Britt currently serves as (i) a director of Mikmak since 2021, (ii) a director of Amica Senior Lifestyles, currently serving as the chairperson of the board and as a member of the compensation and investment committee since 2017, and (iii) an independent director of Brighthouse Financial, Inc. since 2017. She served as an independent director of Tailored Brands, Inc. (formerly Men's Warehouse, Inc.) from 2015 to 2020 and of Dunkin Brands Group, Inc. between 2014 and 2020. Ms. Chang Britt retired from Campbell Soup Company ("Campbell"), a food and beverage company, in January 2015. At Campbell, Ms. Chang Britt served in positions of increasing responsibility, most recently having served as senior vice president of Global Baking and Snacking and as president of Pepperidge Farm, a subsidiary of Campbell from 2012 to 2015. Ms. Chang Britt is qualified to sit on the Board of Directors on the basis of her brand and marketing expertise and public company board experience.

Sarah Davis will serve on the Board of Directors. Ms. Davis currently serves as a director of AGF Investments, serving as the chairperson of the compensation committee since 2014. She served as a board member of T&T Supermarkets from 2014 to 2021, having served as the chairperson of the board from 2017 to 2021, and as a director of PC Financial from 2010 to 2021. Ms. Davis retired from Loblaw Companies Limited ("Loblaw"), a food and pharmacy company, in May 2021. At Loblaw, Ms. Davis served in positions of increasing responsibility, having served as the chief administrative officer from 2014 to 2017 and as president from 2017 to 2021. Ms. Davis is qualified to sit on the Board of Directors on the basis of her corporate finance expertise and public company board experience.

Jacqueline Hernandez will serve on the Board of Directors. Ms. Hernandez currently serves as (i) the chief executive officer and co-founder of New Majority Ready since April 2019, (ii) a director of Estrella Media, serving as a member of the compensation committee since December 2019, (iii) a director of Redbox Automated Retail since October 2020, and (iv) a director of Isos Acquisition Corp since March 2021. She served as (i) the chief operating officer of NBCUniversal Telemundo Enterprises from 2008 to 2014, (i) the chief marketing officer of NBCUniversal Hispanic Enterprises from 2014 to 2017, and (iii) the president of Combate Americas from 2017 to 2019. Ms. Hernandez is qualified to sit on the Board of Directors on the basis of her executive experience complemented by her expertise in multi-cultural marketing and strategic planning.

Donna A. James will serve on the Board of Directors. Ms. James currently serves as (i) the managing director of Lardon & Associates LLC since 2006, (ii) a director of Boston Scientific Corporation since 2015, and (iii) a director of The Hartford Financial Services Group, Inc. since 2021. She served as (i) a director of L Brands from 2003 to immediately prior to completion of the Separation, most recently having served as a member of the audit and nominating and governance committees, (ii) a director of Marathon Petroleum Corp. from 2011 to 2018 and as an advisor to the Marathon Petroleum Corp. board of directors from 2019 to 2020 and (iii) a director of Time Warner Cable Inc. from 2009 to 2016. Ms. James is qualified to sit on the Board of Directors on the basis of her executive experience, financial expertise, service on several boards of directors and experience with respect to corporate diversity and related issues.

Lauren B. Peters will serve on the Board of Directors. Ms. Peters currently serves as a director of La-Z-Boy, Inc., since 2016, serving as a member of the audit and nominating and governance committees. She served as a director of Carbon38 from 2018 to 2021. She retired from Foot Locker, Inc. ("Foot Locker"), a multi-channel specialty athletic retailer, in May 2021. At Foot Locker, Ms. Davis served in positions of increasing responsibility, most recently having served as the executive vice president, CFO from 2011 to 2021. Ms. Peters is qualified to sit on the Board of Directors on the basis of her financial expertise and public company board experience.

Anne Sheehan will serve on the Board of Directors. Ms. Sheehan currently serves as (i) a director of Cohn Robbins Holding Company since 2020, (ii) an advisor on the advisory board of the Weinberg Center for Corporate Governance at the University of Delaware since 2014, (iii) a member of the advisory board of Rock Center for Corporate Governance of Stanford Law School since 2019 and (iv) a senior adviser at PJT Partners since 2018. She served as (i) a director of L Brands from 2019 to immediately prior to completion of the Separation, most recently having served as a member of the audit committee and nominating and governance committee, (ii) the chair of the Securities and Exchange Commission's Investor Advisory Committee from 2012 to 2020 and (iii) the director of corporate governance of California State Teachers Retirement System from 2008 to 2018. Ms. Sheehan is qualified to sit on the Board of Directors on the basis of her extensive experience as a corporate governance professional and her senior management and leadership experience addressing complex legislative, regulatory and public finance issues.

Board Structure

Upon completion of the Separation, our Board of Directors is expected to consist of seven members. Each director will be elected annually by the stockholders at each annual meeting of stockholders for a term expiring at the next annual meeting of stockholders. We have not yet set the date of the first annual meeting of stockholders to be held following the Separation.

Board Independence

Upon completion of the Separation, our Board of Directors will consist of seven members. Our Board expects to determine that each of Irene Chang Britt, Sarah Davis, Jacqueline Hernandez, Donna A. James, Lauren B. Peters, and Anne Sheehan is independent under NYSE rules. In determining independence, the Board will consider whether each director has a material relationship with VS and is independent from VS management. The Board will consider all relevant facts and circumstances including, without limitation, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships between the director and VS. A copy of our corporate governance principles setting forth our director qualification standards will be posted on our website after the Separation.

Director Compensation

Each of our non-employee directors is expected to receive an annual cash retainer of $111,900, which will be paid in cash quarterly in arrears. In addition, each of our non-employee directors is also expected to receive an additional annual cash retainer of $12,500 for membership on each of the Audit and HCC Committees and $10,000 for all other Board committee memberships. The Chair of the Audit Committee is expected to receive an additional annual cash retainer of $20,000, and the Chairs of the HCC and Nominating and Governance Committees are each expected to receive an additional annual cash retainer of $15,000. Each other Board committee Chair is expected to receive an additional annual cash retainer of $10,000. The Board Chair is expected to receive an additional annual cash retainer of $80,000.

In addition, each of our non-employee directors is also expected to receive an annual equity retainer with a grant date value of $111,900. The annual equity retainer is expected to be granted under the VS 2021 Plan and delivered 100% in the form of unrestricted VS shares on the date of our annual meeting of stockholders. Such equity retainer will be pro-rated in the year of initial election or appointment to our Board. In addition, each of our non-employee directors is also expected to receive an additional annual equity retainer with a grant date value of $12,500 for membership on each of the Audit and HCC Committees and $10,000 for all other Board committee memberships. The Board Chair is expected to receive an additional annual equity retainer with a grant date value of $80,000.

Board Committees

Effective upon the completion of the Separation, the Board will have an Audit Committee, a Human Capital and Compensation Committee and a Nominating and Governance Committee, each of which will operate under written charters approved by the full Board. In accordance with current NYSE listing standards, all of the directors who serve on each such Committee will be independent from us and our management. The charters of all the Committees will be posted on our website after the Separation.

Each Committee will operate under a written charter that details the scope of authority, composition and procedures of the Committee. Each Committee may, when appropriate in its discretion, delegate authority with respect to specific matters to subcommittees or the Chair of such Committee. The Committees will report to the Board of Directors periodically, review and reassess the adequacy of their charters and will conduct an annual evaluation of their performance.

Audit Committee

The members of our Audit Committee are expected to be Donna A. James, Irene Chang Britt, Sarah Davis and Lauren B. Peters. Sarah Davis is expected to be the Chair of our Audit Committee. We expect that each member of our Audit Committee will meet the requirements for independence under the current NYSE listing standards and SEC rules and regulations. We expect that each member of our Audit Committee will be financially literate. In addition, our Board of Directors expects to determine that each of Donna A. James, Sarah Davis and Lauren B. Peters is an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Act. This designation does not impose on him/her any duties, obligations or liabilities that are greater than are generally imposed on members of our Audit Committee and our Board of Directors. The responsibilities of the Audit Committee will be more fully described in our Audit Committee charter and will include, among other duties:

- Appointing, compensating, retaining, overseeing and terminating the independent registered public accounting firm for us;
- Reviewing and approving the scope, timing and staffing of the audit to be conducted by the independent registered public accounting firm;
- Evaluating the independent registered public accounting firm's qualifications, performance and independence;
- Reviewing with management and the independent registered public accounting firm our annual and quarterly statements prior to filing with the SEC;
- Reviewing our system of internal controls and disclosure controls and procedures; and
- Preparing a report to stockholders annually for inclusion in the proxy statement.

Human Capital and Compensation Committee

The members of our Human Capital and Compensation Committee are expected to be Irene Chang Britt, Jacqueline Hernandez, Lauren B. Peters and Anne Sheehan. Irene Chang Britt is expected to be the Chair of the Human Capital and Compensation Committee. We expect that each member of the Human Capital and Compensation Committee will meet the requirements for independence under the current NYSE listing standards and SEC rules and regulations. The responsibilities of the Human Capital and Compensation Committee will be more fully described in the Human Capital and Compensation Committee Charter and will include, among other duties:

- Reviewing and approving our compensation and benefits philosophy and policies generally, including reviewing and approving any incentive compensation plans and equity-based plans;
- Reviewing and approving, for our Chief Executive Officer, (i) annual base salary level, (ii) annual or seasonal incentive compensation, (iii) long-term incentive compensation, (iv) employment, severance, and change-in-control agreements, if any, and (v) any other compensation, ongoing perquisites, or special benefit items;
- Reviewing and recommending for approval by the Board of Directors compensation for our directors;
- Preparing a report to stockholders annually for inclusion in the proxy statement;
- Reviewing our Compensation Discussion and Analysis in the proxy statement and discussing with management; and
- Periodically reviewing our key workforce management and human capital policies and practices.

Nominating and Governance Committee

The members of our Nominating and Governance Committee are expected to be Donna A. James, Sarah Davis, Jacqueline Hernandez and Anne Sheehan. Anne Sheehan is expected to be the Chair of our Nominating and Governance Committee. We expect that each member of the Nominating and Governance Committee will meet the requirements for independence under the current NYSE listing standards. The responsibilities of the Nominating and Governance Committee will be more fully described in our Nominating and Governance Committee Charter and will include, among other duties:

- Recommending to the Board of Directors criteria for Board of Directors membership and the composition, size, structure, practices, policies and activities of the Board of Directors;
- Recommending candidates to the Board of Directors; and
- Overseeing the evaluation of the Board of Directors.

Code of Ethics

In connection with the Separation, our Board of Directors will adopt one or more codes of ethics that will apply to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. Upon completion of the Separation, the full text of our codes of business conduct and ethics will be posted on the investor relations section of our website. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K by disclosing future amendments to our codes of business conduct and ethics, or any waivers of such codes, on our website or in public filings.

Compensation Committee Interlocks and Insider Participation

None of our executive officers has served as a member of a compensation committee (or if no committee performs that function, the Board of Directors) of any other entity that has an executive officer serving as a member of our Board of Directors.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

This section presents information concerning LB's existing compensation arrangements, the expected compensation arrangements for the named executive officers of VS and explains VS's anticipated executive compensation arrangements, compensation philosophy and objectives, the components of executive compensation, and executive stock ownership. The focus of the analysis is on VS's named executive officers ("NEOs") for fiscal 2020 set forth in the table below.

Name	Title
Martin Waters(1)	Chief Executive Officer of VS and Chief Executive Officer, Victoria's Secret Lingerie
Amy Hauk	Chief Executive Officer, PINK
Gregory Unis	Chief Executive Officer, Victoria's Secret Beauty
Stuart Burgdoerfer(1)	Former Interim Chief Executive Officer, Executive Vice President and Chief Financial Officer
John Mehas(2)	Former Chief Executive Officer, Victoria's Secret Lingerie

(1) During 2020, Stuart Burgdoerfer served as VS's Interim Chief Executive Officer and Chief Financial Officer. On February 4, 2021, Mr. Burgdoerfer provided notice of his intention to retire and ceased serving as Interim Chief Executive Officer and Chief Financial Officer of VS. Mr. Burgdoerfer will continue to serve as Chief Financial Officer of LB until his retirement in August 2021. In connection with Mr. Burgdoerfer's planned retirement, Martin Waters, VS's then-current Chief Executive Officer, Victoria's Secret Lingerie, was appointed to also serve as Chief Executive Officer of VS, effective February 4, 2021.

(2) John Mehas ceased serving as Chief Executive Officer, Victoria's Secret Lingerie, effective on November 25, 2020. Mr. Waters was appointed Chief Executive Officer, Victoria's Secret Lingerie, effective as of such date.

Each of VS's NEOs were previously employees of LB prior to the Separation and, following the Separation, will continue employment with VS (other than Mr. Burgdoerfer who will remain an employee of LB until his retirement in August 2021 and Mr. Mehas who ceased employment with VS effective November 2020). Thus, the historical compensation information provided in this CD&A reflects LB's compensation policies applicable to our NEOs, and the determinations made primarily by the LB Human Capital & Compensation Committee (the "LB HCC Committee") and certain members of LB's management team. This historical information is provided to give context to our new pay practices at VS, which we anticipate will be based on LB's historical pay practices. VS's pay practices are being developed and revised to fit with the pay philosophy of VS, which we anticipate will be similar to LB's philosophy.

As described above, upon completion of the Separation, VS's Board of Directors will establish a Human Capital and Compensation Committee (the "VS HCC Committee"), which will review the impact of the Separation from LB and all aspects of our executive compensation program and will make any adjustments that it believes are appropriate in structuring executive compensation arrangements for VS executives (including our NEOs) going forward. Accordingly, since our pay practices are still being developed, the forms and amounts of compensation reported below are not necessarily indicative of the compensation our current NEOs will receive following the Separation.

Compensation Program

Executive Compensation Philosophy and Guiding Principles

The LB HCC Committee oversees the LB executive compensation program based on the following clear and purposeful guiding principles:

Compensation Component	LB's Principles
Pay Level	• Attract and retain superior leaders in a highly competitive market for talent. • Pay competitively and equitably. • Recognize depth and scope of accountability and complexity of responsibility.
Pay Mix	• Emphasize performance-contingent, long-term equity-based compensation over fixed compensation.

Compensation Component	LB's Principles
Pay for Performance	• Recognize and reward enterprise, brand and individual performance. • Align executives' interests with stockholders' interests. • Require executives to own a significant amount of LB's common stock. • Set Spring and Fall goals that reflect the seasonal nature of LB's business and incentivize goal achievement in each season. • Create long-term stockholder value through regular achievement of short-term goals while pursuing LB's longer-term strategy of growth in North America and internationally. • Retain and incentivize high-performers through long-term equity incentive awards.

Going forward: We share our compensation philosophy with LB, and we anticipate that we will design the VS executive compensation program with the same core guiding principles as apply under the LB executive compensation program.

Connecting Pay and Performance

Two key elements of LB's program's design connect pay to performance. First, its incentive goals are designed to challenge its executives to achieve a high level of performance to earn incentives at target levels. When its executives hit and exceed, or fall short of, these goals, LB compensates them accordingly.

Second, to further connect its executives' pay to performance and stockholder interests, LB employs a pay mix philosophy that places greater emphasis on performance-based and equity compensation over base salary.

Going forward: We anticipate that we will adopt LB's pay-for-performance philosophy and allocate a meaningful portion of each executive's total direct compensation to at-risk components.

Governance Practices

LB has continued the following compensation practices in accordance with its corporate governance principles:

- No tax gross-ups upon a change in control.
- "No hedging" policy governing stock trading.
- Adopted a policy that discourages pledging of LB's common stock and requires advance approval by LB's General Counsel.
- No re-pricing of stock options without stockholder approval.
- No single-trigger vesting of equity awards upon a change in control.
- Clawback policy as described under "—Compensation Governance—Recovery of Compensation."
- Stock ownership guidelines set at five times base salary for LB's chief executive officer and three times base salary for other applicable LB executives.
- Stock plan that requires a vesting period of at least one-year subject to certain exceptions.

Going forward: We believe that LB's governance practices support good governance and mitigate excessive risk-taking. We expect to adopt similar good governance practices, but, as a new, smaller company, VS will review its compensation practices to determine which measures are most appropriate going forward.

Compensation Governance

LB HCC Committee

LB's programs, policies, practices and strategies relating to culture, talent, diversity and inclusion and executive compensation are overseen by the LB HCC Committee. All LB HCC Committee members are appointed by LB's Board of Directors and meet independence and other NYSE requirements. LB HCC Committee members are selected based on their knowledge and experience in human capital and compensation matters from both their professional experience and their roles on other boards.

Going forward: The VS HCC Committee will be composed of entirely independent directors and will similarly oversee our programs, policies, practices and strategies relating to culture, talent, diversity and inclusion and executive compensation.

Independent Committee Consultant

As permitted by its charter, the LB HCC Committee retained Willis Towers Watson ("WTW") as its independent executive compensation consultant and has the sole authority to retain and terminate any independent executive compensation consultant.

The LB HCC Committee, considering recommendations from LB's management team, determines the work to be performed by WTW. WTW works with management to gather data required in preparing analyses for LB HCC Committee review. Specifically, the services the consultant provides include:

- Assisting in the evaluation of and providing recommendations for the Chief Executive Officer and other executive compensation;
- Informing the LB HCC Committee of changing market practices;
- Consulting on executive compensation strategy and program design;
- Analyzing the competitiveness of executive pay;
- Assisting in the selection of our peer group; and
- Assisting and reviewing in LB's compensation & discussion analysis disclosure.

Going forward: Once we are a separate public company, the VS HCC Committee will engage an independent compensation consultant to perform services consistent with those described above and such other services as it deems necessary to reflect our position as a new, smaller public company.

Compensation Comparison

LB compares its executive compensation with publicly available data on executive compensation, including the executive compensation paid by its peer companies, in order to appropriately establish incentives and to retain top talent.

LB defines its peer group, with the help of WTW, the LB HCC Committee's independent compensation consultant, to generally include:

- Businesses that are generally similar to LB in total revenue, market capitalization, global footprint, business and/or merchandise focus;
- Retailers that compete with LB for executive talent;
- Specialty and department store retailers; and
- Companies with brands that have emotional content.

LB reviews its peer group annually and did not make any changes in fiscal 2020. Its peer group consists of the following companies:

Abercrombie & Fitch Co.	J. C. Penney Company, Inc.	Ross Stores, Inc.
American Eagle Outfitters, Inc.	Kohl's Corporation	Starbucks Corporation
Avon Products, Inc.	Macy's, Inc.	Tapestry, Inc.
Bed Bath & Beyond Inc.	NIKE, Inc.	The TJX Companies, Inc.
The Estee Lauder Companies Inc.	Nordstrom, Inc.	Williams-Sonoma, Inc.
The Gap, Inc.	Ralph Lauren Corporation	

LB does not specifically set its executive compensation against its peer group. Instead, it considers peer group comparisons provided by WTW as one of several factors in applying its pay philosophy and making executive compensation decisions.

Going forward: Once we are a separate public company, we expect that our management and such compensation consultant as the VS HCC Committee may select will independently analyze potential peer companies based on similar criteria to assist in establishing compensation targets in the future. Currently, VS anticipates that its peer group will consist of the companies listed below which were used during fiscal 2020 to develop certain policies for our NEOs. This list remains subject to ongoing review and refinement by the VS HCC Committee and its compensation consultant:

Abercrombie & Fitch Co.
American Eagle Outfitters, Inc.
Big Lots, Inc.
Burlington Stores, Inc.
Capri Holdings Limited
Coty Inc.
Designer Brands Inc.
Dillard's, Inc.
G-III Apparel Group, Ltd.
Hanesbrands Inc.
Levi Strauss & Co.
lululemon athletica inc.
PVH Corp.
Ralph Lauren Corporation
Ross Stores, Inc.
Tailored Brands, Inc.
Tapestry, Inc.
The Estee Lauder Companies Inc.
The Gap, Inc.
Tiffany & Co.
Ulta Beauty, Inc.
Under Armour, Inc.
Urban Outfitters, Inc.
V.F. Corporation
Williams-Sonoma, Inc.

Compensation Setting Process

The LB HCC Committee makes all decisions regarding chief executive officer compensation, and LB's chief executive officer, in consultation with the LB HCC Committee, sets compensation for its other applicable executives. The LB HCC Committee oversees the evaluation process and compensation structure for all of LB's applicable executives, including the approval of grants of stock awards to such executives.

Target compensation for LB's executives is reviewed annually and is designed to reward historical performance, incentivize future performance and be competitive with the external market for talent.

Going forward: We anticipate that the VS HCC Committee will oversee the evaluation and compensation structure for all of our NEOs, including our chief executive officer, based on our compensation philosophy and governance guidelines.

NEO Compensation Components

The three principal elements of LB's executive compensation programs have historically been base salary, short-term performance-based cash incentive compensation and long-term equity incentive compensation. In addition to these three principal elements of compensation, LB also provides its eligible executives with certain retirement and other post-employment benefits and perquisites. Additional information about each compensation component is provided below.

Going forward: We anticipate continuing LB's executive compensation mix, including base salary, short-term performance based awards and long-term awards. As a new, smaller company, we will evaluate our executive compensation mix to match the needs of VS.

Base Salary

The following factors are considered by LB in determining executive base salary adjustments:

- Scope and responsibility of the executive's position;
- Achievement of seasonal and annual business goals;
- Level of overall compensation paid by competitors for comparable positions;
- Recruitment, retention and development of leadership talent;
- LB's challenging expectations for future growth; and
- The appropriate balancing of the executive's base salary against their incentive compensation.

During 2020, Mr. Burgdoerfer's base salary increased, effective May 18, 2020, to $1,200,000 in connection with his promotion as Interim Chief Executive Officer of VS. In addition, Mr. Waters' base salary was increased effective November 25, 2020, to $1,050,000 in connection with his promotion to Chief Executive Officer, Victoria's Secret Lingerie. The table below reflects the base salaries for each NEO as of the end of fiscal 2020.

NEO	2020 Base Salary ($)
Mr. Waters	$1,050,000
Ms. Hauk	925,000
Mr. Unis	850,000
Mr. Burgdoerfer	1,200,000
Mr. Mehas	1,200,000

The table above does not reflect the fact each of the executive officers' base pay was reduced 20% for approximately three months during 2020 in connection with the COVID-19 pandemic. In addition, in February 2021, Mr. Waters' base salary was increased to $1,250,000 in connection with his promotion to CEO of VS.

Going forward: Once we are a separate public company, we anticipate that we will continue LB's base salary design for our NEOs.

Short-Term Performance-Based Cash Incentive Compensation

LB has historically paid short-term performance-based incentive compensation pursuant to the L Brands Inc. 2015 Cash Incentive Compensation Performance Plan (the "LB 2015 ICPP"). This compensation component focuses on achievement of six-month goals, reflecting LB's two selling seasons: Spring (the first and second quarters) and Fall (the third and fourth quarters). The Fall season, which includes holiday sales, is weighted more heavily because of its importance to LB's profitability. The use of two six-month performance periods in the plan design reflects the belief that achievement of LB's short-term goals season after season creates long-term value for stockholders.

LB's pre-established, objective financial goals for fiscal 2020 were based solely on adjusted operating income. Adjusted operating income is used by LB because it is a performance measure over which executives can have significant impact and is also directly linked to LB's long-term growth plan and performance that drives stockholder value. While the LB 2015 ICPP provides for adjustment due to extraordinary items, both Spring and Fall payouts reflect the actual, quantitative results, without retroactive adjustment for the impact of the COVID-19 crisis.

Operating income goals are set at the beginning of each six-month season based on:

- An analysis of historical performance;
- Income goals for that brand;
- Overall economic environment including financial results of other comparable businesses; and
- Progress toward achieving LB's strategic plan.

Performance goals for the Fall season were simplified by LB to reflect the Separation and the integration of international and sourcing functions into VS and Bath & Body Works. The table below shows the operating income goals for VS for each season required to earn short-term performance-based incentive compensation at target and actual performance:

Fiscal 2020 Spring Season[3]		Fiscal 2020 Fall Season[3]	
Operating Income Goal[1]	Actual Performance[2]	Operating Income Goal[1]	Actual Performance[2]
$65 million	$(242) million	$40 million	$518 million

(1) Spring 2020 operating income goals and performance for VS reflect North America operations and Fall 2020 operating income goals and performance reflect total segment, including international operations.

(2) Actual performance presents operating income on an adjusted basis that removes certain special items that are not indicative of LB's ongoing operations due to their size and nature. LB uses adjusted financial information as key performance measures of results for purposes of evaluating performance internally, which may not correspond to amounts reported externally.

(3) The Spring 2020 operating income goals and actual performance for Bath & Body Works and other LB business units (other than VS) were $345 million and $52 million, respectively, and $400 million and $(173) million, respectively. The Fall 2020 operating income goal and actual performance for Bath & Body Works was $870 million and $1,408 million, respectively.

Fall season goals for VS were set below prior year actual results to provide meaningful incentive in a challenging environment and to reflect the projected decline in store sales due to decreased store traffic and store closures, partially offset by projected growth in online sales and margin rates. When evaluating operating income goals, the LB HCC Committee compares the change in operating income relative to the change in the incentive payments to associates to ascertain the reasonableness of the potential payout.

Operating income goal ranges at threshold, target and maximum were significantly widened in 2020 due to the challenging and uncertain environment. LB felt the widened ranges were necessary to provide meaningful and realistic incentives to participants in a year filled with uncertainty due to both the challenges created by the pandemic and uncertainty around the future division of LB. The table below shows the range of performance goals for VS as a percent of target for threshold and maximum payout:

Spring(1)		Fall(1)	
Threshold	**Maximum**	**Threshold**	**Maximum**
(154)%	177%	(313)%	488%

(1) The range of performance goals for Bath & Body Works as a percent of target for threshold and maximum payout were as follows: Spring -87% and 107%, respectively; and Fall -89% and 111%, respectively.

Performance between threshold and target and target and maximum is interpolated to determine payout percentage beginning at 20% for threshold performance up to 200% at maximum performance.

Short-term performance-based cash incentive compensation targets are set as a percentage of base salary with the amount earned ranging from zero to double the target incentive, based on the extent to which financial goals are achieved or exceeded.

Payouts for fiscal 2020 performance are set forth below and in the "Non-Equity Incentive Plan Compensation" column of the 2020 Summary Compensation Table below. Both Spring and Fall payouts reflect the actual, quantitative results originally set at the beginning of each season without adjustment for the impact of the COVID-19 crisis on results.

Total Fiscal 2020 Incentive Payout

	Fiscal 2020 Target Incentive ($)	Fiscal 2020 Spring Incentive Payout ($)	Fiscal 2020 Fall Incentive Payout ($)	Total Fiscal 2020 Payout ($)	Percent of Fiscal 2020 Target (%)
Mr. Waters(1)(2)	$1,806,000	$411,635	$2,100,000	$2,511,635	139%
Ms. Hauk	1,480,000	—	1,776,000	1,776,000	120%
Mr. Unis	1,445,000	—	1,734,000	1,734,000	120%
Mr. Burgdoerfer(1)(3)	2,052,000	417,636	2,592,000	3,009,636	147%
Mr. Mehas	2,160,000	—	2,592,000	2,592,000	120%

(1) Fall payout for Mr. Waters and Spring payout for Mr. Burgdoerfer were pro-rated based on the number of days each NEO served in their roles during the season.

(2) As the former Chief Executive Officer of L Brands International, Mr. Waters' short-term performance-based incentive compensation for Spring 2020 was based 100% on L Brands International. His short-term performance-based incentive compensation for Fall 2020 was based 100% on VS.

(3) As the Chief Financial Officer for LB, Mr. Burgdoerfer's short-term performance-based incentive compensation is based partly on results for Bath & Body Works and the overall LB business. During Spring 2020, Mr. Burgdoerfer's performance goals were weighted 48% for VS, 24% for Bath & Body Works, 10% for other and 18% for LB. During Fall 2020, Mr. Burgdoerfer's performance goals were weighted 87% for VS and 13% for Bath & Body Works.

Going forward: We anticipate that we will adopt the VS 2021 Cash Incentive Compensation Performance Plan (the "VS 2021 ICPP"), a cash compensation plan similar to the LB 2015 ICPP. The VS HCC Committee,

in consultation with its compensation consultant, will review performance metrics, performance periods, vesting and other terms and conditions as it determines are appropriate for VS considering our business goals and objectives.

Long-Term Equity Compensation

LB has historically granted equity awards under the L Brands Inc. 2015 Stock Option and Performance Incentive Plan (the "2015 Plan") and intends in the future to grant equity awards under the L Brands Inc. 2020 Stock Option and Performance Incentive Plan (the "LB 2020 Plan"). LB's long-term equity compensation program has historically been comprised of a mix of three types of awards: performance stock units ("PSUs"), time-vested restricted stock units ("RSUs") and stock options, providing a balance of performance incentive, alignment with stockholders and retention.

LB's long-term equity compensation program is designed to:

- incentivize achievement of key performance metrics (through the performance requirement);
- align executive rewards with those realized by stockholders (through the market value of LB's common stock);
- retain superior executive talent (through the time vesting requirements); and
- reward exceptional individual performance (through annual determination of the size of the award).

In determining the size of any grants of equity awards, the LB HCC Committee or members of LB management take into account the applicable executive's individual performance (including contribution to the achievement of business goals, execution of retail fundamentals and accomplishment of talent and cultural objectives), company performance, competitive practice, LB's overall equity compensation expense budget, stockholder dilution, internal equity and retention risk.

In 2020, due to the significant uncertainty surrounding the occurrence of the Separation, the COVID-19 pandemic and constraints on shares available for grant under the LB 2015 Plan, the LB HCC Committee decided not to grant annual long-term incentive equity awards to certain of its executives (including our NEOs) at the time of its normal grant cycle (March 2020). Instead, to ensure long-term retention of its ongoing leadership during particularly turbulent times for LB's business, the LB HCC Committee approved special cash retention bonus awards for certain LB executives (including each of our NEOs), which are discussed below.

In connection with his promotion in November 2020 to Chief Executive Officer, Victoria's Secret Lingerie, Mr. Waters was granted RSUs with a grant date value of $1,000,000 that cliff vest 100% after three years.

In addition, following the end of fiscal 2020 and in connection with his promotion to Chief Executive Officer of VS, on February 5, 2021, Mr. Waters received a grant of PSUs with respect to LB shares of common stock, with a target grant date value of $6,500,000. The PSUs will vest between 50% and 150% of target based on VS's achievement of certain revenue growth and operating income metrics over a three-year performance period from January 31, 2021 through February 3, 2024, subject to Mr. Waters' continued employment with LB through February 5, 2024.

Going forward: We intend to adopt the VS 2021 Stock Option and Performance Incentive Plan ("VS 2021 Plan"), a long-term equity incentive plan we anticipate will be similar to the LB 2020 Plan under which we expect to grant equity incentive awards (which may include awards of PSUs, RSUs and stock options) to our senior executives (including our NEOs), non-employee directors and other employees. The VS HCC Committee, in consultation with its compensation consultant, will review performance metrics, vesting and other terms and conditions as it determines are appropriate for VS considering our business goals and objectives.

Treatment of Outstanding Equity Compensation Awards held by NEOs

In connection with the Separation, outstanding LB equity awards will generally be equitably adjusted in a manner that is intended to preserve the aggregate intrinsic value of such awards as of immediately before and after the Distribution.

Specifically, we intend that, in connection with the Separation, (i) outstanding LB equity awards held by individuals who will continue to be employed by or provide services to LB as well as former VS employees will

be equitably adjusted to reflect the difference in the value of LB common stock before and after the Distribution in a manner that is intended to preserve the overall intrinsic value of the awards by taking into account the relative value of LB common stock before and after the Distribution, and (ii) outstanding LB equity awards held by individuals who are then-currently employed by or otherwise providing services to VS, or whose employment or engagement will be transferred to VS in connection with and prior to the Separation, will be converted into equity awards that will be settled in shares of VS common stock in a manner intended to equitably preserve the overall intrinsic value of the converted equity awards by taking into account the relative value of LB common stock before the Distribution and the value of VS common stock after the Distribution.

For additional details, see “Treatment of Outstanding Equity Compensation Awards.”

Cash Retention Bonus Awards

To ensure long-term retention of its ongoing leadership during a time of transition and significant uncertainty, and in the absence of a long-term equity incentive award in 2020, LB granted special cash retention bonus awards to certain key LB executives, including each of our NEOs (other than Mr. Mehas). Except for Mr. Waters’ retention bonus awards, the retention bonus awards vest in three equal installments on January 31, 2021, July 31, 2021 and January 31, 2022, in each case subject to the NEOs continued employment through the applicable installment date. Mr. Waters’ retention bonus award vests in two installments: (i) $800,000 on January 31, 2021 and (ii) $1,000,000 on January 31, 2022, subject to his continued employment through the applicable installment date. In addition, if Mr. Waters implements actions to reduce EBITDA losses in the United Kingdom and China, retain key talent and establish a platform for future growth and profitability (as determined in the discretion of the LB HCC Committee and certain members of management), Mr. Waters will be entitled to receive an additional $800,000 bonus payment. In February 2021, it was determined by the LB HCC Committee that the requirements for payment of this additional bonus were satisfied and the bonus was paid. The table below sets forth the aggregate cash retention bonus award amounts for each NEO.

	Total Cash Retention Bonus Award Amount ($)
Martin Waters	$2,600,000
Amy Hauk	2,400,000
Gregory Unis	2,100,000
Stuart Burgdoerfer	4,500,000

Cash retention bonus award amounts are not disclosed in the VS 2020 Summary Compensation Table below but will be disclosed in the table in the year in which the payment is earned and paid based on the executive’s continued service. The retention bonus awards for each of the NEOs that were scheduled to vest on January 31, 2021 were paid by LB in February 2021.

Going forward: VS will continue to retain discretion to offer sign-on, retention and other discretionary bonuses to its executives as it may determine to be necessary from time to time.

Retirement and Other Post-Employment Benefits

Retirement and other post-employment benefits consist of qualified and non-qualified defined contribution retirement plan benefits and termination benefits.

Going forward: We anticipate that we will adopt retirement plans and other benefits similar to LB’s plans and benefits, except as described below.

401(k) Plan

LB’s qualified plan (the “LB 401(k) Plan”) is available to all LB associates who meet certain age and service requirements. Associates can contribute up to the amounts allowable under Section 401 of the Internal Revenue Code. LB matches associates’ contributions according to a predetermined formula and contributes additional amounts based on a percentage of the associates’ eligible annual compensation and years of service. Associates’ contributions and LB’s matching contributions to the LB 401(k) Plan vest immediately. Additional LB contributions and the related investment earnings are subject to vesting based on years of service.

Going forward: We intend to establish a defined contribution 401(k) plan with benefits to be determined by the VS HCC Committee.

Non-Qualified Defined Contribution Deferred Compensation and Supplemental Retirement Plan

LB previously sponsored a non-qualified supplemental retirement plan (the "LB SRP") for associates who met certain age, service, job level and compensation requirements. The LB SRP was an unfunded plan that provided benefits beyond the limits imposed by the Internal Revenue Code for qualified defined contribution plans. LB has not set aside assets to fund liabilities of the non-qualified plan. Assets that may be used to satisfy such liabilities are general assets of LB, subject to the claims of LB's creditors.

On June 27, 2020 (the "Termination Date"), the LB HCC Committee authorized the termination of the LB SRP. Any remaining benefits and obligations under the LB SRP are expected to be paid out in full approximately one year following the Termination Date. Pursuant to applicable rules under the Internal Revenue Code, certain other deferred compensation arrangements were simultaneously terminated and liquidated, including any remaining elective deferred stock units and deferral elections under LB's Stock Award and Deferred Compensation Plan for Non-Associate Directors. In addition, any retirement-eligible associates of LB who were eligible for special pro rata vesting on any restricted stock units held by such associate will no longer receive pro rata vesting treatment on a retirement following the Termination Date.

Going forward: VS does not presently intend to establish a nonqualified supplemental retirement or other deferred compensation plan once we are a separate public company, but the VS HCC Committee will reserve the discretion to do so in the future (taking into account any restrictions in the adoption of such plan under the Internal Revenue Code).

Termination Benefits: Severance and Change in Control Agreements

LB has entered into severance and change in control agreements with certain LB executives, including Messrs. Waters and Burgdoerfer, as well as a retention agreement with Mr. Unis which includes certain severance provisions. In addition, LB has certain severance practices that would apply to Ms. Hauk. For additional information regarding these arrangements, see "Estimated Post-Employment Payments and Benefits."

Upon a change in control of LB, LB equity awards will only vest if the executive's employment is terminated by the executive for good reason or by LB other than for cause within 24 months of the change in control of LB.

None of LB's executives (including our NEOs) is entitled to a tax gross-up for any excise taxes on compensation paid in connection with a change in control.

Going forward: We anticipate that we will enter into new, or amend existing, severance and change in control agreements with our NEOs and certain other VS executives that we anticipate will provide similar benefits to the agreements described above that LB has entered into with its executives.

Limited Perquisites

LB provides its executives with minimal perquisites that the LB HCC Committee has determined are reasonable and in the best interests of LB and its stockholders. These perquisites may include the reimbursement of financial planning costs of up to $9,500 per year and supplemental disability and life insurance coverage provided by LB for associates at the Vice President level and above, including our NEOs. In addition, to the extent that corporate provided aircraft is used by any LB executive for personal purposes, the executive is required to reimburse LB based on the amount established by the Internal Revenue Service as reasonable for personal use or the aggregate incremental cost associated with the personal use of the corporate owned aircraft as determined by an independent, third party aircraft costing service.

Going forward: Once we are a separate public company, we will review the perquisites to be made available to our executives, including our NEOs, which we anticipate will generally be similar to those provided by LB to its executives.

Compensation Governance

Tax Deductibility

Section 162(m) of the Internal Revenue Code generally does not allow a tax deduction to public companies for compensation paid to certain executive officers that is more than $1 million during the tax year. Section 162(m) of the Internal Revenue Code provided an exemption from this deduction limitation for compensation that qualified as "performance-based compensation." However, as part of the Tax Cuts and Jobs Act of 2017, this exemption was repealed, effective for taxable years beginning after December 31, 2017, subject to transition relief for certain "grandfathered" arrangements in effect as of November 2, 2017. In addition, the regulations promulgated under Section 162(m) provided certain transitional relief to companies that became publicly held on or prior to December 20, 2019. However, because the Separation will occur following December 20, 2019, VS will not qualify for this special transitional relief under Section 162(m).

In the exercise of its business judgment, the VS HCC retains the flexibility to award and pay compensation even if the compensation is not deductible by VS for tax purposes if it believes it is in the best interests of VS.

Stock Ownership Guidelines

The LB HCC Committee encourages common stock ownership by LB's covered executives through stock ownership guidelines that promote a long-term focus on performance, discourage inappropriate risk-taking and align the interests of its executives with those of its stockholders. Stock ownership guidelines can be met through direct or beneficial ownership of LB's common stock, including LB's common stock held under its stock incentive and retirement plans.

LB's chief executive officer is required to achieve and maintain beneficial ownership of LB's common stock with a value of five times his base salary and LB's other covered executives are required to achieve and maintain beneficial ownership of LB's common stock with a value of three times such executive's base salary. LB's covered executives are required to maintain these ownership levels within five years of becoming subject to the ownership guideline.

Members of LB's Board of Directors must maintain ownership of at least the number of shares of LB's common stock received as board compensation over the previous four years.

Going forward: Once we are a separate public company, we intend to review and adopt stock ownership guidelines appropriate for VS as a newly established, stand-alone public company.

Recovery of Compensation

Under the LB 2015 ICPP, the LB 2015 Plan and the LB 2020 Plan, the LB HCC Committee has the power and authority to recover previously awarded bonuses or equity-based compensation or profits if (i) required by applicable law with respect to a participant, (ii) a participant engaged in fraudulent conduct or activities (or had knowledge of such conduct or activities) relating to LB or (iii) a participant should have had knowledge of such conduct or activities based on his or her position, duties or responsibilities.

Going forward: In connection with our adoption of the VS 2021 ICPP and the VS 2021 Plan, we anticipate that we will adopt clawback requirements similar to those set forth in the LB 2015 ICPP and the LB 2020 Plan. In addition, as a new, smaller company, we intend to review our compensation practices and consider additional clawback policies as may be appropriate for VS as a newly established, stand-alone public company.

Policy Regarding Hedging or Pledging

LB's Board of Directors has adopted a policy prohibiting LB's directors and certain executives from engaging in transactions in derivative securities (including puts, calls, collars, forward contracts, equity swaps, exchange funds and the like) relating to LB's securities, transactions "hedging" the risk of ownership of LB's securities and short sales of LB's securities. In addition, LB's directors and certain executives are prohibited from holding LB's securities in margin accounts or pledging LB's securities as collateral for loans.

Going forward: We intend to review and adopt a policy prohibiting the hedging or pledging of VS securities as appropriate for VS as a newly established, stand-alone public company.

2020 Summary Compensation Table

The following table sets forth information concerning total compensation earned by or paid to our NEOs for the fiscal year ended January 30, 2021.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
Martin Waters *Chief Executive Officer of VS and Chief Executive Officer, Victoria's Secret Lingerie*	2020	923,462	—	1,000,006(2)	—	2,511,635	71,126	281,200	4,787,429
Amy Hauk *Chief Executive Officer, PINK*	2020	882,308	—	—	—	1,776,000	51,754	234,597	2,944,659
Gregory Unis *Chief Executive Officer, Victoria's Secret Beauty*	2020	810,769	—	—	—	1,734,000	9,199	224,433	2,778,401
Stuart B. Burgdoerfer *Former Interim Chief Executive Officer, Executive Vice President, Chief Financial Officer*	2020	1,068,462	—	—	—	3,009,636	100,128	241,317	4,419,543
John Mehas *Former Chief Executive Officer, Victoria's Secret Lingerie*	2020	946,153	—	—	—	2,592,000	1,899	300,059	3,840,111

(1) The value of stock awards reflects the aggregate grant date fair value, excluding estimated forfeitures, computed in accordance with Accounting Standards Codification ("ASC") Topic 718 Compensation—Stock Compensation, for each award. See Note 19 to LB's financial statements filed in the LB Annual Report on Form 10-K for fiscal 2020 for the related assumptions in determining the aggregate grant date fair value of these awards.

(2) Represents restricted stock units ("RSUs") granted to Mr. Waters under the LB 2020 Plan.

(3) Represents the aggregate value of the non-equity performance-based incentive compensation paid for the applicable fiscal 2020 Spring and Fall selling seasons. Incentive compensation targets are set based on a percentage of base salary and are paid seasonally based on the achievement of adjusted operating income results. The following table illustrates the amount of the compensation that is paid in cash and voluntarily deferred:

	Paid in Cash ($)	Deferred Cash ($)	Total ($)
Mr. Waters	$2,503,443	$8,192	$2,511,635
Ms. Hauk	1,768,615	7,385	1,776,000
Mr. Unis	1,724,962	9,038	1,734,000
Mr. Burgdoerfer	3,002,098	7,538	3,009,636
Mr. Mehas	2,592,000	—	2,592,000

(4) LB does not sponsor a defined benefit retirement plan (tax-qualified or non-qualified). For fiscal 2020, the amounts shown represent the amount by which earnings at an annual effective rate of 4.23% on each NEO's non-qualified plan balance exceeds 120% of the applicable federal long-term rate as of October 2019 (when the rate was set).

(5) The following table details all other compensation paid to each NEO during fiscal 2020:

	Financial Planning Services Provided to Executive ($)	Incremental LB Cost to Provide Supplemental Life and Disability Insurance Coverage ($)	LB Contributions to the Executive's Qualified and Non-Qualified Retirement Plan Account ($)	Severance Pay ($)	Total ($)
Mr. Waters	$3,700	$2,123	$275,377	$ —	$281,200
Ms. Hauk	—	2,113	232,484	—	234,597
Mr. Unis	—	2,080	222,353	—	224,433
Mr. Burgdoerfer	—	2,664	238,653	—	241,317
Mr. Mehas	—	2,145	85,606	212,308	300,059

Grants of Plan-Based Awards for Fiscal 2020

The following table provides information relating to plan-based awards and opportunities granted to the NEOs during the fiscal year ended January 30, 2021.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)[2]	All Other Option Awards: Number of Securities Under-lying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)[3]
Martin Waters	12/11/2020							25,291			$1,000,006
		378,000	1,890,000	3,780,000							
Amy Hauk		296,000	1,480,000	2,960,000							
Gregory Unis		289,000	1,445,000	2,890,000							
Stuart B. Burgdoerfer		410,400	2,052,000	4,104,000							
John Mehas		432,000	2,160,000	4,320,000							

(1) Non-Equity Incentive Plan Awards represent the Threshold, Target and Maximum opportunities under the 2015 ICPP for the 2020 Spring and Fall seasons. The actual amount earned under this plan is disclosed in the 2020 Summary Compensation Table in the "Non-Equity Incentive Plan Compensation" column.

(2) Reflects RSUs granted pursuant to the LB 2020 Plan. Grant dates were established on the date the grants were approved by the LB HCC Committee. The RSUs vest 100% on the third anniversary of the grant, subject to continued employment.

(3) The value of the RSUs reflects the grant date fair value under ASC Topic 718 Compensation—Stock Compensation for each award. RSUs are valued based on the fair market value of a share of LB common stock on the date of grant, adjusted for anticipated dividend yields.

Outstanding Equity Awards at Fiscal Year-End for Fiscal 2020

The following table provides information relating to outstanding LB equity awards granted to the NEOs as of fiscal year end, January 30, 2021.

	Option Awards						Restricted Stock Awards				
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Martin Waters	3/31/2011	6,149	—	—	26.43	3/31/2021					
	3/30/2012	27,074	—	—	41.54	3/30/2022					
	3/29/2013	27,757	—	—	41.88	3/29/2023					
	3/31/2014	21,440	—	—	54.21	3/31/2024					
	4/02/2015	13,985	—	—	91.17	4/02/2025					
	3/31/2016	5,978	2,563(1)	—	87.81	3/31/2026					
	3/31/2017	5,732	8,599(2)	—	47.10	3/31/2027					
	3/21/2018	3,519	14,080(3)	—	39.42	3/21/2028					
	3/28/2019	8,500	17,001(4)	—	27.94	3/28/2029					
							3/31/2016	—	—	9,396(15)	382,981
							3/31/2017	—	—	25,160(16)	1,025,522
							3/21/2018	—	—	14,079(17)	573,860
							4/25/2018	—	—	20,869(18)	850,620
							3/28/2019	59,502(6)	2,425,302	—	—
							12/11/2020	25,291(7)	1,030,861	—	—
Amy Hauk	3/30/2012	1,596	—	—	41.54	3/30/2022					
	3/29/2013	3,281	—	—	41.88	3/29/2023					
	3/31/2014	8,299	—	—	54.21	3/31/2024					
	4/02/2015	5,346	—	—	91.17	4/02/2025					
	3/31/2016	4,095	1,756(1)	—	87.81	3/31/2026					
	3/31/2017	2,245	3,368(2)	—	47.10	3/31/2027					
	3/21/2018	3,805	1,903(5)	—	39.42	3/21/2028					
	3/28/2019	8,276	16,554(4)	—	27.94	3/28/2029					
							3/31/2016	6,881(8)	280,470	—	—
							3/31/2017	16,839(9)	686,358	—	—
							3/21/2018	24,734(10)	1,008,158	—	—
							7/9/2018	6,683(11)	272,399	—	—
							10/9/2018	34,686(12)	1,413,801	—	—
							3/28/2019	57,937(6)	2,361,512	—	—
Greg Unis	3/31/2017	4,299	6,449(2)	—	47.10	3/31/2027					
	3/21/2018	2,853	11,416(3)	—	39.42	3/21/2028					
	3/28/2019	7,605	15,212(4)	—	27.94	3/28/2029					
							3/31/2017	15,047(9)	613,316	—	—
							3/21/2018	26,637(10)	1,085,724	—	—
							4/25/2018	11,280(13)	459,773	—	—
							3/28/2019	53,239(6)	2,170,022	—	—

	Option Awards						Restricted Stock Awards				
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Stuart B. Burgdoerfer	3/31/2011	12,773	—	—	26.43	3/31/2021					
	3/30/2012	17,329	—	—	41.54	3/30/2022					
	3/29/2013	23,611	—	—	41.88	3/29/2023					
	3/31/2014	22,797	—	—	54.21	3/31/2024					
	4/02/2015	14,030	—	—	91.17	4/02/2025					
	3/31/2016	5,978	2,563(1)	—	87.81	3/31/2026					
	3/31/2017	5,732	8,599(2)	—	47.10	3/31/2027					
	3/21/2018	3,519	14,080(3)	—	39.42	3/21/2028					
	3/28/2019	12,884	25,770(4)	—	27.94	3/28/2029					
							3/31/2016	—	—	9,396(15)	382,981
							3/31/2017	—	—	25,160(16)	1,025,522
							3/21/2018	—	—	14,079(17)	573,860
							4/25/2018	—	—	35,533(18)	1,448,325
							3/28/2019	19,327(6)	787,769	32,212(19)	1,312,961
John Mehas							2/11/2019	32,264(14)	1,315,081	—	—

(1) Options vest on March 31, 2021.
(2) Options vest 50% on March 31, 2021 and 50% on March 31, 2022.
(3) Options vest 25% on March 21, 2021, 37.5% on March 21, 2022 and 37.5% on March 21, 2023.
(4) Options vest 50% on March 28, 2021 and 50% on March 28, 2022.
(5) Options vest 100% on March 21, 2021.
(6) Shares vest on March 28, 2022.
(7) Shares vest on December 11, 2023.
(8) Shares vest on March 31, 2021.
(9) Shares vest 50% on March 31, 2021 and 50% on March 31, 2022.
(10) Shares vest on March 21, 2021.
(11) Shares vest on July 9, 2021.
(12) Shares vest on October 9, 2021.
(13) Shares vest 25% on April 25, 2021, 37.5% on April 25, 2022 and 37.5% on April 25, 2023.
(14) Shares vest on February 11, 2022.
(15) Subject to achievement of a performance condition, shares vest 100% on March 31, 2021.
(16) Subject to achievement of a performance condition, shares vest 50% on March 31, 2021 and 50% on March 31, 2022.
(17) Subject to achievement of a performance condition, shares vest 25% on March 21, 2021, 37.5% on March 21, 2022 and 37.5% on March 21, 2023.
(18) Subject to achievement of a performance condition, shares vest 25% on April 25, 2021, 37.5% on April 25, 2022 and 37.5% on April 25, 2023.
(19) Subject to achievement of a performance condition, 100% of these shares vest on March 28, 2023.

Option Exercises and Stock Vested Information for Fiscal 2020

The following table provides information relating to Option awards that were exercised and RSU awards that vested during the fiscal year ended January 30, 2021.

	Option Awards		Restricted Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(2)
Martin Waters	—	—	27,572	292,263
Amy Hauk	—	—	18,378	204,152
Gregory Unis	—	—	14,494	152,174
Stuart B. Burgdoerfer	—	—	27,606	292,624
John Mehas	—	—	—	—

(1) Option Award Value Realized is calculated based on the difference between the sale price and the option exercise price.

(2) Restricted Stock Award Value Realized is calculated based on the closing stock price on the date the RSUs vested.

Retirement and Other Post-Employment Benefits
Non-qualified Deferred Compensation for Fiscal 2020(1)

Name	Executive Contributions in Last Fiscal Year ($)(2)	Registrant Contributions in Last Fiscal Year ($)(3)	Aggregate Earnings in Last Fiscal Year ($)(4)	Aggregate Withdrawals/ Distributions ($)(5)	Aggregate Balance at Last Fiscal Year End ($)(6)
Martin Waters	80,918	246,893	159,652	—	5,047,602
Amy Hauk	18,432	204,000	109,459	—	2,747,510
Gregory Unis	56,024	198,140	19,455	—	533,069
Stuart B. Burgdoerfer	23,958	210,169	211,770	—	5,271,529
John Mehas	41,130	82,260	4,016	—	127,406

(1) Amounts disclosed include non-qualified cash deferrals, company matching contributions, retirement credits and earnings under the LB SRP and stock deferrals and related reinvested dividend earnings under the Limited Brands, Inc. 1993 Stock Option and Performance Incentive Plan (the "LB 1993 Plan"), the Limited Brands, Inc. 2011 Stock Option and Performance Incentive Plan (the "LB 2011 Plan") and the LB 2015 Plan. Executive Contributions and related matching Registrant Contributions represent 2020 calendar year deferrals and matches on incentive compensation payments earned based on performance for the Fall 2019 season, which was paid in March 2020, and for the Spring 2020 season, which was paid in August 2020.

(2) All of the contributions are reported in the 2020 Summary Compensation Table under the "Salary" and/or "Non-Equity Incentive Plan Compensation" columns.

(3) Reflects LB's 200% match of associate contributions of up to 3% of base salary and bonus above the IRS qualified plan maximum compensation limit and LB's retirement contribution of 6% for less than five years of service or 8% for five or more years of service of compensation above the IRS qualified plan maximum compensation limit. Associates become fully vested in these contributions after six years of service. These contributions are also included under the "All Other Compensation" column of the 2020 Summary Compensation Table.

(4) Non-qualified deferred cash compensation balances earn a fixed rate of interest determined prior to the beginning of each year.

The portion of the earnings on deferred cash compensation that exceeds 120% of the applicable federal long-term rate in the amount of $71,126, $51,754, $9,199, $100,128 and $1,899 for Mr. Waters, Ms. Hauk, Mr. Unis, Mr. Burgdoerfer and Mr. Mehas, respectively, is disclosed in the "Change in Pension Value and Non-qualified Deferred Compensation Earnings" column of the 2020 Summary Compensation Table.

Amount includes dividends earned on deferred stock and RSU balances in the amount of $9,220 for Mr. Waters. Dividends are reinvested into additional stock units based on the closing market price of LB common stock on the dividend payment date.

(5) Participants may elect to receive the funds in a lump sum or in up to ten annual installments following termination of employment, but generally may not make withdrawals during their employment. Deferrals under the LB SRP, the LB 1993 Plan, the LB 2011 Plan and the LB 2015 Plan are unfunded.

(6) Balance includes the value of deferred stock and RSUs at calendar year-end in the amount of $1,269,625 for Mr. Waters. Value is calculated based on a stock price of $40.76 per share of Common Stock on January 29, 2021.

Estimated Post-Employment Payments and Benefits

LB has entered into certain agreements with Messrs. Waters, Unis and Burgdoerfer that will require LB to provide compensation in the event of a qualifying termination of employment, including a termination following a change in control of LB. In addition, participants in the LB 2015 Plan and the LB 2020 Plan receive accelerated vesting of equity awards upon a "change in control" in the event of the participant's termination of employment (other than for "cause") within 24 months of the change in control (commonly referred to as "double-trigger" vesting).

However, the LB HCC Committee retains discretion to provide, and in the past has provided, additional benefits to NEOs upon termination or resignation if it determines the circumstances so warrant.

The following tables set forth the expected benefits that would be received by each of the NEOs in the event of termination resulting from various scenarios, assuming a termination date of January 30, 2021 and a stock price of $40.76, the price of LB's Common Stock on January 29, 2021. Each scenario relates to the single termination event described and amounts are not cumulative in situations where multiple scenarios may apply.

The tables below do not include the payment of the aggregate balance of the NEO's non-qualified deferred compensation that is disclosed in the Non-qualified Deferred Compensation for Fiscal 2020 table above.[1][2]

Martin Waters

	Involuntary Without Cause or Voluntary With Good Reason		Involuntary Without Cause following Change in Control ($)	Death ($)[6]	Disability ($)	Voluntary Resignation/ Retirement ($)
	w/out Release ($)	& Signed Release ($)				
Base Salary	$1,050,000	$2,100,000	$ 2,100,000	$ —	$ —	$ —
Bonus[3]		1,890,000	4,026,214			
Gain of Accelerated Stock Options[4]	—	—	236,820	236,820	236,820	—
Value of Pro-rated or Accelerated PSUs/RSUs[4]	—	3,063,318	6,289,146	6,289,146	6,289,146	—
Benefits and Perquisites[5]	30,648	37,228	37,228	2,017,488	508,279	17,488
Tax Gross-Up	N/A	N/A	N/A	N/A	N/A	N/A
Total	$1,080,648	$7,090,546	$12,689,408	$8,543,454	$7,034,245	$17,488

Amy Hauk

	Involuntary Without Cause or Voluntary With Good Reason		Involuntary Without Cause following Change in Control ($)	Death ($)[6]	Disability ($)	Voluntary Resignation/ Retirement ($)
	w/out Release ($)	& Signed Release ($)				
Base Salary	$ —	$1,850,000	$1,850,000	$ —	$ —	$ —
Bonus[3]	—	—	—	—	—	—
Gain of Accelerated Stock Options[4]	—	—	214,772	214,772	214,772	—
Value of Pro-rated or Accelerated PSUs/RSUs[4]	—	4,316,769	6,022,698	6,022,698	6,022,698	—
Benefits and Perquisites[5]	17,488	17,488	17,488	1,867,488	477,021	—
Tax Gross-Up	N/A	N/A	N/A	N/A	N/A	N/A
Total	$17,488	$6,184,257	$8,104,958	$8,104,958	$6,714,491	$ —

Gregory Unis

	Involuntary Without Cause or Voluntary With Good Reason		Involuntary Without Cause following Change in Control ($)	Death ($)(6)	Disability ($)	Voluntary Resignation/ Retirement ($)
	w/out Release ($)	& Signed Release ($)				
Base Salary	$850,000	$1,700,000	$1,700,000	$ —	$ —	$ —
Bonus(3)	—	—	—	—	—	—
Gain of Accelerated Stock Options(4)	—	—	210,315	210,315	210,315	—
Value of Pro-rated or Accelerated PSUs/RSUs(4)	—	2,382,667	4,328,834	4,328,834	4,328,834	—
Benefits and Perquisites(5)	13,116	13,116	13,116	1,723,683	464,442	—
Tax Gross-Up	N/A	N/A	N/A	N/A	N/A	N/A
Total	$863,116	$4,095,783	$6,252,265	$6,262,832	$5,003,591	$ —

Stuart B. Burgdoerfer

	Involuntary Without Cause or Voluntary With Good Reason		Involuntary Without Cause following Change in Control ($)	Death ($)(6)	Disability ($)	Voluntary Resignation/ Retirement ($)
	w/out Release ($)	& Signed Release ($)				
Base Salary	$1,200,000	$2,400,000	$ 2,400,000	$ —	$ —	$ —
Bonus(3)	—	2,160,000	4,124,520	—	—	—
Gain of Accelerated Stock Options(4)	—	—	349,239	349,239	349,239	—
Value of Pro-rated or Accelerated PSUs/RSUs(4)	—	3,097,842	5,531,417	5,531,417	5,531,417	306,352
Benefits and Perquisites(5)	30,974	37,717	37,717	2,017,488	545,860	17,488
Tax Gross-Up	N/A	N/A	N/A	N/A	N/A	N/A
Total	$1,230,974	$7,695,559	$12,442,893	$7,898,144	$6,426,516	$323,840

(1) Assumes a termination date of January 30, 2021.

(2) In addition, certain of the NEOs would be entitled to receive the unpaid portion of his or her cash retention bonus award in connection with certain qualifying terminations of employment as described below.

(3) Bonus amounts assumed at target. Under “Involuntary without Cause or Voluntary with Good Reason” termination scenarios, actual bonus payments would be equal to the bonus payment the NEO would have received if he or she had remained employed with the Company for a period of one year after the termination date of January 30, 2021. Under an “Involuntary Without Cause following Change in Control” termination scenario, bonus payments will be equal to the sum of the last four seasonal bonus payments received.

(4) Reflects the value of unvested RSUs, PSUs at target and stock options that, subject to achievement of pre-established performance conditions, if applicable, would become vested based on the $40.76 fair market value of a share of Common Stock on the last trading day of the fiscal year (January 29, 2021).

(5) Estimates for benefits and perquisites include the pro rata value of retirement plan contributions on earnings accrued up to the termination date and the continuation of medical, dental and other insurance benefits. Under the “Death” and “Disability” scenarios, includes proceeds from life and disability insurance policies and the value of unvested retirement plan balances that would become vested.

(6) Generally, in the event of an NEO’s death, subject to the achievement of any underlying performance conditions, any time-vesting conditions are deemed satisfied.

Mr. Waters’ Employment Agreement

Pursuant to Mr. Waters’ employment agreement with LB effective as of July 23, 2009 (as subsequently amended), in the event of a termination of Mr. Waters’ employment by LB other than for “cause” or by Mr. Waters for “good reason”, other than during the 24-month period following a “change in control”, LB will

provide to Mr. Waters (i) continued payment of Mr. Waters' base salary for 12 months following the termination date, (ii) if Mr. Waters executes and does not revoke a general waiver and release in favor of LB, (x) continued payment of Mr. Waters' base salary for an additional 12 months following the termination date and (y) the incentive compensation Mr. Waters would have received if he had remained an employee of LB for one year following the termination date and (iii) for a period of up to 18 months following the termination of employment, LB will provide Mr. Waters and his beneficiaries (at LB's expense) medical and dental benefits substantially similar in the aggregate to those provided to Mr. Waters prior to the date of his termination of employment. If such termination occurs within the 24-month period following a "change in control", subject to Mr. Waters' execution and nonrevocation of a general waiver and release of claims in favor of LB, LB will provide to Mr. Waters (i) an amount equal to two times his base salary, (ii) an amount equal to the sum of the last four bonus payments under LB's incentive compensation program *plus* a prorated amount for the season in which his employment is terminated (based on the average of such four prior bonus payments), (iii) reimbursement for all documented legal fees and expenses incurred in seeking to obtain or enforce any rights provided in the Waters Agreement and (iv) for a period of 18 months following the termination of employment (or earlier if Mr. Waters becomes subsequently employed), LB will provide Mr. Waters and his beneficiaries (at LB's expense) medical and dental benefits substantially similar in the aggregate to those provided to Mr. Waters prior to the date of his termination of employment. Following a termination of employment for any reason, Mr. Waters will be subject to non-competition and non-solicitation covenants during the period Mr. Waters receives severance payments.

In addition, under the Retention and Performance Bonus Agreement entered into with Mr. Waters, effective as of July 14, 2020, if Mr. Waters remained employed by LB through January 31, 2021, he is entitled to receive a retention bonus award in the amount of $800,000. In the event he left LB prior to January 31, 2021 for any reason, he was entitled to receive a prorated amount of the retention bonus award, determined by multiplying $800,000 by a fraction, the numerator being the number of months worked from July 14, 2020 and the denominator being seven, with any partial months being rounded up to the nearest whole number. The retention bonus award for Mr. Waters that was scheduled to vest on January 31, 2021 was paid by LB in February 2021. In addition, if Mr. Waters implements actions to reduce EBITDA losses in the United Kingdom and China, retain key talent and establish a platform for future growth and profitability (as determined in the discretion of the LB HCC Committee and certain members of management), Mr. Waters will be entitled to receive an additional $800,000 bonus payment. In February 2021, it was determined by the LB HCC Committee that the requirements for payment of this additional bonus were satisfied and the bonus was paid.

Ms.Hauk's Retention Agreement and Estimated Post-Employment Payments

Pursuant to the retention agreement entered into between LB and Ms. Hauk effective as of June 1, 2020, Ms. Hauk is eligible to receive a cash retention bonus award in three installments, each in the amount of $800,000, provided that Ms. Hauk continues to be employed by LB through each of January 31, 2021, July 31, 2021 and January 31, 2022. The retention bonus award for Ms. Hauk that was scheduled to vest on January 31, 2021 was paid by LB in February 2021. See "NEO Compensation Components—Cash Retention Awards" above for additional details regarding Ms. Hauk's retention bonus award.

Pursuant to LB's severance payment practice, in the event Ms. Hauk's employment is terminated by LB without "cause", subject to Ms. Hauk's execution and nonrevocation of a release of claims, Ms. Hauk will receive base salary continuation for a period of 24 months following the date on which her employment is terminated.

Mr. Unis' Retention Agreement

Pursuant to the retention agreement entered into between LB and Mr. Unis effective as of September 15, 2020, Mr. Unis is eligible to receive a cash retention bonus award in three installments, each in the amount of $700,000, provided that Mr. Unis continues to be employed by LB through each of January 31, 2021, July 31, 2021 and January 31, 2022. In the event Mr. Unis' employment is terminated by LB without "cause" or by Mr. Unis for "good reason", Mr. Unis will continue to receive an amount equal to his base salary for one year from the date on which his employment is terminated. In addition, subject to Mr. Unis' execution and nonrevocation of a release of claims, LB will pay an amount equal to Mr. Unis' base salary for an additional 12 months. If Mr. Unis' employment is terminated by LB without "cause", Mr. Unis will also be entitled to receive the next scheduled retention bonus award payment immediately following the termination date. If

Mr. Unis' employment is terminated by LB or its successor without "cause" or by Mr. Unis for "good reason" within the 24 months following a "change in control", then Mr. Unis will be eligible to receive the next scheduled retention bonus award payment immediately following the termination date. The retention bonus award for Mr. Unis that was scheduled to vest on January 31, 2021 was paid by LB in February 2021. See "*NEO Compensation Components—Cash Retention Awards*" above for additional details regarding Mr. Unis' retention bonus award payment.

Mr. Burgdoerfer's Employment and Retention Bonus Agreements

Pursuant to Mr. Burgdoerfer's employment agreement with LB, effective as of April 9, 2007 (as subsequently amended), in the event of a termination of Mr. Burgdoerfer's employment by LB other than for "cause" or by Mr. Burgdoerfer for "good reason", other than during the 24-month period following a "change in control", LB will provide to Mr. Burgdoerfer (i) continued payment of Mr. Burgdoerfer's base salary for 12 months following the termination date, (ii) for a period up to 18 months following the termination of employment, LB will provide Mr. Burgdoerfer and his beneficiaries (at LB's expense) medical and dental benefits substantially similar in the aggregate to those provided to Mr. Burgdoerfer prior to the date of his termination of employment and (iii) if Mr. Burgdoerfer executes and does not revoke a general waiver and release in favor of LB, (x) continued payment of Mr. Burgdoerfer's base salary for an additional 12 months following the termination date and (y) the incentive compensation Mr. Burgdoerfer would have received if he had remained an employee of LB for one year following the termination date. If such termination occurs within the 24-month period following a "change in control", subject to Mr. Burgdoerfer's execution and nonrevocation of a general waiver and release of claims in favor of LB, LB will provide to Mr. Burgdoerfer (i) an amount equal to two times his base salary, (ii) an amount equal to the sum of the last four bonus payments *plus* a prorated amount for the season in which his employment is terminated (based on the average of such four prior bonus payments), (iii) reimbursement for all documented legal fees and expenses incurred in seeking to obtain or enforce any rights provided in the Burgdoerfer Agreement and (iv) for a period of 18 months following the termination of employment (or earlier if Mr. Burgdoerfer becomes subsequently employed), LB will provide Mr. Burgdoerfer and his beneficiaries (at LB's expense) medical and dental benefits substantially similar in the aggregate to those provided to Mr. Burgdoerfer prior to the date of his termination of employment. Following a termination of employment for any reason, Mr. Burgdoerfer will be subject to non-competition and non-solicitation covenants for 12 months following the termination date.

In addition, upon a termination of Mr. Burgdoerfer's employment by LB other than for "cause" or by Mr. Burgdoerfer for "good reason" in connection with a "change in control," a prorated amount of his retention bonus award determined based on (i) the product of (a) the total amount of his retention bonus award *multiplied by* (b) a fraction, the numerator of which is the number of days elapsed from May 14, 2020 through the date of termination and the denominator of which is 627 *minus* (ii) any amount of the retention bonus award previously paid to Mr. Burgdoerfer. The retention bonus award for Mr. Burgdoerfer that was scheduled to vest on January 31, 2021 was paid by LB in February 2021. See "*NEO Compensation Components—Cash Retention Awards*" above for additional details regarding Mr. Burgdoerfer's retention bonus award payment.

Mr. Mehas' Release Agreement

Pursuant to the Release Agreement entered into between LB and Mr. Mehas in connection with his termination of employment effective as of November 24, 2020, subject to Mr. Mehas' execution and nonrevocation of a release of claims and his compliance with applicable restrictive covenants, Mr. Mehas received the following benefits from LB: (i) continued payment of his base salary for 24 months following the termination date; (ii) incentive compensation that Mr. Mehas would have received had Mr. Mehas remained an employee of LB for one year following the termination date and (iii) the vesting of a prorated number of RSUs, to be settled following the end of the restricted period as of February 11, 2022.

Definitions of "Cause" and "Good Reason"

The agreements for Messrs. Waters, Unis and Burgdoerfer contain customary definitions of "cause" and "good reason". "Cause" generally means that (1) the NEO was grossly negligent in the performance of his duties with LB (or, in Mr. Burgdoerfer's case, he willfully failed to perform his duties with LB) (in each case other than a failure resulting from the NEO's incapacity due to physical or mental illness); (2) the NEO has pled

"guilty" or "no contest" to or has been convicted of an act which is defined as a felony under federal or state law; or (3) the NEO engaged in misconduct in bad faith (or, in Mr. Burgdoerfer's case "willful misconduct") which could reasonably be expected to materially harm LB's business or its reputation.

In addition, Messrs. Waters, Unis and Burgdoerfer have the right to resign for "good reason" in case of certain events. "Good Reason" generally means (1) for Messrs. Waters and Burgdoerfer, the NEO's failure to continue in a capacity originally contemplated in the NEO's agreement; (2) for Messrs. Waters and Burgdoerfer, the assignment to the NEO of any duties materially inconsistent with the NEO's position, duties, authority, responsibilities or reporting requirements, as set out in his or her agreement or, for Mr. Unis, a material diminution in his duties or responsibilities representing a demonstrable and significant demotion for Mr. Unis or a change in reporting relationship such that Mr. Unis no longer directly reports to the Chief Executive Officer of VS; (3) for Messrs. Waters and Burgdoerfer, a material reduction of or a delay in payment of the NEO's total cash compensation and benefits from those required to be provided or, for Mr. Unis, a material reduction in his base salary or annual bonus opportunity (other than pursuant to an across-the-board reduction applicable to all similarly situated employees); (4) for Mr. Unis, the relocation of Mr. Unis' principal place of employment more than 50 miles from its current location or, for Mr. Burgdoerfer, the requirement that he be based outside of Columbus, Ohio; or (5) for Messrs. Waters and Burgdoerfer, the failure by LB to obtain the assumption in writing of its obligation to perform the agreement by a successor.

Definition of "Change in Control"

A "Change in Control" of LB will be deemed to have occurred upon the first of any of the following events to occur:

- any person, together with all affiliates, becomes a beneficial owner of securities representing 33% or more of the combined voting power of the voting stock then outstanding;
- during any period of 24 consecutive months, individuals who at the beginning of such period constitute LB's Board of Directors (and any new director, whose election by LB's Board of Directors or nomination for election by the stockholders of LB was approved by a vote of at least two-thirds of the directors then in office who either were directors at the beginning of the period or whose election or nomination for election was so approved) cease for any reason to constitute a majority of directors then constituting LB's Board of Directors;
- a reorganization, merger or consolidation of LB is consummated, unless more than 50% of the outstanding shares of Common Stock are beneficially owned by individuals and entities who owned Common Stock just prior to such reorganization, merger or consolidation;
- the consummation of a complete liquidation or dissolution of LB or a sale or other disposition of all or substantially all of the assets of LB; or
- for Mr. Unis only, (i) the sale of all or substantially all of the assets of any subsidiary of LB by which Mr. Unis was employed, (ii) the sale or series of sales by LB to any person of more than 50% of the combined voting power of the securities of the subsidiary or (iii) the consummation of a reorganization, merger or consolidation involving the subsidiary unless, immediately following such reorganization, merger or consolidation, LB continues to directly control more than 50% of the combined voting power of the securities of such subsidiary (each of (i), (ii) and (iii), a "Subsidiary Change in Control"); provided that (x) Mr. Unis was employed by the subsidiary immediately prior to the Subsidiary Change in Control and (y) immediately following the Subsidiary Change in Control, Mr. Unis is not, directly or indirectly, an employee of LB or another subsidiary of LB and has not been offered employment with LB or another subsidiary of LB.

No Tax Gross-ups

In the event of a termination following a "change in control", none of our NEOs are entitled to reimbursement or gross-up for any excise taxes that may be imposed under Section 280G of the Code.

Going forward

Prior to the Separation, LB intends to enter into a new arrangement with Mr. Waters which will generally provide that, in the event of a termination of Mr. Waters' employment by LB other than for "cause" or by Mr. Waters for "good reason," other than during the 24-month period following a "change in control" or within the

three months preceding or 24 months following a sale or spinoff of VS, subject to Mr. Waters' execution and nonrevocation of a general waiver and release of claims, (i) Mr. Waters will be entitled to receive (A) continued payment of Mr. Waters' base salary for 24 months following the termination date and (B) the incentive compensation Mr. Waters would have received if he had remained an employee of LB for one year following the termination date and (ii) for a period of up to 24 months following the termination of employment, LB will provide Mr. Waters and his beneficiaries medical and dental benefits substantially similar in the aggregate to those provided to Mr. Waters prior to the date of his termination of employment. In addition, LB intends that this new arrangement with Mr. Waters will also provide that if such termination of Mr. Waters' employment occurs within the 24-month period following a "change in control" or within the three months preceding or 24 months following a sale or spinoff of VS, subject to Mr. Waters' execution and nonrevocation of a general waiver and release of claims, (i) Mr. Waters will be entitled to receive (A) an amount equal to three times his (a) base salary and (b) target incentive compensation and (B) for a period of 36 months following the termination of employment (or earlier if Mr. Waters becomes subsequently employed), Mr. Waters and his beneficiaries will be entitled to receive medical and dental benefits substantially similar in the aggregate to those provided to Mr. Waters prior to the date of his termination of employment and (ii) Mr. Waters will be entitled to accelerated vesting of any outstanding unvested equity awards held by Mr. Waters as of the termination date.

In addition, prior to the Separation, LB intends to enter into a new arrangement with each of Ms. Hauk and Mr. Unis which will generally provide that, in the event of a termination of the executive's employment by LB other than for "cause" or by the executive for "good reason," other than during the 24-month period following a "change in control" or within the three months preceding or 24 months following a sale or spinoff of VS, subject to the executive's execution and nonrevocation of a general waiver and release of claims, (i) each of Ms. Hauk and Mr. Unis will be entitled to receive (A) continued payment of the executive's base salary for 24 months following the termination date and (B) the incentive compensation such executive would have received if she or he had remained an employee of LB for one year following the termination date and (ii) for a period of up to 24 months following the termination of employment, LB will provide the executive and her or his beneficiaries medical and dental benefits substantially similar in the aggregate to those provided to the executive prior to the date of termination. In addition, LB intends that these new arrangements with each of Ms. Hauk and Mr. Unis will also provide that if such termination of her or his employment occurs within the 24-month period following a "change in control" or within the three months preceding or 24 months following a sale or spinoff of VS, subject to the executive's execution and nonrevocation of a general waiver and release of claims, (i) each of Ms. Hauk and Mr. Unis will be entitled to receive (A) an amount equal to two times the executive's base salary and (B) an amount equal to the sum of the last four bonus payments under LB's incentive compensation program *plus* a prorated amount for the season in which her or his employment is terminated (based on the average of such four prior bonus payments), (ii) for a period of 24 months following the termination of employment (or earlier if the executive becomes subsequently employed), each executive and her or his beneficiaries will be entitled to receive medical and dental benefits substantially similar in the aggregate to those provided to the executive prior to the date of termination and (iii) each of Ms. Hauk and Mr. Unis will be entitled to accelerated vesting of any outstanding unvested equity awards held by the executive as of the termination date.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We describe below transactions and series of similar transactions, during our last three fiscal years or currently proposed, to which we were a party or will be a party, in which:

- The amounts involved exceeded or will exceed $120,000; and
- Any of our directors, executive officers or beneficial holders of more than 5% of any class of our capital stock had or will have a direct or indirect material interest.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions meeting this criteria to which we have been or will be a party other than compensation arrangements, which are described where required under “Management—Board Structure,” “Management—Compensation of Directors” and “Compensation Discussion and Analysis.”

The Separation from LB

The Separation will be accomplished by LB distributing all of its shares of VS common stock to holders of LB common stock entitled to such distribution, as described in “The Separation” included elsewhere in this information statement. Completion of the Separation will be subject to satisfaction or waiver by LB of the conditions to the Distribution described under “The Separation—Conditions to the Distribution.”

As part of the Separation, we will enter into a Separation and Distribution Agreement and several other agreements with LB to effect the Separation and provide a framework for our relationships with LB after the Separation. See “The Separation—Agreements with LB” for information regarding these agreements.

Related Party Transactions

As a current business segment of LB, we engage in related party transactions with LB. Those transactions are described in more detail in Note 3 to the accompanying audited combined financial statements, and Note 2 to the accompanying unaudited interim combined financial statements.

Registration Rights Agreement

On March 17, 2021, LB, Leslie H. Wexner and Abigail S. Wexner entered into a registration rights agreement (the “LB Registration Rights Agreement”) providing each of Mr. Wexner and Mrs. Wexner and certain of their affiliated and related entities (collectively, the “Holders”) with certain customary registration rights with respect to their respective shares of LB’s common stock. Pursuant to the terms of the LB Registration Rights Agreement, VS intends to enter into a substantially similar agreement with the Holders prior to the completion of the Separation, which agreement will be described in an amendment to this information statement.

Long-term Debt Due to Related Party

During 2020, we borrowed $97 million from LB to pay down outstanding debt with external parties. This borrowing is due in September 2025 and has a variable interest rate based on the China Loan Prime Rate, which was 3.85% as of May 1, 2021. At the time of the Separation, we will no longer have the related party note.

Victoria’s Secret Guarantees

Certain Victoria’s Secret subsidiaries, along with other wholly-owned subsidiaries of LB, guarantee and pledge collateral to secure LB’s asset-backed revolving credit facility. The ABL Facility has aggregate commitments at $1 billion and has an expiration date in August 2024. As of May 1, 2021, there were no borrowings outstanding under the ABL Facility.

Certain Victoria’s Secret subsidiaries, along with other wholly-owned subsidiaries of LB, have also guaranteed LB’s obligations under certain of LB’s long-term notes. The guarantees are full and unconditional on a joint and several basis.

Our guarantees of obligations under LB’s long-term notes are expected to terminate concurrently with the Separation, subject to standard notice provisions to the trustee. Our guarantees of obligations under the ABL Facility are also expected to terminate concurrently with the Separation, subject to consent of the lenders.

LB Guarantees

LB has provided guarantees related to certain of the Company's store and office lease payments under the current terms of noncancelable leases expiring at various dates through 2037. These guarantees include minimum rent and additional payments covering taxes, common area costs and certain other expenses.

Certain of our China subsidiaries utilize revolving and term loan bank facilities to support their operations. These facilities are guaranteed by LB and certain of LB's and our 100% owned subsidiaries. As of May 1, 2021, there were no outstanding borrowings under the Foreign Facilities. Further, during 2020, LB placed cash on deposit with certain financial institutions as collateral for the Foreign Facilities. The amount of collateral required was dependent upon the aggregate lending commitments and totaled $30 million as of May 1, 2021. We expect to terminate the Foreign Facilities prior to the Separation.

Under the Separation and Distribution Agreement, the Company is required to use commercially reasonable efforts to, effective as of the Distribution, terminate any guarantee provided by LB or any of its subsidiaries for the benefit of the Company or its subsidiaries, or remove or substitute LB and its subsidiaries as guarantors under such guarantees and, if not effected by the Distribution, to effect such termination, removal or substitution as soon as reasonably practicable after the Distribution.

Review, Approval or Ratification of Transactions with Related Persons

We expect that our Board of Directors will adopt procedures for the review of any transactions and relationships in which we and any of our directors, nominees for director or executive officers, or any of their immediate family members, are participants, to determine whether any of these individuals have a direct or indirect material interest in any such transaction. We expect that we will develop and implement processes and controls to obtain information from the directors and executive officers about related person transactions, and for determining, based on the facts and circumstances, whether a related person has a direct or indirect material interest in any such transaction. Transactions that are determined to be directly or indirectly material to a related person will be disclosed by us as required. Pursuant to these processes, we expect that all directors and executive officers will annually complete, sign and submit a Director and Executive Officer Questionnaire designed to identify related person transactions and both actual and potential conflicts of interest.

As described above, we expect that the Board of Directors will adopt one or more codes of ethics applicable to our directors and executive officers that will prohibit directors and executive officers from entering into transactions, or having any relationships, that would result in a conflict of interest with us. Any waivers of the codes of ethics for directors and executive officers will only be granted by the Board of Directors or a Committee of the Board.

OWNERSHIP OF COMMON STOCK BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date of this information statement, all of the outstanding shares of VS common stock are owned by LB. After the Separation, LB will not directly or indirectly own any of our common stock. The following tables provide information with respect to the expected beneficial ownership of VS common stock by (1) each person who is known by us who we believe will be a beneficial owner of more than 5% of VS outstanding common stock immediately after the Distribution (assuming they maintain such ownership positions when the Distribution occurs) based on current publicly available information, (2) each identified director of VS, (3) each NEO and (4) all identified VS executive officers and directors as a group. We based the share amounts on each person's beneficial ownership of LB common stock as of the close of business on , 2021 and applying the distribution ratio of one share of our common stock for every shares of LB common stock held as of the record date for the Distribution, unless we indicate some other date or basis for the share amounts in the applicable footnotes.

Except as otherwise noted in the footnotes below, each person or entity identified below is expected to have sole voting and investment power with respect to such securities. Following the Separation, VS will have outstanding an aggregate of approximately shares of common stock based upon approximately shares of LB common stock outstanding on , 2021 assuming no exercise of LB stock options, and applying the distribution ratio of one share of our common stock for every shares of LB common stock.

To the extent our directors and executive officers own LB common stock at the record date for the Distribution, they will participate in the Distribution on the same terms as other holders of LB common stock.

The number of shares beneficially owned by each stockholder, director or officer is determined according to the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose.

Holdings of Certain Beneficial Owners

As of the date of this information statement, all of the outstanding shares of VS common stock are owned by LB. The following table sets forth information regarding each stockholder who is expected to beneficially own more than 5% of our common stock immediately following the Separation. The table is based upon an assumption that, for every shares of LB common stock held by such persons, they will receive one share of VS common stock:

Name of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
Leslie H. Wexner[1]		
Lone Pine Capital LLC, David F. Craver, Brian F. Doherty, Mala Gaonkar, Kelly A. Granat, Stephen F. Mandel, Jr. and Kerry A. Tyler[2]		
The Vanguard Group[3]		
Melvin Capital Management LP[4]		
Egerton Capital (UK) LLP[5]		
Abigail S. Wexner[1]		

(1) As of March 24, 2021, based solely on information set forth in the Schedule 13D/A filed March 24, 2021 by Leslie H. Wexner and Abigail S. Wexner. Mr. and Mrs. Wexner's address is Three Limited Parkway, P.O. Box 16000, Columbus, OH 43216.

(2) As of December 31, 2020, based solely on information set forth in the Schedule 13G filed February 16, 2021 by Lone Pine Capital LLC, David F. Craver, Brian F. Doherty, Mala Gaonkar, Kelly A. Granat, Stephen F. Mandel, Jr. and Kerry A. Tyler (each, a "Lone Pine Reporting Person"). Each Lone Pine Reporting Person has shared dispositive power over shares and shared voting power over shares. Each Lone Pine Reporting Person's address is Two Greenwich Plaza Greenwich, CT 06830.

(3) As of December 31, 2020, based solely on information set forth in the Schedule 13G/A filed February 10, 2021 by The Vanguard Group ("Vanguard"). Vanguard has sole dispositive power over shares, and has shared dispositive power over shares and shared voting power over shares. Vanguard's address is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

(4) As of December 31, 2020, based solely on information set forth in the Schedule 13G filed February 16, 2021 by Melvin Capital Management LP ("Melvin"). Melvin has shared dispositive power over shares and shared voting power over shares. Melvin's address is 535 Madison Avenue, 22nd Floor, New York, NY 10022.

(5) As of December 31, 2020, based solely on information set forth in the Schedule 13G filed February 10, 2021 by Egerton Capital (UK) LLP ("Egerton"). Egerton has sole dispositive power over shares and sole voting power over shares. Egerton's address is 5 Stratton Street, London, W1J 8LA, United Kingdom.

Holdings of Directors and Executive Officers

As of the date of this information statement, all of the outstanding shares of VS common stock are owned by LB. The following table sets forth the number of shares of our common stock beneficially owned, based on the presentation previously described, as of , 2021 by each of the identified directors of VS, NEOs in the Summary Compensation Table in "Compensation Discussion and Analysis" and all identified VS executive officers and directors as a group. The table is based upon an assumption that, for every shares of LB stock held by such person, they will receive one share of VS common stock.

For purposes of this table, shares are considered to be "beneficially" owned if the person, directly or indirectly, has sole or shared voting or investment power with respect to such shares. In addition, a person is deemed to beneficially own shares if that person has the right to acquire such shares within 60 days of , 2021. No executive officer or director holds any class of equity securities other than LB common stock or LB equity awards that may give them the right to acquire beneficial ownership of LB common stock, and it is not expected that any of them will own any class of equity securities of VS other than common stock following the Distribution.

Name	Number of Shares of Common Stock Beneficially Owned[(a)]	Percentage of Class
Irene Chang Britt		
Sarah Davis		
Jacqueline Hernandez		
Donna A. James		
Lauren B. Peters		
Anne Sheehan		
Martin Waters		
Tim Johnson		
Amy Hauk		
Gregory Unis		
Stuart Burgdoerfer		
John Mehas		
All executive officers and directors (11 persons)		

* Less than 1%

(a) Unless otherwise indicated, each named person has voting and investment power over the listed shares and such voting and investment power is exercised solely by the named person or shared with a spouse. None of the listed shares have been pledged as security or otherwise deposited as collateral.

DESCRIPTION OF CAPITAL STOCK

Our certificate of incorporation and bylaws will be amended and restated prior to the Separation. The following descriptions are summaries of the material terms of our capital stock based on the applicable provisions of Delaware law and our amended and restated certificate of incorporation and our amended and restated bylaws that will be in effect at the time of the Separation. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of the applicable provisions of Delaware law or of our amended and restated certificate of incorporation or our amended and restated bylaws to be in effect at the time of the Separation. The summary is qualified in its entirety by reference to our amended and restated certificate of incorporation and our amended and restated bylaws, which we recommend that you read (along with the applicable provisions of Delaware law) for additional information on our capital stock as of the time of the Separation.

General

Upon completion of the Separation, we will be authorized to issue shares of common stock, par value $0.01 per shares, and shares of preferred stock, par value $0.01 per share. Our Board of Directors may authorize the issuance of one or more series of preferred stock and establish, among other things, the rights, preferences and privileges of any such series of preferred stock from time to time without stockholder approval.

Common Stock

Common stock outstanding. Upon completion of the Separation, we expect there will be approximately shares of our common stock outstanding, to be held of record by stockholders based upon approximately shares of LB common stock outstanding as of , applying the distribution ratio of one share of our common stock for every shares of LB common stock. All outstanding shares of common stock are fully paid and non-assessable, and the shares of common stock to be issued upon completion of the Distribution will be fully paid and non-assessable.

Voting rights. The holders of common stock will be entitled to one vote per share on all matters to be voted on by stockholders. Generally, all matters to be voted on by stockholders must be approved by the affirmative vote of the holders of a majority of the votes cast at the meeting on such matter. Directors will be elected by the affirmative vote of the holders of a majority of the votes cast at the meeting with respect to such director's election, except that if the number of nominees in any given election exceeds the number of directors to be elected, the directors will be elected by a plurality of the votes cast by holders of shares entitled to vote in the election at the meeting.

Dividends. Subject to the rights of any shares of preferred stock which may at the time be outstanding, holders of common stock are entitled to receive dividends as may be declared from time to time by our Board of Directors out of funds legally available therefor.

Rights upon liquidation. In the event of liquidation or dissolution of our company, each share of common stock is entitled to share ratably in any distribution of our assets after payment or providing for the payment of liabilities and the liquidation preference of any outstanding preferred stock.

Other rights. Holders of our common stock have no preferential, preemptive, conversion or redemption rights. The rights, preferences and privileges of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that our Board of Directors may authorize and issue in the future.

Preferred Stock

Our Board of Directors will have the authority to issue, without further vote or action by our stockholders, preferred stock in one or more series. Subject to the limitations prescribed by Delaware law and our amended and restated certificate of incorporation, our Board of Directors may fix the designations, powers, preferences and relative, participating, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of such series.

The issuance of preferred stock could adversely affect the voting power of the holders of the common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of VS without further action by our stockholders and may adversely affect the voting and other rights of the holders of common stock. At present, VS has no plans to issue any of the preferred stock.

Election and Removal of Directors

We expect that our Board of Directors will initially consist of seven directors, and thereafter, the number of directors will be fixed exclusively by one or more resolutions adopted from time to time solely by the affirmative vote of a majority of the Board of Directors. Each director shall be elected by the affirmative vote of the holders of a majority of the votes cast at the meeting with respect to such director's election at which a quorum is present, except that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by a plurality of the votes cast by holders of shares entitled to vote in the election at the meeting. In order for an incumbent director to become a nominee for further service on the Board of Directors, or for any other person to become a nominee for service on the Board of Directors, such director or other person must submit an irrevocable resignation that will be effective upon (a) such director or other person not receiving a majority of the votes cast in an election that is not a contested election, and (b) the acceptance of such director's or other person's resignation by the Board of Directors.

Directors will be removable, with or without cause, by the affirmative vote of the holders of not less than a majority of the outstanding shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class. Any vacancy occurring on the Board of Directors and any newly created directorship may be filled only by a majority of the remaining directors in office (although less than a quorum).

Annual Election of Directors

Each director will be elected annually by the stockholders at each annual meeting of stockholders for a term expiring at the next annual meeting of stockholders. See "Management—Board of Directors Following the Separation."

Limits on Stockholder Action by Written Consent

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that holders of our common stock will not be able to act by written consent without a stockholder meeting.

Special Meetings

Our amended and restated bylaws will provide that special meetings of the stockholders may be called by the chair of the Board of Directors, the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors or, subject to certain procedural requirements, the Board of Directors at the written request to our secretary by the holders of at least 25% of the outstanding shares of VS common stock entitled to vote on the matter or matters entitled to vote at the meeting.

Our amended and restated bylaws will not permit a special meeting to be held at the request of stockholders if (a) the request does not comply with the procedural requirements set forth in our amended and restated bylaws, (b) the request relates to an item of business that is not a proper subject for stockholder action under the certificate of incorporation or applicable law, (c) the request is received by VS during the period commencing 90 days prior to the first anniversary of the date of the immediately preceding annual meeting of stockholders and ending on the date of the next annual meeting of stockholders, (d) an annual or special meeting of stockholders that included an identical or substantially similar item of business was held not more than 120 days before the request was received by our secretary, (e) the Board of Directors has called or calls for an annual or special meeting of stockholders to be held within 90 days after the request is received by our secretary and the business to be conducted at such meeting includes an identical or substantially similar item of business or (f) the request was made in a manner that involved a violation of Regulation 14A under the Exchange Act or other applicable law.

Amendment of the Certificate of Incorporation

Our certificate of incorporation may be amended by stockholders upon the affirmative vote of a majority of the outstanding stock entitled to vote thereon.

Amendment of Bylaws

Our certificate of incorporation grants our Board of Directors the power to amend our bylaws without a stockholder vote.

Requirements for Advance Notification of Stockholder Nomination and Proposals

Under our amended and restated bylaws, stockholders of record will be able to nominate persons for election to our Board of Directors or bring other business constituting a proper matter for stockholder action only by providing proper notice to our secretary. Proper notice must be generally received not less 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days prior to such anniversary or delayed more than 90 days after such anniversary, then to be timely, such notice must be received no earlier than 120 days prior to such annual meeting and no later than the later of 90 days prior to the date of the meeting or the 10th day following the day on which announcement of the date of the meeting was first made. The notice must include, among other information, the name and address of the stockholder giving the notice, information about the stockholder's ownership of securities in the company, certain information relating to each person whom such stockholder proposes to nominate for election as a director and a brief description of any business such stockholder proposes to bring before the meeting and the reason for bringing such proposal. For the purposes of these advance notice provisions of our amended and restated bylaws, the first anniversary date of our 2021 annual meeting shall be deemed to be May 20, 2022.

Proxy Access

Under our amended and restated bylaws, up to 20 stockholders owning 3% or more of the outstanding shares of our common stock continuously for at least three years may nominate the greater of two directors or up to 20% of our Board of Directors, and include those nominees in our proxy materials. Notice of stockholder nominations for persons for election as a director that are to be included in our proxy statement must be delivered or mailed and received at our principal executive offices, not less than 120 days nor more than 150 days prior to the first anniversary of the date that we first distributed our proxy statement to stockholders for the immediately preceding annual meeting of stockholders.

Limitation of Liability of Directors and Officers

Our amended and restated certificate of incorporation provide that no director will be personally liable to us or our stockholders for monetary damages for breach of any duty as a director, except for the following:

- Any breach of the director's duty of loyalty to our company or our stockholders;
- Any act or omission not in good faith or which involved intentional misconduct of a knowing violation of law;
- Unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; and
- Any transaction from which the director derived an improper personal benefit.

As a result, neither we nor our stockholders have the right, including through stockholders' derivative suits on our behalf, to recover monetary damages against a director for breach of any duty as a director, including breaches resulting from grossly negligent behavior, except in the situations described above.

Our amended and restated bylaws will provide that, to the fullest extent permitted by Delaware law, we will indemnify any of our officers and directors in connection with any threatened, pending or completed action, suit or proceeding to which such person is, or is threatened to be made, a party, whether civil, criminal, administrative or investigative, arising out of the fact that the person is or was our director or officer, or served any other enterprise at our request as a director or officer.

We expect to maintain insurance for our officers and directors against certain liabilities, including liabilities under the Securities Act, under insurance policies, the premiums of which will be paid by us. The effect of these will be to indemnify any of our officers or directors against expenses, judgments, attorneys' fees and other amounts paid in settlements incurred by an officer or director arising from claims against such persons for conduct in their capacities as officers or directors of VS.

The limitation of liability and indemnification provisions that will be in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. These provisions may also have the effect of reducing the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, the indemnification provisions may adversely affect your investment to the extent that, in a class action or direct suit, we are required to pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. There is currently no pending material litigation or proceeding against any VS directors, officers or employees for which indemnification is sought.

Forum Selection

Pursuant to our amended and restated bylaws, as will be in effect upon the completion of the Separation, unless we consent in writing to the selection of an alternative forum, a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim for or based on a breach of a fiduciary duty owed by any of our director or officer or other employee or agent to us or to our stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty; (iii) any action asserting a claim against us or any of our director or officer or other employee or agent arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws; (iv) any action asserting a claim related to or involving us that is governed by the internal affairs doctrine; or (v) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the Delaware General Corporation Law. These exclusive forum provisions will apply to all covered actions, including any covered action in which the plaintiff chooses to assert a claim or claims under federal law in addition to a claim or claims under Delaware law. These exclusive forum provisions, however, will not apply to actions asserting only federal law claims under the Securities Act or the Exchange Act, regardless of whether the state courts in the State of Delaware have jurisdiction over those claims.

Anti-Takeover Effects of Some Provisions

Some of the provisions of our amended and restated certificate of incorporation and amended and restated bylaws (as described above), including the stockholder approval requirements for certain business combinations (as described below), could make the following more difficult:

- Acquisition of control of us by means of a proxy contest or otherwise, or
- Removal of our incumbent officers and directors.

These provisions, including our ability to issue preferred stock, are designed to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors. We believe that the benefits of increased protection will give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us, and that the benefits of this increased protection will outweigh the disadvantages of discouraging those proposals, because negotiation of those proposals could result in an improvement of their terms.

Delaware Business Combinations

We have elected to be subject to Section 203 of the Delaware General Corporation Law, which regulates corporate acquisitions. Section 203 prevents an "interested stockholder," which is defined generally as a person owning 15% or more of a corporation's voting stock, or any affiliate or associate of that person, from engaging in a broad range of "business combinations" with the corporation for three years after becoming an interested stockholder unless:

- the board of directors of the corporation had, prior to the person becoming an interested stockholder, approved either the business combination or the transaction that resulted in the stockholder's becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder's becoming an interested stockholder, that person owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, other than statutorily excluded shares; or

- following the transaction in which that person became an interested stockholder, the business combination is approved by the board of directors of the corporation and holders of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Under Section 203, the restrictions described above also do not apply to specific business combinations proposed by an interested stockholder following the announcement or notification of designated extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors, if such extraordinary transaction is approved or not opposed by a majority of the directors who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

Section 203 may make it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period. Section 203 also may have the effect of preventing changes in our management and could make it more difficult to accomplish transactions which our stockholders may otherwise deem to be in their best interests.

Distributions of Securities

VS was formed on April 9, 2021, and since its formation, it has not sold any securities, including sales of reacquired securities, new issues (other than to LB pursuant to Section 4(a)(2) of the Securities Act in connection with its formation, which VS did not register under the Securities Act because such issuance did not constitute a public offer), securities issued in exchange for property, services or other securities, and new securities resulting from the modification of outstanding securities.

Authorized But Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without your approval. We may use additional shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of VS by means of a proxy contest, tender offer, merger or otherwise.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock will be American Stock Transfer.

Listing

We have applied to list our common stock on the NYSE under the ticker symbol "VSCO."

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form 10 with the SEC with respect to the shares of our common stock being distributed in the Separation as contemplated by this information statement. This information statement is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits to the registration statement. For further information with respect to our company and our common stock, please refer to the registration statement, including its exhibits. Statements made in this information statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the registration statement for the full text of the actual contract or document. You may review a copy of the registration statement, including its exhibits, at the Internet website maintained by the SEC at www.sec.gov. Information contained on any website referenced in this information statement is not incorporated by reference into this information statement or the registration statement of which this information statement forms a part.

After the Separation, we will become subject to the information and reporting requirements of the Exchange Act, and, in accordance with the Exchange Act, we will file periodic reports, proxy statements and other information with the SEC. Our future filings will be available from the SEC as described above.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.

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Years Ended January 30, 2021, February 1, 2020 and February 2, 2019

Our fiscal year ends on the Saturday nearest to January 31. Fiscal years are designated in the Combined Financial Statements and Notes by the calendar year in which the fiscal year commences. The results for 2020, 2019 and 2018 refer to the 52-week periods ended January 30, 2021, February 1, 2020 and February 2, 2019, respectively.

Thirteen Weeks Ended May 1, 2021 and May 2, 2020 (Unaudited)

Our fiscal year ends on the Saturday nearest to January 31. As used herein, "first quarter of 2021" and "first quarter of 2020" refer to the thirteen-week periods ended May 1, 2021 and May 2, 2020, respectively.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of L Brands, Inc.

Opinion on the Financial Statements

We have audited the accompanying Combined Balance Sheets of the Victoria's Secret Business of L Brands, Inc. (the Company) as of January 30, 2021, and February 1, 2020, the related Combined Statements of Income (Loss), Comprehensive Income (Loss), Total Equity (Deficit), and Cash Flows for each of the three years in the period ended January 30, 2021, and the related notes (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company at January 30, 2021 and February 1, 2020, and the results of its operations and cash flows for each of the three years in the period ended January 30, 2021, in conformity with U.S. generally accepted accounting principles.

Adoption of New Accounting Standard

As discussed in Note 1 to the combined financial statements, the Company has changed its method for accounting for leases as of February 3, 2019 due to the adoption of the ASU 2016-02, *Leases* (Topic 842).

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United Stated) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the combined financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of Store Assets

Description of the Matter	As discussed in Note 1 to the combined financial statements, the Company reviews long-lived store assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Store assets are grouped at the lowest level for which they are largely independent of other assets or asset groups. If the estimated undiscounted future cash flows related to the asset group are less than the carrying value, the Company recognizes a loss equal to the difference between the carrying value and the estimated fair value, determined by the estimated discounted future cash flows of the asset group. The Company concluded that negative operating results for certain of the Victoria's Secret stores were an indicator of potential impairment of the related store asset groups. As a result, the Company recognized an impairment loss on leasehold improvements and store related assets of approximately $136 million for the year ended January 30, 2021. In addition, the Company recognized an impairment loss of $118 million for the operating lease assets. Auditing management's long-lived store asset impairment analysis, including operating lease assets, is complex and highly judgmental due to the estimation required in determining the future cash flows used to assess recoverability of the store assets (undiscounted) and determining the fair value (discounted). The significant assumptions used include estimated future cash flows directly related to the future operation of the stores (including sales growth rate and gross margin rate), as well as the discount rate used to determine fair value. Significant assumptions used in determining the fair value of the operating lease assets include the current market rent for the remaining lease term of the related stores. These assumptions are subjective in nature and are affected by expectations about future market or economic conditions.
How We Addressed the Matter in Our Audit	We tested the design and operating effectiveness of controls over the Company's process to identify impairment indicators, determine the undiscounted future cash flows for the stores, and determine the fair value for those store assets (including those related to operating leases) that were deemed to be impaired. Our testing included controls over management's review of the significant assumptions described above. Our testing of the Company's impairment measurement included, among other procedures, evaluating the significant assumptions and operating data used to calculate the estimated future cash flows, as well as the estimated fair value. For example, we assessed the Company's long-range plan that is developed by management and reviewed by the Board of Directors and serves as the basis for the future cash flows in the analysis. We inquired of the Company's executives to understand the underlying assumptions in the future cash flows and compared the future cash flows to the Company's actual performance. We performed a sensitivity analysis on the significant assumptions to evaluate the changes in the fair value of the store assets that would result from changes in the assumptions. We also involved internal specialists to assist in testing the estimated market rental rates of the store leases by comparing them to market rates from comparable leases.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 2020.

Grandview Heights, Ohio
April 16, 2021

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED BALANCE SHEETS

(in millions)

	January 30, 2021	February 1, 2020
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 335	$ 245
Accounts Receivable, Net	121	157
Inventories	701	855
Prepaid Expenses	26	49
Other	56	52
Total Current Assets	1,239	1,358
Property and Equipment, Net	1,078	1,423
Operating Lease Assets	1,590	2,140
Trade Name	246	246
Deferred Income Taxes	20	25
Other Assets	56	78
Total Assets	$4,229	$5,270
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts Payable	$ 338	$ 384
Accrued Expenses and Other	776	614
Current Debt	—	61
Current Operating Lease Liabilities	421	341
Income Taxes Payable	15	32
Due to Related Parties	6	8
Total Current Liabilities	1,556	1,440
Deferred Income Taxes	19	89
Long-term Debt	—	92
Long-term Debt due to Related Party	97	—
Long-term Operating Lease Liabilities	1,553	2,158
Other Long-term Liabilities	113	177
Total Liabilities	3,338	3,956
Equity		
Noncontrolling Interest	—	2
Accumulated Other Comprehensive Income (Loss)	4	(29)
Net Investment by L Brands, Inc.	887	1,341
Total Equity	891	1,314
Total Liabilities and Equity	$4,229	$5,270

The accompanying notes are an integral part of these financial statements.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED STATEMENTS OF INCOME (LOSS)

(in millions)

	2020	2019	2018
Net Sales	$ 5,413	$ 7,509	$ 8,103
Costs of Goods Sold, Buying and Occupancy	(3,842)	(5,446)	(5,414)
Gross Profit	1,571	2,063	2,689
General, Administrative and Store Operating Expenses	(1,672)	(2,235)	(2,289)
Impairment of Goodwill	—	(720)	—
Operating Income (Loss)	(101)	(892)	400
Interest Expense	(6)	(8)	(2)
Other Income (Loss)	1	1	(7)
Income (Loss) Before Income Taxes	(106)	(899)	391
Provision (Benefit) for Income Taxes	(34)	(2)	140
Net Income (Loss)	$ (72)	$ (897)	$ 251

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions)

	2020	2019	2018
Net Income (Loss)	$(72)	$(897)	$251
Other Comprehensive Income (Loss), Net of Tax:			
Foreign Currency Translation	(3)	(6)	(5)
Reclassification of Currency Translation to Earnings	36	—	—
Unrealized Gain on Cash Flow Hedges	—	1	6
Reclassification of Cash Flow Hedges to Earnings	—	(3)	2
Total Other Comprehensive Income (Loss), Net of Tax	$ 33	$ (8)	$ 3
Total Comprehensive Income (Loss)	$(39)	$(905)	$254

The accompanying notes are an integral part of these financial statements.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED STATEMENTS OF CASH FLOWS

(in millions)

	2020	2019	2018
Operating Activities			
Net Income (Loss)	$ (72)	$(897)	$ 251
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation of Long-lived Assets	326	411	425
Amortization of Landlord Allowances	—	—	(29)
Asset Impairment Charges	254	263	101
Impairment of Goodwill	—	720	—
Share-based Compensation Expense	25	38	39
Deferred Income Taxes	(64)	(30)	(35)
Gain related to formation of Victoria's Secret U.K. Joint Venture	(54)	—	—
Gain from Hong Kong Store Closure and Lease Termination	(39)	—	—
Changes in Assets and Liabilities, Net of Assets and Liabilities related to Divestiture:			
Accounts Receivable	36	14	10
Inventories	141	20	(20)
Accounts Payable, Accrued Expenses and Other	49	(118)	(27)
Income Taxes Payable	(25)	(49)	(114)
Other Assets and Liabilities	97	(57)	97
Net Cash Provided by Operating Activities	674	315	698
Investing Activities			
Capital Expenditures	(127)	(225)	(341)
Other Investing Activities	4	(18)	(2)
Net Cash Used for Investing Activities	(123)	(243)	(343)
Financing Activities			
Borrowings from Foreign Facilities	34	167	172
Repayments of Foreign Facilities	(189)	(162)	(109)
Borrowing from Related Party	97	—	—
Net Transfers to L Brands, Inc.	(407)	(197)	(327)
Net Cash Used for Financing Activities	(465)	(192)	(264)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	4	(4)	2
Net Increase (Decrease) in Cash and Cash Equivalents	90	(124)	93
Cash and Cash Equivalents, Beginning of the Year	245	369	276
Cash and Cash Equivalents, End of the Year	$ 335	$ 245	$ 369

The accompanying notes are an integral part of these financial statements.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED STATEMENTS OF EQUITY

(in millions)

	Net Investment by L Brands, Inc.	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Equity
Balance, February 3, 2018	$2,468	$(24)	$ 2	$2,446
Cumulative Effect of Accounting Change	(32)	—	—	(32)
Balance, February 4, 2018	2,436	(24)	2	2,414
Net Income	251	—	—	251
Other Comprehensive Income	—	3	—	3
Total Comprehensive Income	251	3	—	254
Net Transfers to L Brands, Inc.	(288)	—	—	(288)
Balance, February 2, 2019	2,399	(21)	2	2,380
Cumulative Effect of Accounting Change	(2)	—	—	(2)
Balance, February 3, 2019	2,397	(21)	2	2,378
Net Loss	(897)	—	—	(897)
Other Comprehensive Loss	—	(8)	—	(8)
Total Comprehensive Loss	(897)	(8)	—	(905)
Net Transfers to L Brands, Inc.	(159)	—	—	(159)
Balance, February 1, 2020	1,341	(29)	2	1,314
Net Loss	(72)	—	—	(72)
Other Comprehensive Income	—	33	—	33
Total Comprehensive Income (Loss)	(72)	33	—	(39)
Other	—	—	(2)	(2)
Net Transfers to L Brands, Inc.	(382)	—	—	(382)
Balance, January 30, 2021	$ 887	$ 4	$—	$ 891

The accompanying notes are an integral part of these financial statements.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

1. Background, Description of Business and Summary of Significant Accounting Policies

Description of Business

L Brands, Inc. ("L Brands" or the "Parent") operates the Bath & Body Works, Victoria's Secret and PINK retail brands in the highly competitive specialty retail business. L Brands is committed to establishing its Bath & Body Works business as a pure-play public company and is taking the necessary steps to prepare its Victoria's Secret business, including PINK, to operate as a separate standalone company.

Victoria's Secret (the "Company") is a specialty retailer of women's intimate and other apparel and beauty products marketed under the Victoria's Secret and PINK brand names. The Company operates more than 930 Victoria's Secret and PINK stores in the U.S., Canada and Greater China as well as online at *www.VictoriasSecret.com* and *www.PINK.com*. Additionally, Victoria's Secret and PINK have more than 455 stores in more than 70 countries operating under franchise, license and wholesale arrangements. The Company also includes the Victoria's Secret and PINK merchandise sourcing and production function serving the Company and its international partners.

The Company manages and evaluates its business activities based on geography and, as a result, determined that its Victoria's Secret North America and Victoria's Secret International businesses are its operating segments. The North America and International operating segments both sell women's intimate and other apparel and beauty products under the Victoria's Secret and PINK brand names and serve customers through stores and online channels. The operating segments share similar economic and other qualitative characteristics, and therefore the results are aggregated into one reportable segment.

Basis of Presentation

The combined financial statements have been derived from the consolidated financial statements and accounting records of L Brands and have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). The combined financial statements may not be indicative of the Company's future performance and do not necessarily reflect what the financial position, results of operations, and cash flows would have been had it operated as an independent company during the periods presented.

Intracompany transactions have been eliminated. Transactions between the Company and L Brands have been included in these combined financial statements. For those transactions between the Company and L Brands that have been historically settled in cash, the Company has reflected such balances in the Combined Balance Sheets as Due from Related Parties or Due to Related Parties. The aggregate net effect of transactions between the Company and related parties that have been historically settled other than in cash are reflected in the Combined Balance Sheets as Net Investment by L Brands, Inc. and in the Combined Statements of Cash Flows as Net Transfers to L Brands, Inc. For additional information, see Note 3, "Transactions with Related Parties."

The Combined Balance Sheets include certain L Brands' assets and liabilities that are specifically identifiable or otherwise attributable to the Company. L Brands' third-party long-term notes payable and the related interest expense have not been allocated to the Company for any of the periods presented as the Company was not the legal obligor of such debt. Except for Long-term Debt due to Related Party, the debt and associated interest expense reflected in the Combined Balance Sheets relate to third-party borrowings specifically attributable to, and legal obligations of, the Company.

L Brands utilizes a centralized approach to cash management and financing its operations. The Cash and Cash Equivalents held by L Brands at the corporate level are not specifically identifiable to the Company and, therefore, have not been reflected in the Company's Combined Balance Sheets. Cash transfers between L Brands and the Company are accounted for through Net Investment by L Brands, Inc. Cash and Cash Equivalents in the Combined Balance Sheets represent Cash and Cash Equivalents held by the Company at period-end prior to any potential transfer to the centralized cash management pool of L Brands.

The Combined Statements of Income (Loss) include costs for certain functions, including information technology, human resources and store design and construction, that historically were provided and administered

on a centralized basis by L Brands. In 2020, as part of the steps to prepare Victoria's Secret to operate as a separate standalone company, these functions were transitioned to the business and are now operated and administered as part of Victoria's Secret. For additional information, see Note 5, "Restructuring Activities." Costs applicable to the Company related to these functions are included in the Combined Statements of Income (Loss) for all years presented. Prior to the transition of these functions in 2020, these costs were directly charged to the Company by L Brands.

In addition, for purposes of preparing these combined financial statements on a "carve-out" basis, a portion of L Brands' corporate expenses have been allocated to the Company. These expense allocations include the cost of corporate functions and resources that continue to be provided by, or administered by, L Brands including, but not limited to, executive management and other corporate and governance functions, such as corporate finance, internal audit, tax and treasury. The related employee payroll and benefit costs associated with such functions, such as share-based compensation, are included in the expense allocations. Corporate expenses of $77 million in 2020, $110 million in 2019 and $118 million in 2018 were allocated and included within General, Administrative and Store Operating Expenses in the Combined Statements of Income (Loss).

Costs were allocated to the Company based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net sales. Management considers the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to, or the benefit received by, the Company during the periods presented. However, the allocations may not reflect the expenses the Company would have incurred if the Company had been a standalone company for the periods presented. Actual costs that may have been incurred if the Company had been a standalone company would depend on a number of factors, including the organizational structure, whether functions were outsourced or performed by employees, and strategic or capital decisions. Going forward, the Company may perform these functions using its own resources or outsourced services. For a period following the planned separation, however, some of these functions may continue to be provided by L Brands under a transition services agreement, and the Company may provide some services to L Brands under a transition services agreement. The Company may also enter into certain commercial arrangements with L Brands in connection with the planned separation.

During the periods presented in these Combined Financial Statements, the Company's income tax expense (benefit) and deferred tax balances have been included in the L Brands' income tax returns. Income tax expense (benefit) and deferred tax balances contained in the Combined Financial Statements are presented on a separate return basis, as if the Company had filed its own income tax returns. As a result, actual tax transactions included in the consolidated financial statements of L Brands may or may not be included in the Combined Financial Statements of the Company. Similarly, the tax treatment of certain items reflected in the Combined Financial Statements of the Company may or may not be reflected in the consolidated financial statements and income tax returns of L Brands. The taxes recorded in the Combined Statements of Income (Loss) are not necessarily representative of the taxes that may arise in the future if the Company files its income tax returns independent from L Brands' returns.

Fiscal Year

The Company's fiscal year ends on the Saturday nearest to January 31. As used herein, "2020," "2019" and "2018" refer to the 52-week periods ended January 30, 2021, February 1, 2020 and February 2, 2019, respectively.

Impacts of COVID-19

In March 2020, the coronavirus pandemic ("COVID-19") was declared a global pandemic by the World Health Organization. This pandemic has negatively affected the U.S. and global economies, disrupted global supply chains and financial markets, and led to significant travel and transportation restrictions, including mandatory closures and orders to "shelter-in-place." The actions that governments around the world have taken to contain the spread of COVID-19 have resulted in a period of disruption, including closure of the Company's stores, limited store operating hours, reduced customer traffic and consumer spending and delays in manufacturing and shipping of products and raw materials. During this period, the Company is focused on protecting the health and safety of its customers, employees, contractors, suppliers and other business partners. The Company is also working with its suppliers to minimize potential disruptions, while managing the Company's business in response to a changing dynamic.

The Company's business operations and financial performance for 2020 were materially impacted by the COVID-19 pandemic. All of the Company's stores in North America were closed on March 17, 2020, but the Company was able to re-open the majority of its stores as of the beginning of August. Operations for the direct business were temporarily suspended for approximately one week in late March 2020. The Company has dedicated resources to maximize capacity in its direct fulfillment centers to meet increased customer demand, while focusing on distribution, fulfillment and call center safety. There remains a high level of uncertainty around the pandemic and the potential for further restrictions.

In response to the global COVID-19 crisis, L Brands and the Company took prudent actions to manage expenses and to preserve its cash. The Company:

- Furloughed most store associates as of April 5, 2020 during the temporary store closures, while continuing to provide healthcare benefits for eligible associates;
- Suspended associate merit increases;
- Temporarily reduced salaries for senior vice presidents and above by 20%;
- Reduced fiscal 2020 capital expenditures;
- Actively managed inventory to adjust for the impact of channel shifts to meet customer demand;
- Suspended many store and select office rent payments during the temporary closures. The Company completed negotiations with the majority of landlords, leading to a combination of rent waivers or abatements relating to closure periods, rent relief relating to the post-reopening "recovery" period given traffic declines, and rent deferrals; and
- Extended payment terms to vendors.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act, which, among other things, provided employer payroll tax credits for wages paid to employees who were unable to work during the coronavirus outbreak and options to defer payroll tax payments. During fiscal 2020, the Company recognized $28 million of qualified payroll tax credits.

Cash and Cash Equivalents

Cash and Cash Equivalents include cash on hand, demand deposits with financial institutions and highly liquid investments with original maturities of less than 90 days. The Company's Cash and Cash Equivalents are considered Level 1 fair value measurements as they are valued using unadjusted quoted prices in active markets for identical assets.

Concentration of Credit Risk

The Company maintains Cash and Cash Equivalents and derivative contracts with various major financial institutions. L Brands, on behalf of the Company, monitors the relative credit standing of financial institutions with whom the Company transacts and limits the amount of credit exposure with any one entity.

The Company also periodically reviews the relative credit standing of franchise, license and wholesale partners and other entities to which the Company grants credit terms in the normal course of business. The Company determines the required allowance for expected credit losses using information such as customer credit history and financial condition. Amounts are charged against the allowance when it is determined that expected credit losses may occur.

Inventories

Inventories are principally valued at the lower of cost or net realizable value, on an average cost basis.

The Company records valuation adjustments to its inventories if the cost of inventory on hand exceeds the amount it expects to realize from the ultimate sale or disposal of the inventory. These estimates are based on management's judgment regarding future demand and market conditions and analysis of historical experience.

The Company also records inventory loss adjustments for estimated physical inventory losses that have occurred since the date of the last physical inventory. These estimates are based on management's analysis of historical results and operating trends.

Property and Equipment

The Company's property and equipment are recorded at cost and depreciation is computed on a straight-line basis using the following depreciable life ranges:

Category of Property and Equipment	Depreciable Life Range
Software, including software developed for internal use	3 - 5 years
Store related assets	3 - 10 years
Leasehold improvements	Shorter of lease term or 10 years
Non-store related building and site improvements	10 - 15 years
Other property and equipment	20 years
Buildings	30 years

When a decision has been made to dispose of property and equipment prior to the end of the previously estimated useful life, depreciation estimates are revised to reflect the use of the asset over the shortened estimated useful life. The Company's cost of assets sold or retired and the related accumulated depreciation are removed from the accounts with any resulting gain or loss included in net income (loss). Maintenance and repairs are charged to expense as incurred. Major renewals and betterments that extend useful lives are capitalized.

Long-lived store assets, which include leasehold improvements, store related assets and operating lease assets (subsequent to the adoption of Accounting Standards Codification ("ASC") 842, *Leases*), are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Store assets are grouped at the lowest level for which they are largely independent of other assets or asset groups. If the estimated undiscounted future cash flows related to the asset group are less than the carrying value, the Company recognizes a loss equal to the difference between the carrying value and the estimated fair value, determined by the estimated discounted future cash flows of the asset group. For operating lease assets, the Company determines the fair value of the assets by comparing the contractual rent payments to estimated market rental rates. An individual asset within an asset group is not impaired below its estimated fair value. The fair value of long-lived store assets is determined using Level 3 inputs within the fair value hierarchy.

Leases and Leasehold Improvements

In 2019, the Company adopted ASC 842, *Leases*, using the modified retrospective approach. Results for 2020 and 2019 are presented under ASC 842, while results for 2018 have not been adjusted and continue to be presented under the accounting standard in effect at that time. For additional information regarding the impacts as a result of the Company's adoption of ASC 842 in fiscal 2019, refer to Note 2, "New Accounting Pronouncements."

The Company leases retail space, office space, warehouse facilities, storage space, equipment and certain other items under operating leases. A substantial portion of the Company's leases are operating leases for its stores, which generally have an initial term of ten years. Annual store rent consists of a fixed minimum amount and/or variable rent based on a percentage of sales exceeding a stipulated amount. Store lease terms generally also require additional payments covering certain operating costs such as common area maintenance, utilities, insurance and taxes. Certain leases contain predetermined fixed escalations of minimum rentals or require periodic adjustments of minimum rentals, depending on an index or rate. Additionally, certain leases contain incentives, such as construction allowances from landlords and/or rent abatements subsequent to taking possession of the leased property.

At lease commencement, the Company recognizes an asset for the right to use the leased asset and a liability based on the present value of the unpaid fixed lease payments. Operating lease costs are recognized on a straight-line basis as lease expense over the lease term. Variable lease payments associated with the Company's leases are recognized upon occurrence of the event or circumstance on which the payments are assessed. Short-term leases with an initial term of 12 months or less are not recorded on the balance sheet, and lease expense is recognized on a straight-line basis over the lease term.

The Company uses L Brands' incremental borrowing rate, adjusted for collateral, to determine the present value of its unpaid lease payments.

The Company's store leases often include options to extend the initial term or to terminate the lease prior to the end of the initial term. The exercise of these options is typically at the sole discretion of the Company. These options are included in determining the initial lease term at lease commencement if the Company is reasonably certain to exercise the option. Additionally, the Company may operate stores for a period of time on a month-to-month basis after the expiration of the lease term.

The Company also has leasehold improvements, which are amortized over the shorter of their estimated useful lives or the period from the date the assets are placed in service to the end of the initial lease term. Leasehold improvements made after the inception of the initial lease term are depreciated over the shorter of their estimated useful lives or the remaining lease term, including renewal periods, if reasonably assured.

Trade Name

The Victoria's Secret trade name is an intangible asset with an indefinite life. Intangible assets with indefinite lives are reviewed for impairment each year in the fourth quarter and may be reviewed more frequently if certain events occur or circumstances change. The Company has the option to either first perform a qualitative assessment to determine whether it is more likely than not that the indefinite-lived intangible asset is impaired, or to proceed directly to the quantitative assessment, which requires a comparison of the fair value of the intangible asset to its carrying value. To determine if the fair value of the asset is less than its carrying amount, the Company will estimate the fair value, usually determined by the relief from royalty method under the income approach, and compare that value with its carrying amount. If the carrying value of the trade name exceeds its fair value, the Company recognizes an impairment charge equal to the difference.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, taxes currently payable or refundable are accrued, and deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets are also recognized for realizable operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted income tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the Company's Combined Statement of Income (Loss) in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that such assets will not be realized.

In determining the Company's provision for income taxes, the Company considers permanent differences between book and tax income and statutory income tax rates. The Company's effective income tax rate is affected by items including changes in tax law, the tax jurisdiction of new stores or business ventures and the level of earnings.

The Company follows a two-step approach to recognize and measure uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and for which actual outcomes may differ from forecasted outcomes. The Company's policy is to include interest and penalties related to uncertain tax positions in income tax expense.

Historically, the Company's income tax expense and deferred tax balances have been included in the L Brands' income tax returns. L Brands' income tax returns, like those of most companies, are periodically audited by domestic and foreign tax authorities. These audits include questions regarding tax filing positions, including the timing and amount of deductions and the allocation of income and expense among various tax jurisdictions. At any one time, multiple tax years are subject to audit by the various tax authorities. A number of years may elapse before a particular matter for which the Company has established an accrual is audited and fully resolved or clarified. The Company adjusts its tax contingencies accrual and income tax provision in the period in which matters are effectively settled with tax authorities at amounts different from its established accrual, when the statute of limitations expires for the relevant taxing authority to examine the tax position or

when more information becomes available. The Company includes its tax contingencies accrual, including accrued penalties and interest, in Other Long-term Liabilities on the Combined Balance Sheets unless the liability is expected to be paid within one year. Changes to the tax contingencies accrual, including accrued penalties and interest, are included in Provision (Benefit) for Income Taxes on the Combined Statements of Income (Loss).

Self-Insurance

L Brands is self-insured for medical, workers' compensation, property, general liability and automobile liability up to certain stop-loss limits. Such costs are accrued based on known claims and an estimate of incurred but not reported ("IBNR") claims. IBNR claims are estimated using historical claim information and actuarial estimates. L Brands' businesses, including the Company, are charged directly for their estimated share of the cost of these self-insured programs, and the Company's share of the cost is included in the Combined Statements of Income (Loss). The Company's estimated share of L Brands' retained liability for these programs has been reflected in the Combined Balance Sheets within Accrued Expenses and Other.

Equity Method Investments

The Company accounts for investments in unconsolidated entities where it exercises significant influence, but does not have control, using the equity method. Under the equity method of accounting, the Company recognizes its share of the investee's net income or loss. Losses are only recognized to the extent the Company has positive carrying value related to the investee. Carrying values are only reduced below zero if the Company has an obligation to provide funding to the investee. The Company's share of net income or loss of unconsolidated entities from which the Company purchases merchandise or merchandise components is included in Costs of Goods Sold, Buying and Occupancy in the Combined Statements of Income (Loss). The Company's share of net income or loss from its investment in the Victoria's Secret U.K. joint venture with Next PLC is included in General, Administrative and Store Operating Expenses in the Combined Statements of Income (Loss). See Note 5, "Restructuring Activities" for additional information on the Victoria's Secret U.K. joint venture. The Company's equity method investments are required to be reviewed for impairment when it is determined there may be an other-than-temporary loss in value. The carrying values of equity method investments were $35 million and $38 million as of January 30, 2021 and February 1, 2020, respectively. These investments are recorded in Other Assets on the Combined Balance Sheets.

Net Investment by L Brands, Inc.

Net investment by L Brands, Inc. in the Combined Balance Sheets is presented in lieu of shareholders' equity and represents L Brands' historical investment in the Company, the accumulated net earnings after taxes and the net effect of the transactions with and allocations from L Brands. All transactions reflected in Net Investment by L Brands, Inc. in the accompanying Combined Balance Sheets have been considered as financing activities for purposes of the Combined Statements of Cash Flows.

For additional information, see Basis of Presentation above and Note 3, "Transactions with Related Parties."

Noncontrolling Interest

Noncontrolling interest represented the portion of equity interests not owned by the Company in a technology joint venture in India.

Foreign Currency Translation

The functional currency of the Company's foreign operations is generally the applicable local currency. Assets and liabilities are translated into U.S. dollars using the current exchange rates in effect as of the balance sheet date, while revenues and expenses are translated at the average exchange rates for the period. The Company's resulting translation adjustments are recorded as a component of accumulated other comprehensive income (loss) in equity. Accumulated foreign currency translation adjustments are reclassified to net income (loss) when realized upon sale or upon complete, or substantially complete, liquidation of the investment in the foreign entity.

Fair Value

The authoritative guidance included in ASC 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. This authoritative guidance further establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1—Quoted market prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than quoted market prices included in Level 1, such as quoted prices of similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company estimates the fair value of financial instruments, property and equipment and trade name in accordance with the provisions of ASC 820. The recorded amounts for Cash and Cash Equivalents, Accounts Receivable, Prepaid Expenses, other current assets and current liabilities approximate fair value due to the short-term nature of these assets and liabilities.

Derivative Financial Instruments

The Company uses derivative financial instruments to manage exposure to foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. All derivative instruments are recorded on the Combined Balance Sheets at fair value.

The earnings of the Company's foreign operations are subject to exchange rate risk as substantially all the merchandise is sourced through U.S. dollar transactions. The Company uses foreign currency forward contracts designated as cash flow hedges to mitigate this foreign currency exposure for its Canadian operations. Amounts are reclassified from accumulated other comprehensive income (loss) upon sale of the hedged merchandise to the customer. These gains and losses are recognized in Costs of Goods Sold, Buying and Occupancy in the Combined Statements of Income (Loss). The fair value of designated cash flow hedges is not significant for any period presented.

The Company does not enter into any derivative contracts. However, L Brands, Inc., through its centralized treasury function, currently enters into derivative financial instruments with external counterparties to hedge certain foreign currency transactions with exposure to the Canadian dollar. The Company enters into offsetting internal contracts with L Brands, Inc. The maturities of the internal contracts range from one to eighteen months.

Revenue Recognition

In 2018, the Company adopted ASC 606, *Revenue from Contracts with Customers*, using the modified retrospective approach.

The Company recognizes revenue based on the amount it expects to receive when control of the goods or services is transferred to the customer. The Company recognizes sales upon customer receipt of merchandise, which, for direct channel revenues, reflect an estimate of shipments that have not yet been received by the customer based on shipping terms and historical delivery times. The Company's shipping and handling revenues are included in Net Sales with the related costs included in Costs of Goods Sold, Buying and Occupancy in the Combined Statements of Income (Loss). The Company also provides a reserve for projected merchandise returns based on historical experience. Net Sales exclude sales and other similar taxes collected from customers.

The Company offers certain loyalty programs that allow customers to earn points based on purchasing activity. As customers accumulate points and reach point thresholds, they can use the points to purchase

merchandise in stores or online. The Company allocates revenue to points earned on qualifying purchases and defers recognition until the points are redeemed. The amount of revenue deferred is based on the relative stand-alone selling price method, which includes an estimate for points not expected to be redeemed based on historical experience.

The Company sells gift cards with no expiration dates to customers. The Company does not charge administrative fees on unused gift cards. The Company recognizes revenue from gift cards when they are redeemed by the customer. In addition, the Company recognizes revenue on unredeemed gift cards where the likelihood of the gift card being redeemed is remote and there is no legal obligation to remit the unredeemed gift cards to relevant jurisdictions (gift card breakage). Gift card breakage revenue is recognized in proportion, and over the same period, as actual gift card redemptions. The Company determines the gift card breakage rate based on historical redemption patterns. Gift card breakage is included in Net Sales in the Combined Statements of Income (Loss).

Revenue earned in connection with Victoria's Secret's U.S. private label credit card arrangement is primarily recognized based on credit card sales and usage, and is included in Net Sales in the Combined Statements of Income (Loss). The Company recognized Net Sales of $135 million, $194 million and $187 million for 2020, 2019 and 2018, respectively, related to its private label credit card arrangement.

The Company also recognizes revenues associated with franchise, license, wholesale and sourcing arrangements. Revenue recognized under franchise and license arrangements generally consists of royalties earned and recognized upon sale of merchandise by franchise and license partners to retail customers. Revenue is generally recognized under wholesale and sourcing arrangements at the time the title passes to the partner.

Costs of Goods Sold, Buying and Occupancy

The Company's costs of goods sold include merchandise costs, net of discounts and allowances, freight and inventory shrinkage. The Company's buying and occupancy expenses primarily include payroll, benefit costs and operating expenses for its buying departments and distribution network; and rent, common area maintenance, real estate taxes, utilities, maintenance, fulfillment expenses and depreciation for the Company's stores, warehouse facilities and equipment.

General, Administrative and Store Operating Expenses

The Company's general, administrative and store operating expenses primarily include payroll and benefit costs for its store-selling and administrative departments (including corporate functions), marketing, advertising and other operating expenses not specifically categorized elsewhere in the Combined Statements of Income (Loss).

Share-based Compensation

Certain Company employees participate in the share-based compensation plans sponsored by L Brands. L Brands' share-based compensation awards granted to employees of the Company consist of L Brands stock options and restricted stock. As such, the awards to Company employees are reflected in Net Investment by L Brands, Inc. within the Combined Statements of Equity at the time they are expensed. The Combined Statements of Income (Loss) also include an allocation of L Brands' corporate and shared employee share-based compensation expenses.

The Company recognizes all share-based payments to employees as compensation cost over the service period based on their estimated fair value on the date of grant. The Company estimates award forfeitures at the time awards are granted and adjusts, if necessary, in subsequent periods based on historical experience and expected future forfeitures.

Compensation cost is recognized over the service period for the fair value of awards that actually vest. Compensation expense for awards without a performance condition is recognized, net of estimated forfeitures, using a single award approach (each award is valued as one grant, irrespective of the number of vesting tranches). Compensation expense for awards with a performance condition is recognized, net of estimated forfeitures, using a multiple award approach (each vesting tranche is valued as one grant).

Advertising Costs

Advertising and marketing costs are expensed at the time the promotion first appears in media, or in the store or when the advertising is mailed. Advertising and marketing costs totaled $239 million, $306 million and $348 million for 2020, 2019 and 2018, respectively.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates, and the Company revises its estimates and assumptions as new information becomes available.

2. New Accounting Pronouncements

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASC 606, *Revenue from Contracts with Customers*, which was further clarified and amended in 2015 and 2016. This guidance requires companies to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in amounts that reflect the consideration to which a company expects to be entitled in exchange for those goods or services. The standard also results in enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Company adopted the standard in 2018 under the modified retrospective approach. Under the standard, income from the Victoria's Secret private label credit card arrangement, which was historically presented as a reduction to General, Administrative and Store Operating Expenses, is presented as revenue. Further, historical accounting related to loyalty points earned under the Victoria's Secret customer loyalty program changed as the Company now defers revenue associated with customer loyalty points until the points are redeemed using a relative stand-alone selling price method. The standard also changed accounting for sales returns which requires balance sheet presentation on a gross basis.

Upon adoption at the beginning of 2018, the Company recorded a cumulative catch-up adjustment resulting in a reduction to Net Investment by L Brands, Inc. of $32 million, net of tax. The cumulative adjustment primarily related to the deferral of revenue related to outstanding points, net of estimated forfeitures, under the Victoria's Secret customer loyalty program. See Note 4, "Revenue Recognition" for additional disclosures required by the standard.

Leases

In February 2016, the FASB issued ASC 842, *Leases*, which requires companies classified as lessees to account for most leases on their balance sheet but recognize expense on their income statement in a manner similar to legacy accounting. The standard also requires enhanced quantitative and qualitative disclosures, including significant judgments made by management, to provide greater insight into the extent of expense recognized and expected to be recognized from existing leases. In July 2018, the FASB approved an amendment to the standard that provides companies a modified retrospective transition option that did not require earlier periods to be restated upon adoption.

The Company adopted the standard in 2019 under the modified retrospective approach. As allowed by the standard, the Company elected the package of transition practical expedients but elected to not apply the hindsight practical expedient to its leases at transition.

Upon adoption at the beginning of 2019, the Company recorded operating lease liabilities of $2.7 billion and operating lease assets for its leases of $2.4 billion. The operating lease assets are less than the operating lease liabilities by approximately $320 million, primarily due to deferred rent and unamortized landlord construction allowances that were previously recorded as Other Long-term Liabilities on the Combined Balance Sheet. The Company also recorded a decrease to Net Investment by L Brands, Inc. of $2 million, net of tax. The adoption of the standard did not materially impact the Combined Statements of Income (Loss) or Cash Flows. See Note 8, "Leases," for additional disclosures required by the standard.

Goodwill

In January 2017, the FASB issued Accounting Standards Update ("ASU") 2017-04, *Simplifying the Test for Goodwill Impairment*, which simplifies the subsequent measurement of goodwill. The standard eliminates the second step from the goodwill impairment test, which required a hypothetical purchase price allocation to determine the implied fair value of goodwill. Under the new standard, the goodwill impairment charge is the excess of the reporting unit's carrying value over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The Company adopted this standard in 2019 and performed its 2019 impairment assessments in accordance with ASU 2017-04. For additional information, see Note 9, "Goodwill and Trade Name."

Hedging Activities

In August 2017, the FASB issued ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities*, which is intended to better align risk management activities and financial reporting for hedging relationships. The standard eliminates the requirement to separately measure and report hedge ineffectiveness and generally requires the entire change in the fair value of a hedging instrument to be presented in the same income statement line as the hedged item. It also eases certain documentation and assessment requirements. The Company adopted the standard 2019. The adoption of this standard did not have a material impact on the Company's results of operations, financial position or cash flows.

Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses*, which requires the use of a forward-looking expected loss impairment model for accounts receivable and certain other financial instruments. The Company adopted the standard in 2020. The adoption of this standard did not have a material impact on the Company's results of operations, financial position or cash flows.

3. Transactions with Related Parties

The combined financial statements have been prepared on a standalone basis and are derived from the consolidated financial statements and accounting records of L Brands. The following discussion summarizes activity between the Company and L Brands.

Allocation of General Corporate Expenses

For purposes of preparing these combined financial statements on a "carve-out" basis, we have allocated a portion of L Brands' total corporate expenses to the Company. See Note 1 for a discussion of the methodology used to allocate corporate-related costs for purposes of preparing these financial statements on a "carve-out" basis.

Due to Related Parties

Balances between the Company and L Brands, Inc. or its affiliates that are derived from transactions that have been historically cash settled are reflected in the Combined Balance Sheet as Due to Related Parties. Balances between the Company and L Brands, Inc. or its affiliates derived from transactions that have been historically settled other than in cash are included in Net Investment by L Brands, Inc. within Equity on the Combined Balance Sheets.

Long-term Debt due to Related Party

During 2020, the Company borrowed $97 million from L Brands to pay down outstanding debt with external parties. This borrowing is due in September 2025 and has a variable interest rate based on the China Loan Prime Rate, which was 3.85% as of January 30, 2021.

Net Transfers To L Brands, Inc.

The following table presents the components of Net Transfers to L Brands, Inc. in the 2020, 2019 and 2018 Combined Statements of Equity:

	2020	2019	2018
		(in millions)	
Cash Pooling and General Financing Activities, Net	$(543)	$(422)	$(691)
Corporate Expense Allocations	77	110	118
Share-based Compensation Expense	25	38	39
Assumed Income Tax Payments	59	115	246
Total Net Transfers to L Brands, Inc.	$(382)	$(159)	$(288)

Victoria's Secret Guarantees

Certain Victoria's Secret subsidiaries, along with other wholly-owned subsidiaries of L Brands, Inc., guarantee and pledge collateral to secure the L Brands' asset-backed revolving credit facility ("ABL Facility"). The ABL Facility has aggregate commitments at $1 billion and has an expiration date in August 2024. As of January 30, 2021, there were no borrowings outstanding under the ABL Facility.

Certain Victoria's Secret subsidiaries, along with other wholly-owned subsidiaries of L Brands, Inc., have also guaranteed L Brands' obligations under certain of L Brands' long-term notes. The guarantees are full and unconditional on a joint and several basis. The following table provides the outstanding principal balance for these notes as of January 30, 2021:

	(in millions)
5.625% Fixed Interest Rate Notes due February 2022	$ 285
5.625% Fixed Interest Rate Notes due October 2023	320
9.375% Fixed Interest Rate Notes due July 2025	500
6.875% Fixed Interest Rate Secured Notes due July 2025	750
6.694% Fixed Interest Rate Notes due January 2027	297
5.25% Fixed Interest Rate Notes due February 2028	500
7.50% Fixed Interest Rate Notes due June 2029	500
6.625% Fixed Interest Rate Notes due October 2030	1,000
6.875% Fixed Interest Rate Notes due November 2035	1,000
6.75% Fixed Interest Rate Notes due July 2036	700
Total	$5,852

The Company's guarantees of obligations under L Brands' long-term notes are expected to terminate concurrently with the separation of the Company from L Brands, subject to standard notice provisions to the trustee. The Company's guarantees of obligations under the ABL Facility may be released upon consent of the lenders.

Subsequent to January 30, 2021, L Brands, Inc. redeemed the remaining $285 million of outstanding notes due February 2022, and the $750 million of outstanding Secured notes due July 2025.

L Brands, Inc. Guarantees

Lease Arrangements

L Brands, Inc. has provided guarantees related to certain of the Company's store and office lease payments under the current terms of noncancelable leases expiring at various dates through 2037. These guarantees include minimum rent and additional payments covering taxes, common area costs and certain other expenses.

Secured Foreign Facilities

Certain of the Company's China subsidiaries utilize revolving and term loan bank facilities to support their operations. These facilities are guaranteed by L Brands, Inc. and certain of L Brands' 100% owned subsidiaries ("Secured Foreign Facilities"). As of January 30, 2021, there were no outstanding borrowings under the Secured

Foreign Facilities. Further, during 2020, L Brands, Inc. placed cash on deposit with certain financial institutions as collateral for the Secured Foreign Facilities. The amount of collateral required was dependent upon the aggregate lending commitments and totaled $30 million as of January 30, 2021.

4. Revenue Recognition

Accounts receivable, net from revenue-generating activities was $74 million and $102 million as of January 30, 2021 and February 1, 2020, respectively. Accounts receivable primarily relate to amounts due from the Company's franchise, license and wholesale partners. Under these arrangements, payment terms are typically 60 to 90 days.

The Company records deferred revenue when cash payments are received in advance of transfer of control of goods or services. Deferred revenue primarily relates to gift cards, loyalty and private label credit card programs and direct channel shipments, which are all impacted by seasonal and holiday-related sales patterns. The balance of deferred revenue was $256 million and $250 million as of January 30, 2021 and February 1, 2020, respectively. The Company recognized $137 million as revenue in 2020 from amounts recorded as deferred revenue at the beginning of the year. As of January 30, 2021, the Company recorded deferred revenues of $246 million within Accrued Expenses and Other, and $10 million within Other Long-term Liabilities on the Combined Balance Sheet.

The following table provides a disaggregation of Net Sales for 2020, 2019 and 2018:

	2020	2019	2018
		(in millions)	
North America Stores	$2,795	$5,112	$5,628
Direct	2,223	1,693	1,747
International[(a)]	395	704	728
Total Net Sales	$5,413	$7,509	$8,103

(a) Results include company-operated stores in the U.K. (pre-joint venture) and Greater China, royalties associated with franchised store and wholesale sales.

The Company's international net sales include sales from company-operated stores, royalty revenue from franchise and license arrangements, wholesale revenues and direct sales shipped internationally. Certain of these sales are subject to the impact of fluctuations in foreign currency. The Company's net sales outside of the U.S. totaled $643 million, $1.000 billion and $1.039 billion for 2020, 2019 and 2018, respectively.

5. Restructuring Activities

Management of L Brands and the Company is actively engaged in implementing a comprehensive profit improvement plan that will better position the Company for separation from L Brands. During 2020, management of L Brands and the Company reduced home office head count as a result of completing a comprehensive review of the home office organizations in order to achieve meaningful reductions in overhead expenses and to decentralize significant shared functions and services to support the creation of standalone companies. Pre-tax severance and related costs associated with these reductions, totaling $51 million, are included in General, Administrative and Store Operating Expenses in the 2020 Combined Statement of Loss.

During 2020, the Company made payments of $38 million and, as of January 30, 2021, a liability, after accrual adjustments, of $14 million related to these costs is included in Accrued Expenses and Other on the Combined Balance Sheet.

Victoria's Secret U.K.

Due to challenging business results in the U.K., the Company entered into Administration in June 2020 to restructure store lease agreements and reduce operating losses in the U.K. business. In October 2020, the Company entered into a joint venture with Next PLC for the Victoria's Secret business in the United Kingdom and Ireland. Under this agreement, the Company owns 49% of the joint venture, and Next owns 51% and is responsible for operations. The Company accounts for its investment in the joint venture under the equity method of accounting.

The joint venture acquired the majority of the operating assets, primarily inventory, and the restructured leases were transferred to the joint venture. Effective October 19, 2020, the newly formed joint venture began operating all Victoria's Secret stores in the U.K. and Ireland. The joint venture will begin operating the U.K. direct business starting spring 2021. The Company recognized non-cash pre-tax gains of $90 million related to the derecognition of operating lease liabilities in excess of operating lease assets for the 24 store leases that were restructured and transferred to the joint venture. In addition, the Company recognized a $25 million non-cash pre-tax impairment charge to fully write-off all remaining long-lived store assets in the U.K. Finally, as a result of the transition to a joint venture business model in the U.K. and the substantially complete liquidation of the Company's investment in the U.K., the Company recognized a $36 million non-cash pre-tax loss related to accumulated foreign currency translation adjustments that were reclassified into earnings, which were previously recognized as a component of equity.

The above items relating to Victoria's Secret U.K. are included in General, Administrative and Store Operating Expenses in the 2020 Combined Statement of Loss as they all relate to the Company's transition to a joint venture business model in the U.K.

6. Inventories

The following table provides details of inventories as of January 30, 2021 and February 1, 2020:

	January 30, 2021	February 1, 2020
	(in millions)	
Finished Goods Merchandise	$663	$824
Raw Materials and Merchandise Components	38	31
Total Inventories	$701	$855

7. Long-Lived Assets

The following table provides details of property and equipment, net as of January 30, 2021 and February 1, 2020:

	January 30, 2021	February 1, 2020
	(in millions)	
Land and Improvements	$ 26	$ 27
Buildings and Improvements	190	185
Furniture, Fixtures, Software and Equipment	2,462	2,188
Leasehold Improvements	1,091	1,645
Construction in Progress	23	106
Total	3,792	4,151
Accumulated Depreciation and Amortization	(2,714)	(2,728)
Property and Equipment, Net	$ 1,078	$ 1,423

Depreciation expense was $326 million in 2020, $411 million in 2019 and $425 million in 2018.

The Company's internationally based long-lived assets, including operating lease assets, were $269 million as of January 30, 2021 and $600 million as of February 1, 2020.

In 2020, the Company executed a rationalization of the Victoria's Secret company-operated store footprint. The Company permanently closed 241 stores in North America. Given the closures in 2020 as well as the negative operating results of certain Victoria's Secret stores in 2020, 2019 and 2018, the Company reviewed the long-lived store assets for potential impairment in all periods presented. The Company determined that the estimated undiscounted future cash flows were less than the carrying values for certain Victoria's Secret asset groups and, as a result, determined the estimated fair values of the store asset groups using estimated discounted future cash flows and estimated market rental rates. Long-lived store asset impairment charges are principally included within Costs of Goods Sold, Buying and Occupancy in the Combined Statements of Income (Loss). As

discussed in Note 5, “Restructuring Activities,” the Company recorded a $25 million non-cash pre-tax impairment charge to fully write off all remaining long-lived store assets in the U.K. This charge is included in General, Administrative and Store Operating Expenses in the 2020 Combined Statement of Loss.

The following table provides pre-tax long-lived store asset impairment charges included in the Combined Statement of Income (Loss) for 2020, 2019 and 2018:

	2020	2019	2018
	(in millions)		
Store Asset Impairment	$136	$198	$101
Operating Lease Asset Impairment	118	65	—
Total Impairment	$254	$263	$101

8. Leases

In 2019, the Company adopted ASC 842, *Leases*, using the modified retrospective approach. Results for 2020 and 2019 are presented under ASC 842, while results for 2018 have not been adjusted and continue to be presented under the accounting standards in effect at that time.

The following table provides the components of lease cost for operating leases for 2020 and 2019:

	2020	2019
	(in millions)	
Operating Lease Costs[(a)]	$521	$562
Variable Lease Costs	6	48
Short-term Lease Costs	5	8
Total Lease Cost	$532	$618

(a) As discussed in Note 7, “Long-Lived Assets,” the Company recognized operating lease asset impairment charges of $118 million and $65 million during 2020 and 2019, respectively, which is included as operating lease costs.

For many stores and select office locations, beginning in April 2020, rent was not paid, or was only partially paid, due to the COVID-19 pandemic. Negotiations are complete with nearly all landlords to determine potential rent credits or payment deferrals related to COVID-19. As of January 30, 2021, the Company is fully accrued to the original contractual rent due unless an executed amendment is in place. The FASB issued guidance in April 2020 which allows certain COVID-19-related concessions to be recognized as a reduction of lease costs in the period an amendment is executed. As a result, the Company recognized a $90 million reduction to occupancy expenses in the 2020 Combined Statement of Loss as a result of executed amendments with landlords.

The following table provides future maturities of operating lease liabilities as of January 30, 2021:

Fiscal Year	
	(in millions)
2021	$ 519
2022	424
2023	356
2024	290
2025	241
Thereafter	558
Total Lease Payments	$2,388
Less: Interest	(414)
Present Value of Operating Lease Liabilities	$1,974

For leases entered into or reassessed after the adoption of the new standard, the Company has elected the practical expedient allowed by the standard to account for all fixed consideration in a lease as a single lease component. Therefore, the lease payments used to measure the lease liability for these leases include fixed minimum rentals along with fixed operating costs such as common area maintenance and utilities.

As of January 30, 2021, the Company had additional operating lease commitments that have not yet commenced of approximately $189 million.

The following table provides the weighted-average remaining lease term and discount rate for operating leases with lease liabilities as of January 30, 2021 and February 1, 2020:

	January 30, 2021	February 1, 2020
Weighted Average Remaining Lease Term (years)	6.1	7.4
Weighted Average Discount Rate	5.9%	6.2%

During 2020 and 2019, the Company paid $348 million and $511 million, respectively, for operating lease liabilities recorded on the balance sheet. These payments are included within the Operating Activities section of the Combined Statements of Cash Flows.

During 2020, the Company reduced its lease assets by $32 million as a result of permanent store closures due to the fleet rationalization and lease term reductions that also reduced its operating lease obligations. During 2019, the Company obtained $114 million of additional lease assets as a result of new operating lease obligations.

Victoria's Secret Hong Kong

In 2020, the Company closed its unprofitable Victoria's Secret flagship store in Hong Kong. As a result of the store closure, the Company recognized a non-cash pre-tax gain of $39 million, primarily due to terminating the store lease and the related write-off of the operating lease liability in excess of the operating lease asset, which was partially impaired in 2019. This gain is included in Costs of Goods Sold, Buying and Occupancy in the 2020 Combined Statement of Loss. The Company also recorded $3 million of severance and related costs associated with the closure, which are included in General, Administrative and Store Operating Expenses in the 2020 Combined Statement of Loss.

Asset Retirement Obligations

The Company has asset retirement obligations related to certain company-operated international stores that contractually obligate the Company to remove leasehold improvements at the end of a lease. The Company's liabilities for asset retirement obligations totaled $11 million and $22 million as of January 30, 2021 and February 1, 2020, respectively. These liabilities are included in Other Long-term Liabilities on the Combined Balance Sheets.

Disclosures for 2018

The following table provides rent expense, as presented under the prior accounting standard, for 2018:

	2018
	(in millions)
Store Rent:	
Fixed Minimum	$473
Contingent	36
Total Store Rent	509
Office, Equipment and Other	39
Total Rent Expense	$548

9. Goodwill and Trade Name

Goodwill

The Company previously recorded goodwill related to its North America and Greater China reporting units resulting from business combinations and acquisitions.

In 2019, as of the end of L Brands' third quarter (November 2, 2019), the Company performed a quantitative interim impairment assessment over the North America and Greater China reporting units. An interim

assessment was performed in consideration of the negative performance of these reporting units and their impact on the sustained decline in the L Brands' market capitalization. Further, for the Greater China reporting unit, the Company considered the results of the long-lived store asset impairment assessment.

The interim assessment concluded that the fair value of the North America reporting unit, which was based on a weighted average of the income and market approaches, exceeded its carrying value. However, the fair value of the Greater China reporting unit, which was based on the income approach, did not exceed its carrying value. Accordingly, the Company recognized a goodwill impairment charge of $30 million in 2019 related to the Greater China reporting unit. This charge is included in Impairment of Goodwill in the 2019 Combined Statement of Loss.

As of the end of 2019, the Company completed its annual goodwill impairment assessment over the North America reporting unit. As a result of continued declines in business performance during the Holiday season and increased risk, volatility and uncertainty related to the North America reporting unit, the estimated fair value of the reporting unit decreased as compared to the interim assessment.

As such, the annual assessment concluded that the fair value of the North America reporting unit did not exceed its carrying value. Accordingly, the Company recognized a goodwill impairment charge of $690 million related to the North America reporting unit. This charge is included in Impairment of Goodwill in the 2019 Combined Statement of Loss.

The Company estimated the fair value of the North America reporting unit as of the end of 2019 using a market approach. The market approach is based on earnings multiples of selected guideline public companies, while the income approach is based on estimated discounted future cash flows. The approaches, which are determined using Level 3 inputs within the fair value hierarchy, incorporated a number of significant assumptions and judgments, including, but not limited to, estimated future cash flows, multiples of earnings of similar public companies, discount rates, income tax rates, terminal growth rates and an implied control premium relative to the L Brands' market capitalization.

Trade Name

The Victoria's Secret trade name, an indefinite lived intangible asset, was $246 million as of January 30, 2021 and February 1, 2020, respectively.

As of the end of 2020 and 2019, the Company performed its annual impairment assessment of the Victoria's Secret trade name. At the end of L Brands' third quarter in 2019, the Company also performed an interim assessment. To estimate the fair value of the trade name, the Company used the relief from royalty method under the income approach. The assessments concluded that the fair value of the trade name was in excess of its carrying value.

10. Accrued Expenses and Other

The following table provides additional information about the composition of Accrued Expenses and Other as of January 30, 2021 and February 1, 2020:

	January 30, 2021	February 1, 2020
	(in millions)	
Deferred Revenue on Gift Cards	$178	$169
Compensation, Payroll Taxes and Benefits	173	121
Supplemental Retirement Plan	66	—
Taxes, Other than Income	45	42
Accrued Marketing	44	23
Deferred Revenue on Loyalty and Private Label Credit Card	38	58
Deferred Revenue on Direct Shipments not yet Delivered	30	11
Returns Reserve	26	22
Rent	22	13
Accrued Claims on Self-insured Activities	17	22
Other	137	133
Total Accrued Expenses and Other	$776	$614

11. Income Taxes

For purposes of our combined financial statements, income taxes have been calculated as if we file income tax returns for the Company on a standalone basis. The Company's U.S. operations and certain of its non-U.S. operations historically have been included in the income tax returns of L Brands or its subsidiaries that may not be part of the Company. The Company believes the assumptions supporting its allocation and presentation of income taxes on a separate return basis are reasonable. However, the Company's tax results, as presented in the combined financial statements, may not be reflective of the results that the Company expects to generate in the future.

Current income tax expense represents the amounts expected to be reported on the Company's income tax returns, and deferred tax expense or benefit represents the change in net deferred tax assets and liabilities. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities as measured by the enacted tax rates that will be in effect when these differences reverse. Valuation allowances are recorded as appropriate to reduce deferred tax assets to the amount considered likely to be realized.

The following table provides the components of the Company's provision (benefit) for income taxes for 2020, 2019 and 2018:

	2020	2019	2018
		(in millions)	
Current:			
U.S. Federal	$ 7	$ 15	$144
U.S. State	16	(6)	20
Non-U.S.	7	19	11
Total	30	28	175
Deferred:			
U.S. Federal	(68)	(10)	(27)
U.S. State	(14)	(1)	(7)
Non-U.S.	18	(19)	(1)
Total	(64)	(30)	(35)
Provision (Benefit) for Income Taxes	$(34)	$ (2)	$140

The non-U.S. component of pre-tax income, arising principally from overseas operations, was income of $11 million, loss of $241 million and income of $7 million for 2020, 2019 and 2018, respectively.

The following table provides the reconciliation between the statutory federal income tax rate and the effective tax rate for 2020, 2019 and 2018:

	2020	2019	2018
Federal Income Tax Rate	21.0%	21.0%	21.0%
Restructuring of Foreign Investments	23.3%	—%	—%
Uncertain Tax Positions	19.3%	2.4%	(0.1)%
Impact of Non-U.S. Operations	(16.6)%	(1.9)%	4.8%
State Income Taxes, Net of Federal Income Tax Effect	(5.8)%	(0.6)%	5.8%
Share-Based Compensation	(4.0)%	(0.9)%	1.3%
U.S. Permanent Items	(2.8)%	(0.1)%	(0.1)%
Change in Valuation Allowance	(2.6)%	(3.6)%	3.1%
Impairment of Goodwill	—%	(16.3)%	—%
Other Items, Net	0.1%	0.2%	(0.1)%
Effective Tax Rate	31.9%	0.2%	35.7%

Deferred Taxes

The following table provides the effect of temporary differences that cause deferred income taxes as of January 30, 2021 and February 1, 2020. Deferred tax assets and liabilities represent the future effects on income taxes resulting from temporary differences and carryforwards at the end of the respective year.

	January 30, 2021			February 1, 2020		
	Assets	Liabilities	Total	Assets	Liabilities	Total
	(in millions)					
Loss Carryforwards	$ 346	$ —	$ 346	$ 83	$ —	$ 83
Non-qualified Retirement Plan	—	—	—	1	—	1
Leases	426	(365)	61	512	(482)	30
Share-based Compensation	29	—	29	47	—	47
Deferred Revenue	7	—	7	14	—	14
Property and Equipment	—	(106)	(106)	—	(144)	(144)
Trade Name and Other Intangibles	—	(64)	(64)	—	(63)	(63)
Other, Net	72	(28)	44	86	(27)	59
Valuation Allowance	(316)	—	(316)	(91)	—	(91)
Total Deferred Income Taxes	$ 564	$(563)	$ 1	$652	$(716)	$ (64)

As of January 30, 2021, the Company had loss carryforwards of $346 million, of which $275 million has an indefinite carryforward. The remainder of the U.S. and non-U.S. carryforwards, if unused, will expire at various dates from 2025 through 2040 and 2021 through 2025, respectively. For certain jurisdictions where the Company has determined that it is more likely than not that the loss carryforwards will not be realized, a valuation allowance has been provided on those loss carryforwards as well as other net deferred tax assets.

As described above, we have prepared our income taxes on a standalone tax basis, and as a result, certain loss carryforwards may not be available for our use in future periods as they may have already been used in L Brands consolidated or combined tax return filings or they may be retained by L Brands upon our separation.

The Company would have paid $59 million in 2020, $115 million in 2019 and $246 million in 2018 had it filed its own separate return in those years.

Uncertain Tax Positions

The following table summarizes the activity related to the Company's unrecognized tax benefits for U.S. federal, state and non-U.S. tax jurisdictions for 2020, 2019 and 2018, without interest and penalties:

	2020	2019	2018
	(in millions)		
Gross Unrecognized Tax Benefits, as of the Beginning of the Fiscal Year	$ 41	$ 78	$ 45
Increases to Unrecognized Tax Benefits for Prior Years	—	2	35
Decreases to Unrecognized Tax Benefits for Prior Years	(16)	(20)	(20)
Increases to Unrecognized Tax Benefits as a Result of Current Year Activity	105	1	24
Decreases to Unrecognized Tax Benefits Relating to Settlements with Taxing Authorities	—	(15)	—
Decreases to Unrecognized Tax Benefits as a Result of a Lapse of the Applicable Statute of Limitations	(4)	(5)	(6)
Gross Unrecognized Tax Benefits, as of the End of the Fiscal Year	$126	$ 41	$ 78

Of the total gross unrecognized tax benefits, approximately $121 million, $38 million and $73 million, at January 30, 2021, February 1, 2020 and February 2, 2019, respectively, represent the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods. These amounts are net of the offsetting tax effects from other tax jurisdictions.

Of the total unrecognized tax benefits, it is reasonably possible that $120 million could change in the next 12 months due to audit settlements, expiration of statute of limitations or other resolution of uncertainties. Due to the uncertain and complex application of tax regulations, it is possible that the ultimate resolution of audits may

result in amounts which could be different from this estimate. In such case, the Company will record additional tax expense or tax benefit in the period in which such matters are effectively settled.

The Company recognizes interest and penalties related to unrecognized tax benefits as components of income tax expense. The Company recognized an income tax benefit from interest and penalties of $2 million, $1 million and $1 million in 2020, 2019 and 2018, respectively. The Company has accrued $6 million and $8 million for the payment of interest and penalties as of January 30, 2021 and February 1, 2020, respectively. Accrued interest and penalties are included within Other Long-term Liabilities on the Combined Balance Sheets.

The Company is part of the L Brands consolidated U.S. federal income tax return, as well as separate and combined L Brands income tax returns in various state and international jurisdictions. L Brands is a participant in the Compliance Assurance Process ("CAP"), which is a program made available by the Internal Revenue Service ("IRS") to certain qualifying large taxpayers, under which participants work collaboratively with the IRS to identify and resolve potential tax issues through open, cooperative and transparent interaction prior to the annual filing of their federal income tax return. The IRS is currently examining L Brands' 2019 consolidated U.S. federal income tax return.

The Company is also subject to various state and local income tax examinations for the years 2015 to 2019. Finally, the Company is subject to multiple non-U.S. tax jurisdiction examinations for the years 2016 to 2019. In some situations, the Company determines that it does not have a filing requirement in a particular tax jurisdiction. Where no return has been filed, no statute of limitations applies. Accordingly, if a tax jurisdiction reaches a conclusion that a filing requirement does exist, additional years may be reviewed by the tax authority. The Company believes it has appropriately accounted for uncertainties related to this issue.

12. Borrowing Facilities

Certain of the Company's China subsidiaries utilize revolving and term loan bank facilities to support their operations ("Foreign Facilities"). The Foreign Facilities allow borrowings in U.S. dollars and Chinese Yuan, and interest rates on outstanding borrowings are based upon the applicable benchmark rate for the currency of each borrowing.

The Company has Secured Foreign Facilities which allow for borrowings and letters of credit up to $30 million as of January 30, 2021. The Company borrowed $21 million, $117 million and $107 million under the Secured Foreign Facilities during 2020, 2019 and 2018, respectively. Additionally, the Company made payments of $126 million, $103 million and $17 million under the Secured Foreign Facilities during 2020, 2019 and 2018, respectively. As of January 30, 2021, there were no borrowings outstanding under the Secured Foreign Facilities.

The Company borrowed $13 million, $50 million and $65 million under unsecured Foreign Facilities during 2020, 2019 and 2018, respectively. Additionally, the Company made payments of $63 million, $59 million and $92 million under these unsecured Foreign Facilities during 2020, 2019 and 2018, respectively. During 2020, with no borrowings outstanding, the Company terminated its unsecured Foreign Facilities.

13. Comprehensive Income (Loss)

Comprehensive Income (Loss) includes gains and losses on foreign currency translation and derivative instruments. The cumulative gains and losses on these items are included in Accumulated Other Comprehensive Income (Loss) on the Combined Balance Sheets and Combined Statements of Equity.

The following table provides the rollforward of accumulated other comprehensive income (loss) for 2020:

	Foreign Currency Translation	Cash Flow Hedges	Accumulated Other Comprehensive Income (Loss)
		(in millions)	
Balance as of February 1, 2020	$(29)	$—	$(29)
Other Comprehensive Loss Before Reclassifications	(3)	(1)	(4)
Amounts Reclassified from Accumulated Other Comprehensive Income	36	1	37
Tax Effect	—	—	—
Current-period Other Comprehensive Income	33	—	33
Balance as of January 30, 2021	$ 4	$—	$ 4

As a result of the transition to a joint venture business model in the U.K. and the substantially complete liquidation of the Company's investment in the U.K., the Company reclassified $36 million of accumulated foreign currency translation adjustments out of accumulated other comprehensive income (loss) and into earnings. For additional information, see Note 5, "Restructuring Activities."

The following table provides the rollforward of accumulated other comprehensive income (loss) for 2019:

	Foreign Currency Translation	Cash Flow Hedges	Accumulated Other Comprehensive Income (Loss)
		(in millions)	
Balance as of February 2, 2019	$(23)	$ 2	$(21)
Other Comprehensive Income (Loss) Before Reclassifications	(6)	1	(5)
Amounts Reclassified from Accumulated Other Comprehensive Income	—	(3)	(3)
Tax Effect	—	—	—
Current-period Other Comprehensive Loss	(6)	(2)	(8)
Balance as of February 1, 2020	$(29)	$—	$(29)

14. Share-based Compensation

In 2020, L Brands' shareholders approved the 2020 Stock Option and Performance Incentive Plan (the "2020 Plan"). The 2020 Plan replaced the 2015 Stock Option and Performance Incentive Plan (together with the 2020 Plan, the "Plans"). Certain Company employees were granted share-based awards to participate in the Plans. The Plans provide for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, performance-based restricted stock, performance units and unrestricted shares.

The following disclosures of share-based compensation expense recognized by the Company are based on grants related directly to Company employees, and exclude amounts related to the allocation of L Brands' corporate and shared employee share-based compensation expenses. The amounts presented are not necessarily indicative of future awards and do not necessarily reflect the results that the Company would have experienced as a standalone company for the periods presented.

Income Statement Impact

The following table provides share-based compensation expense included in the Combined Statements of Income (Loss) for 2020, 2019 and 2018:

	2020	2019	2018
		(in millions)	
Costs of Goods Sold, Buying and Occupancy	$ 9	$15	$15
General, Administrative and Store Operating Expenses	16	23	24
Total Share-based Compensation Expense	$25	$38	$39

The tax benefits associated with recognized share-based compensation expense were $6 million for 2020, $8 million for 2019 and $9 million for 2018.

Restricted Stock

Restricted stock generally vests (the restrictions lapse) at the end of a three-year period or on a graded basis over a five-year period. The fair value of restricted stock awards is based on the market value of an unrestricted share of L Brands common stock on the date of grant adjusted for anticipated dividend yields.

The following table provides L Brands' restricted stock activity for Company employees for the fiscal year ended January 30, 2021:

	Number of Shares	Weighted Average Grant Date Fair Value
	(in thousands)	
Unvested as of February 1, 2020	4,022	$30.75
Employee Transfers, Net	644	31.02
Granted	205	27.33
Vested	(1,043)	42.22
Cancelled	(784)	26.47
Unvested as of January 30, 2021	3,044	$27.75

As of January 30, 2021, there was $18 million of total unrecognized compensation cost, net of estimated forfeitures, related to unvested restricted stock. That cost is expected to be recognized over a weighted-average period of 1.8 years.

The total intrinsic value of restricted stock outstanding as of January 30, 2021 was $124 million.

Stock Options

Stock options are granted with an exercise price equal to the fair market value of L Brands common stock on the date of grant. Stock options have a maximum term of 10 years and generally vest ratably over three to five years. The fair value of stock options granted are determined using the Black-Scholes option-pricing model. The determination of the fair value of options is affected by the L Brands' stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the L Brands' expected stock price volatility over the term of the awards and projected employee stock option exercise behaviors. L Brands' stock option activity, including stock options granted, exercised or cancelled, for Company employees for the fiscal year ended January 30, 2021 was not significant.

As of January 30, 2021, there was less than $1 million of total unrecognized compensation cost, net of estimated forfeitures, related to unvested stock options. As of January 30, 2021, there were 1.8 million outstanding stock options, the majority of which were fully vested, with a total intrinsic value of $2 million.

15. Retirement Benefits

Certain Company employees who meet certain age and service requirements participate in a tax-qualified defined contribution retirement plan sponsored by L Brands. The qualified plan permits participating associates to elect contributions up to the maximum limits allowable under the Internal Revenue Code. L Brands matches associate contributions according to a predetermined formula and contributes additional amounts based on a percentage of the associates' eligible annual compensation and years of service. Associate contributions and L Brands matching contributions vest immediately. Additional L Brands contributions and the related investment earnings are subject to vesting based on years of service. Total expense recognized related to the qualified plan was $38 million, $43 million and $40 million in 2020, 2019 and 2018, respectively.

Certain Company employees participate in a non-qualified supplemental retirement plan sponsored by L Brands. The non-qualified plan is an unfunded plan which provides benefits beyond the Internal Revenue Code limits for qualified defined contribution plans. On June 27, 2020 (the "Termination Date"), the Human Capital and Compensation Committee of the L Brands' Board of Directors authorized the termination of the

non-qualified plan. Subsequent to the Termination Date, no additional employee contributions may be made to the non-qualified plan. The remaining benefits and obligations are expected to be paid out in full approximately one year following the Termination Date. Accordingly, the liability of $66 million related to the non-qualified plan is included within Accrued Expenses and Other on the January 30, 2021 Combined Balance Sheet. The Company recorded a liability of $62 million as of February 1, 2020 related to the non-qualified plan in Other Long-term Liabilities on the Combined Balance Sheets. Total expense recognized related to the non-qualified plan was $4 million in 2020 and $8 million for both 2019 and 2018.

16. Commitments and Contingencies

The Company is subject to various claims and contingencies related to lawsuits, taxes, insurance and other matters arising out of the normal course of business. Actions filed against the Company from time to time include commercial, tort, intellectual property, customer, employment, data privacy and other claims, including purported class action lawsuits. Management believes that the ultimate liability arising from such claims and contingencies, if any, is not likely to have a material adverse effect on the Company's results of operations, financial condition or cash flows.

17. Subsequent Events

The Company evaluated subsequent events for matters that may require disclosure in these combined financial statements through April 16, 2021. Other than as already disclosed, there have been no events that have occurred that would require disclosure in the combined financial statements.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED BALANCE SHEETS
(in millions)

	May 1, 2021 (Unaudited)	January 30, 2021	May 2, 2020 (Unaudited)
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 332	$ 335	$ 169
Accounts Receivable, Net	111	121	114
Due from Related Parties	2	—	2
Inventories	761	701	975
Prepaid Expenses	39	26	22
Other	54	56	74
Total Current Assets	1,299	1,239	1,356
Property and Equipment, Net	1,036	1,078	1,260
Operating Lease Assets	1,602	1,590	2,044
Trade Name	246	246	246
Deferred Income Taxes	13	20	29
Other Assets	51	56	74
Total Assets	$4,247	$4,229	$5,009
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts Payable	$ 366	$ 338	$ 391
Accrued Expenses and Other	688	776	492
Current Debt	—	—	18
Current Operating Lease Liabilities	356	421	424
Income Taxes Payable	29	15	35
Due to Related Parties	5	6	2
Total Current Liabilities	1,444	1,556	1,362
Deferred Income Taxes	45	19	16
Long-term Debt	—	—	89
Long-term Debt due to Related Party	97	97	—
Long-term Operating Lease Liabilities	1,541	1,553	2,057
Other Long-term Liabilities	113	113	162
Total Liabilities	3,240	3,338	3,686
Equity			
Noncontrolling Interest	—	—	3
Accumulated Other Comprehensive Income (Loss)	7	4	(31)
Net Investment by L Brands, Inc.	1,000	887	1,351
Total Equity	1,007	891	1,323
Total Liabilities and Equity	$4,247	$4,229	$5,009

The accompanying notes are an integral part of these financial statements.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED STATEMENTS OF INCOME (LOSS)
(in millions)
(Unaudited)

	First Quarter	
	2021	2020
Net Sales	$1,554	$ 894
Costs of Goods Sold, Buying and Occupancy	(882)	(873)
Gross Profit	672	21
General, Administrative and Store Operating Expenses	(446)	(394)
Operating Income (Loss)	226	(373)
Interest Expense	(1)	(2)
Other Income (Loss)	—	(2)
Income (Loss) Before Income Taxes	225	(377)
Provision (Benefit) for Income Taxes	51	(78)
Net Income (Loss)	$ 174	$(299)

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)
(Unaudited)

	First Quarter	
	2021	2020
Net Income (Loss)	$174	$(299)
Other Comprehensive Income (Loss), Net of Tax:		
Foreign Currency Translation	4	(5)
Unrealized Gain (Loss) on Cash Flow Hedges	(1)	3
Total Other Comprehensive Income (Loss), Net of Tax	$ 3	$ (2)
Total Comprehensive Income (Loss)	$177	$(301)

The accompanying notes are an integral part of these financial statements.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	First Quarter	
	2021	**2020**
Operating Activities		
Net Income (Loss)	$174	$(299)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation of Long-lived Assets	80	90
Asset Impairment Charges	—	97
Share-based Compensation Expense	7	9
Deferred Income Taxes	34	(78)
Changes in Assets and Liabilities:		
Accounts Receivable	10	43
Inventories	(60)	(120)
Accounts Payable, Accrued Expenses and Other	(97)	(115)
Income Taxes Payable	14	3
Other Assets and Liabilities	(60)	70
Net Cash Provided by (Used for) Operating Activities	102	(300)
Investing Activities		
Capital Expenditures	(19)	(27)
Other Investing Activities	—	(1)
Net Cash Used for Investing Activities	(19)	(28)
Financing Activities		
Borrowings from Foreign Facilities	—	23
Repayments of Foreign Facilities	—	(69)
Net Transfers from (to) L Brands, Inc.	(88)	300
Net Cash Provided by (Used for) Financing Activities	(88)	254
Effects of Exchange Rate Changes on Cash and Cash Equivalents	2	(2)
Net Decrease in Cash and Cash Equivalents	(3)	(76)
Cash and Cash Equivalents, Beginning of the Period	335	245
Cash and Cash Equivalents, End of Period	$332	$ 169

The accompanying notes are an integral part of these financial statements.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
COMBINED STATEMENTS OF EQUITY
(in millions)
(Unaudited)

First Quarter 2021

	Net Investment by L Brands, Inc.	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Equity
Balance, January 30, 2021	$ 887	$ 4	$—	$ 891
Net Income	174	—	—	174
Other Comprehensive Income	—	3	—	3
Total Comprehensive Income	174	3	—	177
Net Transfers to L Brands, Inc.	(61)	—	—	(61)
Balance, May 1, 2021	$1,000	$ 7	$—	$1,007

First Quarter 2020

	Net Investment by L Brands, Inc.	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Equity
Balance, February 1, 2020	$1,341	$(29)	$ 2	$1,314
Net Loss	(299)	—	—	(299)
Other Comprehensive Loss	—	(2)	—	(2)
Total Comprehensive Loss	(299)	(2)	—	(301)
Net Transfers from L Brands, Inc.	309	—	—	309
Other	—	—	1	1
Balance, May 2, 2020	$1,351	$(31)	$ 3	$1,323

The accompanying notes are an integral part of these financial statements.

VICTORIA'S SECRET BUSINESS OF L BRANDS, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
(Unaudited)

1. Background, Description of Business and Summary of Significant Accounting Policies

The Separation

L Brands, Inc. ("L Brands" or the "Parent") operates the Bath & Body Works, Victoria's Secret and PINK retail brands in the highly competitive specialty retail business. On May 11, 2021, L Brands announced that its Board of Directors unanimously approved a plan to separate L Brands into two independent, public companies: Bath & Body Works and Victoria's Secret, including PINK. L Brands expects to create these companies through a tax-free spin-off of Victoria's Secret to L Brands' shareholders. The spin-off is expected to be effected through a pro-rata distribution to L Brands shareholders of common stock of a newly formed entity holding certain assets and liabilities comprising the Victoria's Secret business. The spin-off will create Victoria's Secret & Co. (the "Company"), a separate, independent, publicly traded company. The spin-off is expected to be completed in August 2021, subject to certain customary market, regulatory and other conditions.

Description of Business

The Company is a specialty retailer of women's intimate and other apparel and beauty products marketed under the Victoria's Secret and PINK brand names. The Company operates more than 925 Victoria's Secret and PINK stores in the U.S., Canada and Greater China as well as online at *www.VictoriasSecret.com* and *www.PINK.com* and other online channels worldwide. Additionally, Victoria's Secret and PINK have more than 455 stores in more than 70 countries operating under franchise, license and wholesale arrangements. The Company also includes the Victoria's Secret and PINK merchandise sourcing and production function serving the Company and its international partners.

The Company manages and evaluates its business activities based on geography and, as a result, determined that its Victoria's Secret North America and Victoria's Secret International businesses are its operating segments. The North America and International operating segments both sell women's intimate and other apparel and beauty products under the Victoria's Secret and PINK brand names and serve customers through stores and online channels. The operating segments share similar economic and other qualitative characteristics, and therefore the results are aggregated into one reportable segment.

Basis of Presentation

The combined financial statements have been derived from the consolidated financial statements and accounting records of L Brands and have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). The combined financial statements may not be indicative of the Company's future performance and do not necessarily reflect what the financial position, results of operations, and cash flows would have been had it operated as an independent company during the periods presented.

Intracompany transactions have been eliminated. Transactions between the Company and L Brands have been included in these combined financial statements. For those transactions between the Company and L Brands that have been historically settled in cash, the Company has reflected such balances in the Combined Balance Sheets as Due from Related Parties or Due to Related Parties. The aggregate net effect of transactions between the Company and related parties that have been historically settled other than in cash are reflected in the Combined Balance Sheets as Net Investment by L Brands, Inc. and in the Combined Statements of Cash Flows as Net Transfers from (to) L Brands, Inc. For additional information, see Note 2, "Transactions with Related Parties."

The Combined Balance Sheets include certain L Brands' assets and liabilities that are specifically identifiable or otherwise attributable to the Company. L Brands' third-party long-term notes payable and the related interest expense have not been allocated to the Company for any of the periods presented as the Company was not the legal obligor of such debt. Except for Long-term Debt due to Related Party, the debt reflected in the Combined Balance Sheets relate to third-party borrowings specifically attributable to, and legal obligations of, the Company.

L Brands utilizes a centralized approach to cash management and financing its operations. The Cash and Cash Equivalents held by L Brands at the corporate level are not specifically identifiable to the Company and, therefore, have not been reflected in the Company's Combined Balance Sheets. Cash transfers between L Brands

and the Company are accounted for through Net Investment by L Brands, Inc. Cash and Cash Equivalents in the Combined Balance Sheets represent cash and cash equivalents held by the Company at period-end prior to any potential transfer to the centralized cash management pool of L Brands.

The Combined Statements of Income (Loss) include costs for certain functions, including information technology, human resources and store design and construction, that historically were provided and administered on a centralized basis by L Brands. Starting in the third quarter of 2020, as part of the steps to prepare Victoria's Secret to operate as a separate standalone company, these functions were transitioned to the business and are now operated and administered as part of Victoria's Secret. For additional information, see Note 4, "Restructuring Activities." Costs applicable to the Company related to these functions are included in the Combined Statements of Income (Loss) for all periods presented. Prior to the transition of these functions, these costs were directly charged to the Company by L Brands.

In addition, for purposes of preparing these combined financial statements on a "carve-out" basis, a portion of L Brands' corporate expenses have been allocated to the Company. These expense allocations include the cost of corporate functions and resources that continue to be provided by, or administered by, L Brands including, but not limited to, executive management and other corporate and governance functions, such as corporate finance, internal audit, tax and treasury. The related employee payroll and benefit costs associated with such functions, such as share-based compensation, are included in the expense allocations. Corporate expenses of $19 million in the first quarter of 2021 and $20 million in the first quarter of 2020 were allocated and included within General, Administrative and Store Operating Expenses in the Combined Statements of Income (Loss).

Costs were allocated to the Company based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net sales. Management considers the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to, or the benefit received by, the Company during the periods presented. However, the allocations may not reflect the expenses the Company would have incurred if the Company had been a standalone company for the periods presented. Actual costs that may have been incurred if the Company had been a standalone company would depend on a number of factors, including the organizational structure, whether functions were outsourced or performed by employees, and strategic or capital decisions. Going forward, the Company may perform these functions using its own resources or outsourced services. For a period following the planned separation, however, some of these functions may continue to be provided by L Brands under a transition services agreement, and the Company may provide some services to L Brands under a transition services agreement. The Company may also enter into certain commercial arrangements with L Brands in connection with the planned separation.

During the periods presented in these Combined Financial Statements, the Company's income tax expense (benefit) and deferred tax balances have been included in the L Brands' income tax returns. Income tax expense (benefit) and deferred tax balances contained in the Combined Financial Statements are presented on a separate return basis, as if the Company had filed its own income tax returns. As a result, actual tax transactions included in the consolidated financial statements of L Brands may or may not be included in the Combined Financial Statements of the Company. Similarly, the tax treatment of certain items reflected in the Combined Financial Statements of the Company may or may not be reflected in the consolidated financial statements and income tax returns of L Brands. The taxes recorded in the Combined Statements of Income (Loss) are not necessarily representative of the taxes that may arise in the future if the Company files its income tax returns independent from L Brands' returns.

Fiscal Year

The Company's fiscal year ends on the Saturday nearest to January 31. As used herein, "first quarter of 2021" and "first quarter of 2020" refer to the thirteen-week periods ended May 1, 2021 and May 2, 2020, respectively.

Interim Financial Statements

The Combined Financial Statements as of and for the periods ended May 1, 2021 and May 2, 2020 are unaudited. These Combined Financial Statements should be read in conjunction with the audited Combined Financial Statements and Notes thereto for the fiscal years ended January 30, 2021, February 1, 2020 and February 2, 2019.

In the opinion of management, the accompanying Combined Financial Statements reflect all adjustments, which are of a normal recurring nature and necessary for a fair presentation of the results for the interim periods.

Due to the seasonal variations in the retail industry, the results of operations for the interim period is not necessarily indicative of the results expected for the full fiscal year.

Impacts of COVID-19

The coronavirus pandemic ("COVID-19") has created significant public health concerns as well as economic disruption, uncertainty and volatility. The Company's operations and financial performance have been materially impacted by the COVID-19 pandemic. In the first quarter of 2020, all of the Company's stores in North America were closed on March 17, 2020 and almost all remained closed throughout the remainder of the first quarter of 2020. Operations for the direct business were temporarily suspended for approximately one week in late March 2020.

The Company has adopted new operating models focused on providing a safe environment for its customers and associates, while also delivering an engaging shopping experience. The Company remains focused on the safe operations of its distribution, fulfillment and call centers while maximizing its direct business. Government stimulus payments and the relaxation of pandemic-related restrictions have positively impacted demand for the Company's products during the first quarter of 2021. There remains the potential for COVID-related risks of closure or operating restrictions should the pandemic persist or worsen, which could materially impact the Company's operations and financial performance in future periods.

Concentration of Credit Risk

The Company maintains cash and cash equivalents and derivative contracts with various major financial institutions. L Brands, on behalf of the Company, monitors the relative credit standing of financial institutions with whom the Company transacts and limits the amount of credit exposure with any one entity.

The Company also periodically reviews the relative credit standing of franchise, license and wholesale partners and other entities to which the Company grants credit terms in the normal course of business. The Company determines the required allowance for expected credit losses using information such as customer credit history and financial condition. Amounts are recorded to the allowance when it is determined that expected credit losses may occur.

Equity Method Investments

The Company accounts for investments in unconsolidated entities where it exercises significant influence, but does not have control, using the equity method. Under the equity method of accounting, the Company recognizes its share of the investee's net income or loss. Losses are only recognized to the extent the Company has positive carrying value related to the investee. Carrying values are only reduced below zero if the Company has an obligation to provide funding to the investee. The Company's share of net income or loss of unconsolidated entities from which the Company purchases merchandise or merchandise components is included in Costs of Goods Sold, Buying and Occupancy in the Combined Statements of Income (Loss). The Company's share of net income or loss from its investment in the Victoria's Secret U.K. joint venture is included in General, Administrative and Store Operating Expenses in the Combined Statements of Income (Loss). The Company's equity method investments are required to be reviewed for impairment when it is determined there may be an other-than-temporary loss in value. The carrying values of equity method investments were $32 million as of May 1, 2021, $35 million January 30, 2021 and $36 million as of May 2, 2020. These investments are recorded in Other Assets on the Combined Balance Sheets.

Net Investment by L Brands, Inc.

Net investment by L Brands, Inc. in the Combined Balance Sheets is presented in lieu of shareholders' equity and represents L Brands' historical investment in the Company, the accumulated net earnings after taxes and the net effect of the transactions with and allocations from L Brands. All transactions reflected in Net Investment by L Brands, Inc. in the accompanying Combined Balance Sheets have been considered as financing activities for purposes of the Combined Statements of Cash Flows.

For additional information, see Basis of Presentation above and Note 2, "Transactions with Related Parties."

Derivative Financial Instruments

The Company uses derivative financial instruments to manage exposure to foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. All derivative instruments are recorded on the Combined Balance Sheets at fair value.

The earnings of the Company's foreign operations are subject to exchange rate risk as substantially all the merchandise is sourced through U.S. dollar transactions. The Company uses foreign currency forward contracts designated as cash flow hedges to mitigate this foreign currency exposure for its Canadian operations. Amounts are reclassified from accumulated other comprehensive income (loss) upon sale of the hedged merchandise to the customer. These gains and losses are recognized in Costs of Goods Sold, Buying and Occupancy in the Combined Statements of Income (Loss). The fair value of designated cash flow hedges is not significant for any period presented.

The Company does not enter into any derivative contracts. However, L Brands, Inc., through its centralized treasury function, currently enters into derivative financial instruments with external counterparties to hedge certain foreign currency transactions with exposure to the Canadian dollar. The Company enters into offsetting internal contracts with L Brands, Inc. The maturities of the internal contracts range from one to eighteen months.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates, and the Company revises its estimates and assumptions as new information becomes available.

Recently Issued Accounting Pronouncements

The Company did not adopt any new accounting standards during the first quarter of 2021 that had a material impact on the Company's combined results of operations, financial position or cash flows. In addition, there are no new accounting standards not yet adopted that are expected to have a material impact on the Company's combined results of operations, financial position or cash flows.

2. Transactions with Related Parties

The combined financial statements have been prepared on a standalone basis and are derived from the consolidated financial statements and accounting records of L Brands. The following discussion summarizes activity between the Company and L Brands.

Allocation of General Corporate Expenses

For purposes of preparing these combined financial statements on a "carve-out" basis, we have allocated a portion of L Brands' total corporate expenses to the Company. See Note 1 for a discussion of the methodology used to allocate corporate-related costs for purposes of preparing these financial statements on a "carve-out" basis.

Due from and Due to Related Parties

Balances between the Company and L Brands, Inc. or its affiliates that are derived from transactions that have been historically cash settled are reflected in the Combined Balance Sheet as Due from and Due to Related Parties. Balances between the Company and L Brands, Inc. or its affiliates derived from transactions that have been historically settled other than in cash are included in Net Investment by L Brands, Inc. within Equity on the Combined Balance Sheets.

Long-term Debt due to Related Party

During 2020, the Company borrowed $97 million from L Brands to pay down outstanding debt with external parties. This borrowing is due in September 2025 and has a variable interest rate based on the China Loan Prime Rate, which was 3.85% as of May 1, 2021. The Company recognized $1 million of interest expense in the first quarter of 2021 related to this borrowing.

Net Transfers From (to) L Brands, Inc.

The following table presents the components of Net Transfers from (to) L Brands, Inc. in the first quarter of 2021 and 2020 Combined Statements of Equity:

	First Quarter	
	2021	2020
	(in millions)	
Cash Pooling and General Financing Activities, Net	$(108)	$274
Long-lived Assets[(a)]	20	—
Corporate Expense Allocations	19	20
Share-based Compensation Expense	7	9
Assumed Income Tax Payments	1	6
Total Net Transfers from (to) L Brands, Inc.	**$ (61)**	**$309**

(a) Represents long-lived assets transferred to the Company from L Brands, Inc. as a result of asset allocation decisions made during the period.

Victoria's Secret Guarantees

Certain Victoria's Secret subsidiaries, along with other wholly-owned subsidiaries of L Brands, Inc., guarantee and pledge collateral to secure the L Brands' asset-backed revolving credit facility ("ABL Facility"). The ABL Facility has aggregate commitments at $1 billion and has an expiration date in August 2024. As of May 1, 2021, there were no borrowings outstanding under the ABL Facility.

Certain Victoria's Secret subsidiaries, along with other wholly-owned subsidiaries of L Brands, Inc., have also guaranteed L Brands' obligations under certain of L Brands' long-term notes. The guarantees are full and unconditional on a joint and several basis. The following table provides the outstanding principal balance for these notes as of May 1, 2021:

	(in millions)
5.625% Fixed Interest Rate Notes due October 2023	$ 320
9.375% Fixed Interest Rate Notes due July 2025	500
6.694% Fixed Interest Rate Notes due January 2027	297
5.25% Fixed Interest Rate Notes due February 2028	500
7.50% Fixed Interest Rate Notes due June 2029	500
6.625% Fixed Interest Rate Notes due October 2030	1,000
6.875% Fixed Interest Rate Notes due November 2035	1,000
6.75% Fixed Interest Rate Notes due July 2036	700
Total	**$4,817**

The Company's guarantees of obligations under L Brands' long-term notes are expected to terminate concurrently with the separation of the Company from L Brands, subject to standard notice provisions to the trustee.
The Company's guarantees of obligations under the ABL Facility are also expected to terminate concurrently with the separation, subject to consent of the lenders.

L Brands, Inc. Guarantees

Lease Arrangements

L Brands, Inc. has provided guarantees related to certain of the Company's store and office lease payments under the current terms of noncancelable leases expiring at various dates through 2037. These guarantees include minimum rent and additional payments covering taxes, common area costs and certain other expenses.

Foreign Facilities

Certain of the Company's China subsidiaries utilize revolving and term loan bank facilities to support their operations (the "Foreign Facilities"). These facilities are guaranteed by L Brands, Inc. and certain of L Brands'

100% owned subsidiaries. As of May 1, 2021, there were no outstanding borrowings under the Foreign Facilities. L Brands, Inc. placed cash on deposit with certain financial institutions as collateral for the Foreign Facilities. The amount of collateral required was dependent upon the aggregate lending commitments and totaled $30 million as of May 1, 2021.

3. Revenue Recognition

Accounts receivable, net from revenue-generating activities were $74 million as of May 1, 2021, $74 million as of January 30, 2021, and $59 million as of and May 2, 2020. Accounts receivable primarily relate to amounts due from the Company's franchise, license and wholesale partners. Under these arrangements, payment terms are typically 60 to 90 days.

The Company records deferred revenue when cash payments are received in advance of transfer of control of goods or services. Deferred revenue primarily relates to gift cards, loyalty and private label credit card programs and direct channel shipments, which are all impacted by seasonal and holiday-related sales patterns. The balance of deferred revenue was $230 million as of May 1, 2021, $256 million as of January 30, 2021 and $249 million as of and May 2, 2020. The Company recognized $85 million as revenue in the first quarter of 2021 from amounts recorded as deferred revenue at the beginning of the year. As of May 1, 2021, the Company recorded deferred revenues of $220 million within Accrued Expenses and Other, and $10 million within Other Long-term Liabilities on the Combined Balance Sheet.

The following table provides a disaggregation of Net Sales for the first quarter of 2021 and 2020:

	First Quarter	
	2021	2020
	(in millions)	
North America Stores	$ 933	$514
Direct	521	308
International (a)	100	72
Total Net Sales	$1,554	$894

(a) Results include company-operated stores in the U.K. (pre-joint venture) and Greater China, and royalties associated with franchised store and wholesale sales.

The Company recognized Net Sales of $28 million and $25 million for the first quarter of 2021 and 2020, respectively, related to its U.S. private label credit card arrangement.

The Company's international net sales include sales from company-operated stores, royalty revenue from franchise and license arrangements, wholesale revenues and direct sales shipped internationally. Certain of these sales are subject to the impact of fluctuations in foreign currency. The Company's net sales outside of the U.S. totaled $163 million and $106 million for the first quarter of 2021 and 2020, respectively.

4. Restructuring Activities

During the second quarter of 2020, management of L Brands and the Company reduced home office head count as a result of completing a comprehensive review of the home office organizations in order to achieve meaningful reductions in overhead expenses and to decentralize significant shared functions and services to support the creation of standalone companies.

During the first quarter of 2021, the Company made payments of $6 million related to severance and related costs associated with these reductions. As of May 1, 2021, a liability of $9 million related to these reductions is included in Accrued Expenses and Other on the Combined Balance Sheet.

Victoria's Secret U.K.

Due to challenging business results in the U.K., the Company entered into Administration in June 2020 to restructure store lease agreements and reduce operating losses in the U.K. business. In October 2020, the Company entered into a joint venture with Next PLC for the Victoria's Secret business in the United Kingdom and Ireland. Under this agreement, the Company owns 49% of the joint venture, and Next owns 51% and is responsible for operations. The Company accounts for its investment in the joint venture under the equity method of accounting.

5. Inventories

The following table provides details of inventories as of May 1, 2021, January 30, 2021 and May 2, 2020:

	May 1, 2021	January 30, 2021	May 2, 2020
		(in millions)	
Finished Goods Merchandise	$721	$663	$940
Raw Materials and Merchandise Components	40	38	35
Total Inventories	$761	$701	$975

6. Long-Lived Assets

The following table provides details of property and equipment, net as of May 1, 2021, January 30, 2021 and May 2, 2020:

	May 1, 2021	January 30, 2021	May 2, 2020
		(in millions)	
Property and Equipment, at Cost	$ 3,774	$ 3,792	$ 4,267
Accumulated Depreciation and Amortization	(2,738)	(2,714)	(3,007)
Property and Equipment, Net	$ 1,036	$ 1,078	$ 1,260

Depreciation expense was $80 million and $90 million for the first quarter of 2021 and 2020, respectively.

During the first quarter of 2020, the Company recorded pre-tax store asset impairment charges of $97 million as a result of the Victoria's Secret fleet rationalization executed during 2020 and the negative operating results of certain Victoria's Secret stores. These impairment charges are included in Costs of Goods Sold, Buying and Occupancy in the 2020 Combined Statement of Loss.

7. Accrued Expenses and Other

The following table provides additional information about the composition of Accrued Expenses and Other as of May 1, 2021, January 30, 2021 and May 2, 2020:

	May 1, 2021	January 30, 2021	May 2, 2020
		(in millions)	
Deferred Revenue on Gift Cards	$163	$178	$155
Compensation, Payroll Taxes and Benefits	104	173	58
Supplemental Retirement Plan	57	66	—
Taxes, Other than Income	45	45	31
Accrued Marketing	37	44	9
Deferred Revenue on Loyalty and Private Label Credit Card	35	38	41
Deferred Revenue on Direct Shipments not yet Delivered	22	30	41
Returns Reserve	21	26	33
Rent	64	22	11
Accrued Claims on Self-insured Activities	17	17	19
Other	123	137	94
Total Accrued Expenses and Other	$688	$776	$492

8. Income Taxes

For purposes of our combined financial statements, income taxes have been calculated as if we file income tax returns for the Company on a standalone basis. The Company's U.S. operations and certain of its non-U.S. operations historically have been included in the income tax returns of L Brands or its subsidiaries that may not

be part of the Company. The Company believes the assumptions supporting its allocation and presentation of income taxes on a separate return basis are reasonable. However, the Company's tax results, as presented in the combined financial statements, may not be reflective of the results that the Company expects to generate in the future.

For the first quarter of 2021, the Company calculated the provision for income taxes on the current estimate of the annual effective tax rate and adjusted as necessary for quarterly events. Due to the impacts of the COVID-19 pandemic, the income tax expense for the first quarter of 2020 was computed on a year-to-date effective tax rate.

For the first quarter of 2021, the Company's effective tax rate was 22.5% compared to 20.8% in the first quarter of 2020. The first quarter of 2021 rate was lower than the Company's combined estimated federal and state statutory rate primarily due to the recognition of excess tax benefits recorded through the income statement on share-based awards that vested in the quarter. In the first quarter of 2020, the Company recognized a benefit for income taxes of $78 million on a loss before income taxes of $377 million. The first quarter of 2020 rate was lower than the Company's combined estimated federal and state statutory rate primarily due to losses related to certain foreign subsidiaries, which generate no tax benefit.

The Company would have paid $1 million and $6 million for the first quarter of 2021 and 2020, respectively, had it filed its own separate returns in those years.

9. Borrowing Facilities

Certain of the Company's China subsidiaries utilize revolving and term loan bank facilities to support their operations. The Foreign Facilities allow borrowings in U.S. dollars and Chinese Yuan, and interest rates on outstanding borrowings are based upon the applicable benchmark rate for the currency of each borrowing. These facilities are guaranteed by the Company and certain of the Company's 100% owned subsidiaries. As of May 1, 2021, the Foreign Facilities allow for borrowings and letters of credit up to $30 million, and there were no borrowings outstanding under the Foreign Facilities.

10. Comprehensive Income (Loss)

The following table provides the rollforward of accumulated other comprehensive income (loss) for the first quarter of 2021:

	Foreign Currency Translation	Cash Flow Hedges	Accumulated Other Comprehensive Income (Loss)
		(in millions)	
Balance as of January 30, 2021	$ 4	$—	$ 4
Other Comprehensive Income (Loss) Before Reclassifications	4	(1)	3
Tax Effect	—	—	—
Current-period Other Comprehensive Income (Loss)	4	(1)	3
Balance as of May 1, 2021	$ 8	$(1)	$ 7

The following table provides the rollforward of accumulated other comprehensive income (loss) for the first quarter of 2020:

	Foreign Currency Translation	Cash Flow Hedges	Accumulated Other Comprehensive Income (Loss)
		(in millions)	
Balance as of February 1, 2020	$(29)	$—	$(29)
Other Comprehensive Income (Loss) Before Reclassifications	(5)	4	(1)
Tax Effect	—	(1)	(1)
Current-period Other Comprehensive Income (Loss)	(5)	3	(2)
Balance as of May 2, 2020	$(34)	$ 3	$(31)

11. Retirement Benefits

Certain Company employees who meet certain age and service requirements participate in a tax-qualified defined contribution retirement plan sponsored by L Brands. The qualified plan permits participating associates to elect contributions up to the maximum limits allowable under the Internal Revenue Code. L Brands matches associate contributions according to a predetermined formula and contributes additional amounts based on a percentage of the associates' eligible annual compensation and years of service. Associate contributions and L Brands matching contributions vest immediately. Additional L Brands contributions and the related investment earnings are subject to vesting based on years of service. Total expense recognized related to the qualified plan was not significant for any period presented.

Certain Company employees participate in a non-qualified supplemental retirement plan sponsored by L Brands. The non-qualified plan is an unfunded plan which provides benefits beyond the Internal Revenue Code limits for qualified defined contribution plans. On June 27, 2020 (the "Termination Date"), the Human Capital and Compensation Committee of the L Brands' Board of Directors authorized the termination of the non-qualified plan. Subsequent to the Termination Date, no additional employee contributions may be made to the non-qualified plan. The remaining benefits and obligations are expected to be paid out in full approximately one year following the Termination Date. Accordingly, the Company recorded a liability of $57 million as of May 1, 2021 and $66 million as of January 30, 2021 within Accrued Expenses and Other on the Combined Balance Sheets. The Company recorded a liability of $59 million as of May 2, 2020 related to the non-qualified plan in Other Long-term Liabilities on the Combined Balance Sheets. Total expense recognized related to the non-qualified plan was not significant for any period presented.

12. Commitments and Contingencies

The Company is subject to various claims and contingencies related to lawsuits, taxes, insurance and other matters arising out of the normal course of business. Actions filed against the Company from time to time include commercial, tort, intellectual property, customer, employment, data privacy and other claims, including purported class action lawsuits. Management believes that the ultimate liability arising from such claims and contingencies, if any, is not likely to have a material adverse effect on the Company's results of operations, financial condition or cash flows.

13. Subsequent Events

The Company evaluated subsequent events for matters that may require disclosure in these combined financial statements through May 28, 2021. Except as already disclosed, there have been no events that have occurred that would require disclosure in the combined financial statements.