

As filed with the Securities and Exchange Commission on May 26, 2021

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

VIMEO, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)**7372**
(Primary Standard Industrial
Classification Code Number)**85-4334195**
(I.R.S. Employer
Identification Number)**555 West 18th Street
New York, New York 10011
(212) 314-7300**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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(212) 403-1000****Approximate Date of Commencement of Proposed Sale of the Securities to the Public:
As soon as practicable after this Registration Statement is declared effective**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.01 per share	1,263,132 ⁽¹⁾		\$55,622,017.62 ⁽²⁾	\$6,068.37 ⁽³⁾

- (1) This registration statement covers shares of common stock, par value \$0.01 per share, of Vimeo, Inc. (“Vimeo” and such shares of common stock, “Vimeo Common Stock”) that may be acquired upon exercise of options (“Vimeo Options”) or stock appreciation rights (“Vimeo SARs”) to acquire shares of Vimeo Common Stock held by (1) former employees of IAC/InterActiveCorp (“IAC”) and its subsidiaries (excluding Vimeo, Inc. and its subsidiaries), (2) current employees of IAC’s subsidiaries, (3) former employees of Vimeo, Inc. and its subsidiaries and (4) current and former employees of Match Group, Inc., who, in each case, are not current employees of Vimeo or a subsidiary of Vimeo, and any such individuals’ donees, pledgees, permitted transferees, assignees, successors and others who come to hold any such equity award. The Vimeo Options are outstanding under the Vimeo, Inc. 2021 Stock and Annual Incentive Plan and were converted from options to purchase shares of common stock of IAC (“IAC Options”) in connection with the separation of Vimeo from IAC. The IAC Options were granted under the IAC/InterActiveCorp 2018 Stock and Annual Incentive Plan, the IAC/InterActiveCorp 2013 Stock and Annual Incentive Plan, the IAC/InterActiveCorp 2008 Stock and Annual Incentive Plan and the IAC/InterActiveCorp 2005 Stock and Annual Incentive Plan. The Vimeo SARs are outstanding under the Vimeo, Inc. 2021 Stock and Annual Incentive Plan and were converted from stock appreciation rights covering shares of common stock of Vimeo.com, Inc. in connection with the separation of Vimeo from IAC. The Vimeo SARs were granted under (a) the Vimeo, LLC 2012 Incentive Plan, (b) the Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2017 Incentive Plan, and (c) the Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2019 Incentive Plan (including the Israel Appendix). There is also registered hereunder such indeterminate number of additional shares of Vimeo common stock that may become issuable due to anti-dilution adjustments for changes resulting from stock splits, stock dividends, recapitalizations or similar transactions and certain other events as provided for in the terms thereof.
- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and calculated pursuant to Rule 457(c) and Rule 457(f) under the Securities Act. Such value equals the product of (a) 1,263,132 (the maximum number of shares of Vimeo common stock calculated pursuant to note 1 above), multiplied by (b) \$44.04, the average of the high and low prices of the Vimeo common stock as reported on The Nasdaq Global Select Market on May 25, 2021.
- (3) Calculated by multiplying 0.0001091 by the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

PRELIMINARY AND SUBJECT TO COMPLETION, DATED MAY 26, 2021



The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

The 1,263,132 shares of common stock, par value \$0.01 per share, of Vimeo, Inc., a Delaware corporation formerly named “Vimeo Holdings, Inc.” (“Vimeo,” “we,” “us,” “our” or the “Company”) covered by the registration statement of which this prospectus forms a part covers options “Vimeo Options” and stock appreciation rights (“Vimeo SARs”) to acquire shares of the common stock of Vimeo that are held by (1) former employees of IAC/InterActiveCorp (“IAC”) and its subsidiaries (excluding Vimeo and its subsidiaries), (2) current employees of IAC’s subsidiaries, (3) former employees of Vimeo, Inc. and its subsidiaries and (4) current and former employees of Match Group, Inc., who, in each case, are not current employees of Vimeo or a subsidiary of Vimeo, and any such individuals’ donees, pledgees, permitted transferees, assignees, successors and others who come to hold any such equity award. The Vimeo Options are outstanding under the Vimeo, Inc. 2021 Stock and Annual Incentive Plan and were converted from options to purchase shares of common stock of IAC (“IAC Options”) in connection with the separation of Vimeo from IAC. The IAC Options were granted under the IAC/InterActiveCorp 2018 Stock and Annual Incentive Plan, the IAC/InterActiveCorp 2013 Stock and Annual Incentive Plan, the IAC/InterActiveCorp 2008 Stock and Annual Incentive Plan and the IAC/InterActiveCorp 2005 Stock and Annual Incentive. The Vimeo SARs are outstanding under the Vimeo, Inc. 2021 Stock and Annual Incentive Plan and were converted from stock appreciation rights covering shares of common stock of Vimeo.com, Inc. (“Vimeo SARs”) in connection with the separation of Vimeo from IAC. The Vimeo SARs were granted under (a) the Vimeo, LLC 2012 Incentive Plan, (b) the Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2017 Incentive Plan, and (c) the Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2019 Incentive Plan (including the Israel Appendix). All awards are subject to the terms of the applicable Plan and the applicable award agreement. Any proceeds received by Vimeo from the exercise of stock options covered by the Plans (and issued pursuant to the offering described in this prospectus) will be used for general corporate purposes.

Prior to the Spin-off (as defined below), Vimeo was a wholly-owned subsidiary of IAC. Vimeo common stock is listed on the NASDAQ Global Select Market (the “NASDAQ”) under the symbol “VMEQ”. Prior to the completion of the Spin-off, there was no established public trading market for Vimeo common stock, although Vimeo common stock traded on a limited, “when-issued” basis on the NASDAQ. “Regular-way” trading of Vimeo common stock began on the first trading day following the completion of the Spin-off.

In reviewing this prospectus, we urge you to read carefully the section entitled “Risk Factors” beginning on page 6 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated [•], 2021

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CERTAIN DEFINITIONS

Unless otherwise indicated or as the context otherwise requires, all references in this prospectus to:

- “DGCL” refers to the General Corporation Law of the State of Delaware, as amended;
- “Distribution” refers to (i) the contribution of the shares of Vimeo OpCo capital stock owned by IAC Group to Vimeo, (ii) the issuance of IAC Series 1 mandatorily exchangeable preferred stock and IAC Series 2 mandatorily exchangeable preferred stock and (iii) the redemption of IAC Series 1 mandatorily exchangeable preferred stock in exchange for Vimeo common stock and the redemption of IAC Series 2 mandatorily exchangeable preferred stock in exchange for Vimeo Class B common stock, in the case of each of clauses (ii) and (iii), pursuant to the IAC reclassification, taken together;
- “employee matters agreement” refers to the employee matters agreement entered into between IAC and Vimeo on May 24, 2021, in the form filed as Exhibit 10.2 to the registration statement of which this prospectus forms a part;
- “IAC” refers to IAC/InterActiveCorp, a Delaware corporation;
- “IAC board of directors” refers to the board of directors of IAC;
- “IAC capital stock” refers to IAC common stock and IAC Class B common stock;
- “IAC certificate of incorporation” refers to the restated certificate of incorporation of IAC, as it may be amended from time to time;
- “IAC Class B common stock” refers to (i) prior to the IAC reclassification, the shares of Class B common stock, par value \$0.001 per share, of IAC, and (ii) from and after the IAC reclassification, the shares of Class B common stock, par value \$0.0001 per share, of IAC;
- “IAC common stock” refers to (i) prior to the IAC reclassification, the shares of common stock, par value \$0.001 per share, of IAC, and (ii) from and after the IAC reclassification, the shares of common stock, par value \$0.0001 per share, of IAC;
- “IAC Group” refers to IAC Group, LLC, a Delaware limited liability company and a wholly-owned subsidiary of IAC;
- “IAC reclassification” refers to (i) the reclassification of each share of IAC par value \$0.001 common stock into (x) one share of IAC par value \$0.0001 common stock and (y) 1/100th of a share of IAC Series 1 mandatorily exchangeable preferred stock, (ii) the reclassification of each share of IAC par value \$0.001 Class B common stock into (x) one share of IAC par value \$0.0001 Class B common stock and (y) 1/100th of a share of IAC Series 2 mandatorily exchangeable preferred stock, (iii) the mandatory exchange of each 1/100th of a share of IAC Series 1 mandatorily exchangeable preferred stock into a number of shares of Vimeo common stock equal to the Spin-off exchange ratio of 1.6235, and (iv) the mandatory exchange of each 1/100th of a share of IAC Series 2 mandatorily exchangeable preferred stock into a number of shares of Vimeo Class B common stock equal to the Spin-off exchange ratio of 1.6235, in each case as contemplated by the reclassification charter amendment;
- “IAC Series 1 mandatorily exchangeable preferred stock” refers to the Series 1 mandatorily exchangeable preferred stock, par value \$0.01 per share, of IAC, with the terms contemplated by the reclassification charter amendment;
- “IAC Series 2 mandatorily exchangeable preferred stock” refers to the Series 2 mandatorily exchangeable preferred stock, par value \$0.01 per share, of IAC, with the terms contemplated by the reclassification charter amendment;
- “Match Separation” refers to the separation of the businesses of Match Group, Inc. from the remaining businesses of the company formerly named “IAC/InterActiveCorp” (renamed as Match Group, Inc., and referred to as “Old IAC/New Match” or as “Old IAC” with respect to periods prior to the consummation of the separation) pursuant to a Transaction Agreement, dated as of December 19, 2019 and amended on April 28, 2020 and June 22, 2020, among Old IAC, Match Group Holdings II, LLC (formerly known as Match Group, Inc.) (“Old Match”) and Valentine Merger Sub LLC, an indirect wholly owned subsidiary of Old IAC/New Match. On June 30, 2020,

- the separation transactions were completed, resulting in two, separate public companies: (i) Old IAC/ New Match, which owns the businesses of Old Match and certain Old IAC financing subsidiaries, and (ii) IAC, which was renamed IAC/InterActiveCorp, and which owns Old IAC's other businesses;
- “Merger Sub” refers to Stream Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Vimeo Holdings;
 - “Nasdaq” refers to The Nasdaq Global Select Market;
 - “non-IAC Vimeo OpCo stockholders” refers to the holders of shares of Vimeo OpCo capital stock (other than IAC and its wholly owned subsidiaries) prior to the consummation of the Vimeo merger;
 - “reclassification charter amendment” refers to the amendment to the IAC certificate of incorporation approved by IAC stockholders that became effective in connection with the closing of the Spin-Off and that provides for the IAC reclassification;
 - “SEC” refers to the Securities and Exchange Commission;
 - “separation agreement” refers to the separation agreement entered into between IAC and Vimeo on May 24, 2021, in the form filed as Exhibit 2.1 to the registration statement of which this prospectus forms a part;
 - “Spin-off” refers to the contribution of the shares of Vimeo OpCo capital stock owned by IAC Group to Vimeo and the IAC reclassification, which taken together resulted in a separation of the Vimeo business from the remaining businesses of IAC;
 - “Spin-off exchange ratio” refers to 1.6235, which is the number of shares of Vimeo common stock or Vimeo Class B common stock, as applicable, for which each 1/100th of a share of IAC Series 1 mandatorily exchangeable preferred stock or IAC Series 2 mandatorily exchangeable preferred stock, as applicable, will be exchanged;
 - “Vimeo” refers to Vimeo, Inc., a Delaware corporation formerly named “Vimeo Holdings, Inc.”;
 - “Vimeo board of directors” refers to the board of directors of Vimeo;
 - “Vimeo capital stock” refers to Vimeo common stock and Vimeo Class B common stock;
 - “Vimeo Class B common stock” refers to the shares of Class B common stock, par value \$0.01 per share, of Vimeo;
 - “Vimeo common stock” refers to the shares of common stock, par value \$0.01 per share, of Vimeo;
 - “tax matters agreement” refers to the tax matters agreement entered into between IAC and Vimeo on May 24, 2021, in the form filed as Exhibit 10.1 to the registration statement of which this prospectus forms a part;
 - “transition services agreement” refers to the transition services agreement entered into between IAC and Vimeo on May 24, 2021, in the form filed as Exhibit 10.3 to the registration statement of which this prospectus forms a part;
 - “Vimeo OpCo” refers to Vimeo.com, Inc., a Delaware corporation formerly known as “Vimeo, Inc.”;
 - “Vimeo OpCo capital stock” refers to the Vimeo OpCo voting common stock and Vimeo OpCo non-voting common stock;
 - “Vimeo merger” refers to the merger of Merger Sub with and into Vimeo OpCo, with Vimeo OpCo as the surviving corporation in the merger, pursuant to the Vimeo merger agreement;
 - “Vimeo merger agreement” refers to the Agreement and Plan of Merger, as amended and restated on March 12, 2021, by and among Vimeo, Merger Sub and Vimeo OpCo;
 - “Vimeo OpCo voting common stock” refers to the Class A Voting Common Stock, par value \$0.01 per share, of Vimeo OpCo; and
 - “Vimeo OpCo non-voting common stock” refers to the Class B Non-Voting Common Stock, par value \$0.01 per share, of Vimeo OpCo.

PROSPECTUS SUMMARY

The following is a summary of some of the information contained in this prospectus, and does not contain all of the information that may be relevant to you. In addition to this summary, you should read the entire document carefully, including (1) the risks associated with investing in the common stock of Vimeo as discussed under “Risk Factors,” (2) the unaudited pro forma condensed consolidated financial statements for Vimeo as discussed under “Vimeo, Inc. Unaudited Pro Forma Condensed Consolidated Financial Statements” and (3) the historical consolidated financial statements and related notes for Vimeo OpCo and Vimeo, Inc., included as Annex A and Annex B, respectively, to this prospectus. Unless the context otherwise requires, references in this prospectus to “Vimeo” or the “Company” refer to Vimeo, Inc., a Delaware corporation formerly known as “Vimeo Holdings, Inc.,” and its consolidated subsidiaries after the Spin-off. References in this prospectus to “IAC” refer to IAC/InterActiveCorp, a Delaware corporation, and its consolidated subsidiaries (other than, after the Spin-off, Vimeo and its consolidated subsidiaries), unless the context otherwise requires. References in this prospectus to Vimeo’s historical business and operations, and to Vimeo, refer to the Vimeo, Inc. business of IAC prior to the Spin-off and that transferred to Vimeo in connection with the Spin-off. References in this prospectus to the “Spin-off” refer to the separation of the Vimeo business from the remaining businesses of IAC pursuant to the transactions contemplated by the separation agreement.

Vimeo, Inc.

Overview and History

Vimeo, Inc. was incorporated as a Delaware corporation in December 2020 in connection with the Spin-off. Vimeo operates the Vimeo business. Vimeo is the world’s leading all-in-one video software solution, providing the full breadth of video tools through a software-as-a-service model. Vimeo’s comprehensive tools empower its users to create and communicate through high-quality video on a single, integrated platform. Vimeo single turnkey solution empowers its users to create, collaborate and communicate with video. And, as businesses face significant barriers to use video today, Vimeo eliminates these barriers and solves essential video needs by offering individual and enterprise subscriptions to its cloud-based software through which users can utilize its easy-to-use video tools. Vimeo’s platform is available to users all over the world.

For information regarding the results of Vimeo’s historical operations, see “Business.” Please also see the discussion under “Vimeo, Inc. Unaudited Pro Forma Condensed Consolidated Financial Statements” and the consolidated financial statements included in Annex A and Annex B.

Summary of Risk Factors

An investment in Vimeo’s common stock is subject to a number of risks. Set forth below are some, but not all, of these risks. Please read the information in the section entitled “Risk Factors,” beginning on page 6, for a more thorough description of these and other risks.

- Vimeo may be unable to achieve some or all of the benefits that it expects to achieve through the Spin-off.
- If the Spin-off were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, Vimeo and its stockholders could suffer material adverse consequences.
- Vimeo may not be able to engage in desirable capital-raising or strategic transactions following the Spin-off.
- After the Spin-off, actual or potential conflicts of interest may develop between the management and directors of IAC, on the one hand, and the management and directors of Vimeo, on the other hand.
- Vimeo or IAC may fail to perform under various transaction agreements that have been executed as part of the Spin-off.
- Challenges in commercial, equity and credit markets may adversely affect the expected benefits of the Spin-off, the expected plans or anticipated timeline to complete the Spin-off and Vimeo’s future access to capital on favorable terms.

- Vimeo’s accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which it will be subject as a standalone, publicly traded company following the Spin-off.
- The terms Vimeo received in its agreements with IAC could be less beneficial than the terms Vimeo may have otherwise received from unaffiliated third parties.
- Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on Vimeo’s business, results of operations or financial condition.
- The market price and trading volume of Vimeo securities may be volatile and may face negative pressure.
- The dual-class common stock structure of Vimeo may negatively impact the market price of its common stock.
- Provisions in the Vimeo certificates of incorporation (including Vimeo’s dual-class structure) and by-laws or Delaware law may discourage, delay or prevent a change of control of Vimeo, or changes in its management and, therefore, depress the trading price of its common stock.
- The Vimeo by-laws designate the Delaware Court of Chancery or, in some cases, the federal district courts of the United States as the sole and exclusive forum for certain types of actions or proceedings that may be initiated by its respective stockholders, which could discourage lawsuits against Vimeo and its directors, officers and significant stockholders.
- Vimeo has a limited operating history as a pure software-as-a-service company.
- Mr. Diller, certain members of his family and Mr. Levin will be able to exercise significant influence over the composition of Vimeo’s Board of Directors, matters subject to stockholder approval and Vimeo’s operations.
- Vimeo has a history of losses.
- Vimeo’s recent and rapid growth may not be indicative of future performance.
- Vimeo’s growth and profitability depend upon a wide variety of factors, some of which are out of Vimeo’s control.
- Vimeo’s total addressable market may prove to be smaller than it expects.
- Prior to the Spin-off, Vimeo has no experience as a standalone public company.
- Vimeo may need additional funding as Vimeo continues to invest in research and development and expand internationally.
- Vimeo may not have the right product/market fit.
- Vimeo may not be able to convert its free users into subscribers.
- Competition in Vimeo’s market is intense.
- Vimeo may not be able to scale its business effectively.
- Vimeo may experience service interruptions.
- Hosting and delivery costs may increase unexpectedly.
- The success of Vimeo will depend upon its continued ability to identify, hire, develop, motivate and retain highly skilled individuals worldwide.
- Vimeo’s compensation packages may not be sufficient.
- Vimeo may fail to attract or retain employees for issues that negatively impact Vimeo’s image.
- Vimeo’s success depends, in substantial part, on its ability to market, distribute and monetize its products and services through search engines, digital app stores and social media platforms.
- Vimeo depends on integrations with third parties to enable key features of its video services and to acquire new subscribers.

- Vimeo depends on key third-party vendors to provide core services.
- Vimeo depends on search engines and social media networks for traffic.
- Vimeo depends on internet service providers to deliver traffic to end users and subscribers.
- Vimeo’s business involves hosting large quantities of user content.
- Vimeo has been sued for hosting content that allegedly infringed on a third-party copyright.
- Vimeo may face liability for hosting a variety of tortious or unlawful materials.
- Vimeo has faced negative publicity for removing, or declining to remove, certain content, regardless of whether such content violated any law.
- Vimeo collects, stores, and processes large amounts of video content (including videos that are not intended for public consumption) and personal information of its users and subscribers.
- Vimeo has been the target of cyberattacks by malicious actors.
- Vimeo may fail to comply with applicable privacy laws.
- Compliance obligations imposed by new privacy laws or industry practices may adversely affect Vimeo’s business.
- Vimeo’s ability to transfer personal information to the United States may be restricted.
- Vimeo depends on vendors to process transactions.
- Vimeo may fail to comply with laws regulating subscriptions and free trials.
- Changes in laws or industry practices concerning subscription services may have a negative impact on renewal rates.
- The sale of Vimeo’s products are subject to a variety of sales, use and value-added taxes, both in the United States and worldwide.
- Vimeo may be subject to digital services taxes in a variety of countries.
- The novel coronavirus that causes the disease known as COVID-19 has caused a global health crisis that has caused significant economic and social disruption.
- The historical and pro forma financial information included in this prospectus, as well as certain Vimeo operating metrics, may not be indicative of Vimeo’s future results.

The Spin-off

Subject to the terms and conditions set forth in the separation agreement, IAC’s Vimeo business was separated from the remaining businesses of IAC through a series of transactions (which we refer to as the “Spin-off”) that resulted in the pre-transaction stockholders of IAC directly owning shares in both IAC and Vimeo Holdings, and in Vimeo Holdings becoming a separate public company.

The Spin-off was structured to include the following steps:

- Certain restructuring transactions, including, among other things, the transfer to Vimeo of IAC’s equity interests in Vimeo OpCo, and the repayment by Vimeo OpCo of all outstanding intercompany debt owed to IAC and its subsidiaries (other than Vimeo OpCo’s subsidiaries).
- Amending IAC’s certificate of incorporation to provide for:
 - the reclassification of each share of IAC par value \$0.001 common stock into (i) one share of IAC par value \$0.0001 common stock and (ii) 1/100th of a share of IAC Series 1 mandatorily exchangeable preferred stock that was automatically exchanged for 1.6235 shares of Vimeo common stock (with holders receiving cash in lieu of any fractional shares of Vimeo common stock resulting, after aggregation, from the reclassification); and

- the reclassification of each share of IAC par value \$0.001 Class B common stock into (i) one share of IAC par value \$0.0001 Class B common stock and (ii) 1/100th of a share of IAC Series 2 mandatorily exchangeable preferred stock that was automatically exchanged for 1.6235 shares of Vimeo Class B common stock (with holders receiving cash in lieu of any fractional shares of Vimeo Class B common stock resulting, after aggregation, from the reclassification).
- The effectiveness of certain other amendments to the IAC certificate of incorporation.

Prior to the Spin-off, IAC indirectly owned approximately 88% of the total outstanding shares of Vimeo OpCo, with the remaining Vimeo OpCo shares held by third parties. In connection with the Spin-off, the Vimeo OpCo shareholders agreement required IAC to cause the conversion of the Vimeo OpCo shares held by such non-IAC Vimeo OpCo stockholders into Vimeo common stock, which we refer to as the “Vimeo minority exchange.” The shareholders agreement also required that the non-IAC Vimeo OpCo stockholders be compensated (in the form of additional Vimeo equity) for dilution resulting from the issuance of Vimeo options in respect of vested IAC employee option awards that are adjusted in the Spin-off. Each such Vimeo OpCo shareholder was compensated for their ratable portion of 50% of the intrinsic value of the Vimeo options so issued, measured at the time of the Spin-off (see the sections of this prospectus entitled “The Vimeo Merger — Consideration to Vimeo OpCo Stockholders” and “Vimeo, Inc. Unaudited Pro Forma Condensed Consolidated Financial Statements.”

The Vimeo merger, which was completed on May 25, 2021, satisfied these obligations.

The Merger

On the terms and subject to the conditions of the Vimeo merger agreement, following the Spin-off, Merger Sub merged with and into Vimeo OpCo, with Vimeo OpCo surviving as a wholly-owned subsidiary of Vimeo. Each share of Vimeo OpCo capital stock held prior to the Vimeo merger by a non-IAC Vimeo OpCo stockholder was converted into a number of shares of Vimeo common stock equal to the Vimeo merger exchange ratio. See “The Vimeo Merger” and “The Vimeo Merger Agreement.”

Corporate Information

Vimeo, Inc. is a Delaware corporation formerly known as “Vimeo Holdings, Inc.” and a direct wholly owned subsidiary of IAC that was formed in December 2020 for the purpose of holding IAC’s Vimeo business following the Spin-off. Our principal executive offices are located at 555 West 18th Street, New York, New York 10011, and our telephone number is (212) 314-7300. Vimeo maintains an Internet site at www.vimeo.com. That website and the information contained therein or connected thereto are not incorporated into this prospectus or the registration statement of which this prospectus forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

THE OFFERING

Common stock offered:	1,263,132 shares of Vimeo common stock
Use of Proceeds:	Any proceeds received by Vimeo from the exercise of Vimeo stock options covered by the Plans (and issued pursuant to the offering described in this prospectus) are expected to be used for general corporate purposes. These proceeds represent the exercise prices for the Vimeo stock options. See “Use of Proceeds.”
Risk Factors:	For a discussion of risk and uncertainties involved with an investment in our common stock, see “Risk Factors” included elsewhere in this prospectus and any risk factors described in any accompanying prospectus supplement.
Listing:	Vimeo common stock is currently listed on the NASDAQ Global Select Market (the “NASDAQ”) under the symbol “VMEQ”. Prior to the completion of the Spin-off, there was no established public trading market for shares of Vimeo common stock, although Vimeo common stock traded on a limited, “when-issued” basis on the NASDAQ. Vimeo common stock began trading on a “regular way” basis following the completion of the Spin-off.

RISK FACTORS

You should carefully consider each of the following risks and uncertainties associated with Vimeo and the ownership of Vimeo common stock. Any of the following risks could materially and adversely affect Vimeo's business, results of operations and financial condition. In addition, for more information you should review the specific description of Vimeo's business under "Business" in this prospectus, as well as the other information set forth in this prospectus. The following list of significant risk factors is not all-inclusive or necessarily in order of importance. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may materially adversely affect us in future periods.

Risks Relating to the Spin-off and the Merger

Vimeo may be unable to achieve some or all of the benefits that it expects to achieve through the Spin-off.

Vimeo may be unable to achieve the full strategic and financial benefits expected to result from the Spin-off, or such benefits may be delayed or may never occur at all. The Spin-off is expected to provide the following benefits, among others:

- enabling Vimeo to adopt a capital structure and to make investments best suited for its own objectives and needs, including allowing Vimeo to raise equity capital without the constraint of investment considerations at the IAC level;
- creating a "pure play" Vimeo equity currency in order to facilitate capital raising, strategic acquisitions and employee compensation;
- the potential increase in the aggregate equity value of Vimeo, including by permitting Vimeo to develop an investor base that focuses on companies similar to its business; and
- increasing transparency at Vimeo, including by allowing it to be covered by equity analysts who specialize in its industries.

Vimeo may not achieve these or other anticipated benefits for a variety of reasons, including, among others: (a) the fact that Vimeo will be more susceptible to market fluctuations and other adverse events following the consummation of the Spin-off, (b) the risk of litigation, injunctions or other legal proceedings relating to the Spin-off, (c) the Spin-off required and will require significant amounts of management time and effort, which may divert management attention from operating and growing Vimeo's business and (d) the other actions required to separate IAC's and Vimeo's respective businesses could disrupt Vimeo's operations. If Vimeo fail to achieve some or all of the benefits expected to result from the Spin-off, or if such benefits are delayed, Vimeo's business, financial condition and results of operations could be materially and adversely affected.

If the Spin-off were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, Vimeo and its stockholders could suffer material adverse consequences.

It was a condition to the completion of the Spin-off that IAC receives an opinion of IAC's outside counsel, among other things, to the effect that the Distribution will qualify as a "reorganization" within the meaning of Sections 368(a)(1)(D) and 355(a) of the Code. The opinion of counsel will be based upon and rely on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of IAC and Vimeo, including those relating to the past and future conduct of IAC and Vimeo. If any of these representations, statements or undertakings is, or becomes, inaccurate or incomplete, or if any of the representations or covenants contained in any of the transaction-related agreements and documents or in any document relating to the opinion of counsel are inaccurate or not complied with by IAC, Vimeo or any of their respective subsidiaries, the opinion of counsel may be invalid and the conclusions reached therein could be jeopardized.

Notwithstanding receipt of the opinion of counsel regarding the Distribution, the U.S. Internal Revenue Service (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 upon which the opinion of counsel were based are inaccurate or have not been complied with. The opinion of counsel represents the judgment of such counsel and is not binding on the IRS or any

court, and the IRS or a court may disagree with the conclusions in the opinion of counsel. Accordingly, notwithstanding receipt by IAC of the opinion of counsel, there can be no assurance that the IRS will not assert that the Distribution does not qualify for tax-free treatment for U.S. federal income tax purposes or that a court would not sustain such a challenge. In the event the IRS were to prevail with such a challenge, Vimeo and its stockholders could suffer material adverse consequences.

If the Distribution were to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, in general, for U.S. federal income tax purposes, IAC would recognize a taxable gain as if it had sold the Vimeo stock in a taxable sale for its fair market value. In such circumstance, IAC stockholders who received Vimeo common stock in the Distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. Even if the Distribution were otherwise to qualify as a tax-free transaction under Sections 355(a) and 368(a)(1)(D) of the Code, the Distribution may result in taxable gain to IAC, but not its stockholders, under Section 355(e) of the Code if the Distribution were deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50 percent or greater interest (by vote or value) in IAC or Vimeo. For this purpose, any acquisitions of IAC stock or Vimeo stock within the period beginning two years before, and ending two years after, the Distribution are presumed to be part of such a plan, although IAC or Vimeo may be able to rebut that presumption (including by qualifying for one or more safe harbors under applicable Treasury Regulations). Stockholders of IAC and Vimeo should consult with their own tax advisors regarding the tax consequences of the Spin-off.

In connection with the Spin-off, IAC and Vimeo entered into a tax matters agreement pursuant to which, among other things, each of IAC and Vimeo will be responsible for certain tax liabilities and obligations following the Spin-off. Under the tax matters agreement, Vimeo will generally be required to indemnify IAC for any taxes resulting from the failure of the Distribution to qualify for the intended tax-free treatment (and related amounts) to the extent that the failure to so qualify is attributable to (i) an acquisition of all or a portion of the equity securities or assets of Vimeo, whether by merger or otherwise (and regardless of whether Vimeo participated in or otherwise facilitated the acquisition), (ii) other actions or failures to act by Vimeo or (iii) any of the representations or undertakings made by Vimeo in any of the Spin-off related agreements or in the documents relating to the opinion of counsel being incorrect or violated. Any such indemnity obligations could be material. For further discussion of the tax matters agreement, see “Certain Relationships and Related Party Transactions — Relationship Between IAC and Vimeo After the Spin-Off — Tax Matters Agreement.”

Vimeo may not be able to engage in desirable capital-raising or strategic transactions following the Spin-off.

Under current U.S. federal income tax law, a distribution that otherwise qualifies for tax-free treatment can be rendered taxable to the distributing corporation and its stockholders, as a result of certain post-distribution transactions, including certain acquisitions of shares or assets of the corporation the stock of which is distributed. To preserve the tax-free treatment of the Distribution, the tax matters agreement will impose certain restrictions on Vimeo and its subsidiaries during the two-year period following the Distribution (including restrictions on share issuances, business combinations, sales of assets and similar transactions). The tax matters agreement will also prohibit Vimeo from taking or failing to take any other action that would prevent the Distribution from qualifying as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. These restrictions may limit the ability of Vimeo to pursue certain equity issuances, strategic transactions, repurchases or other transactions that it may otherwise believe to be in the best interests of its stockholders or that might increase the value of its business. For further discussion of these restrictions, see “Certain Relationships and Related Party Transactions — Relationship Between IAC and Vimeo After the Spin-Off — Tax Matters Agreement.”

After the Spin-off, actual or potential conflicts of interest may develop between the management and directors of IAC, on the one hand, and the management and directors of Vimeo, on the other hand, or between management and directors of either entity and the management and directors of Expedia Group, Inc. or Match Group, Inc.

After the completion of the Spin-off, the management and directors of IAC and Vimeo may own both IAC capital stock and Vimeo capital stock, and certain members of IAC’s senior management team are

directors of Vimeo after the Spin-off. This overlap could create (or appear to create) potential conflicts of interest when IAC's and Vimeo's directors and executive officers face decisions that could have different implications for IAC and Vimeo. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between IAC and Vimeo regarding terms of the agreements governing the Spin-off and the relationship between IAC and Vimeo thereafter, including the separation agreement, the employee matters agreement, the tax matters agreement, the transition services agreement or any commercial agreements between the parties or their affiliates. Potential conflicts of interest could also arise if IAC and Vimeo enter into any commercial arrangements in the future.

Additionally, Vimeo has a provision in its certificate of incorporation providing that no officer or director of Vimeo who is also an officer or director of IAC, Expedia Group or Match Group will be liable to Vimeo or its stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to any of such entities instead of Vimeo, or does not communicate information regarding a corporate opportunity to Vimeo that the officer or director has directed to any of such entities. The corporate opportunity provision may have the effect of exacerbating the risk of potential conflicts of interest between IAC and Vimeo, or between Vimeo and Expedia Group or Match Group, because the provision effectively shields an overlapping director/executive officer from liability for breach of fiduciary duty in the event that such director or officer chooses to direct a corporate opportunity to one of such entities instead of to Vimeo.

IAC may fail to perform under various transaction agreements that have been executed as part of the Spin-off.

In connection with the Spin-off, Vimeo and IAC entered into a separation agreement as well as various other agreements, including a transition services agreement, a tax matters agreement and an employee matters agreement. The separation agreement, the tax matters agreement and the employee matters agreement determine the allocation of assets and liabilities between the companies following the separation for those respective areas and include indemnification provisions related to certain liabilities and obligations. The transition services agreement provides for the performance of select services by IAC for the benefit of Vimeo, for a limited period of time after the Spin-off. Each party will rely on the other to satisfy its performance obligations under these agreements. If IAC is unable to satisfy its obligations under these agreements, including its indemnification obligations, it could have a material adverse effect on Vimeo's results of operations or financial condition.

Challenges in commercial, equity and credit markets may adversely affect the expected benefits of the Spin-off and Vimeo's future access to capital on favorable terms.

Volatility in the world financial markets could adversely impact the market for, or the liquidity of, Vimeo common stock, and/or affect Vimeo's ability to access the capital markets. In addition, Vimeo's ability to issue debt or enter into other financing arrangements on acceptable terms could be adversely affected by the volatility in the world financial markets or if there is a material decline in the demand for its products or in the solvency of its customers or suppliers or if there are other significantly unfavorable changes in economic conditions. These conditions may adversely affect the expected benefits of the Spin-off, including by increasing the time and expense involved in the Spin-off or the cost of borrowing after the Spin-off.

Vimeo's accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which it is subject as a standalone, publicly traded company following the Spin-off.

Vimeo OpCo's financial results previously were included within the consolidated results of IAC, and it believes its reporting and control systems were appropriate for those of subsidiaries of a public company. However, Vimeo and Vimeo OpCo were not directly subject to the reporting and other requirements of the Exchange Act. As a result of the Spin-off, Vimeo is directly subject to reporting and other obligations under the Exchange Act, including the requirements of Section 404 of the Sarbanes-Oxley Act, which will require annual management assessments of the effectiveness of its internal control over financial reporting and a report by its independent registered public accounting firm addressing these assessments. These reporting and other obligations will place significant demands on Vimeo's management, administrative and

operational resources, including accounting resources. Vimeo may not have sufficient time following the Spin-off to meet these obligations by the applicable deadlines.

Moreover, to comply with these requirements, Vimeo anticipates that it will need to place additional demands on management, migrate its systems, including information technology systems, implement additional financial and management controls, reporting systems and procedures and hire additional personnel. Vimeo expects to incur additional annual expenses related to these steps, and those expenses may be significant and could adversely affect Vimeo's cash flow and results of operations. If Vimeo is unable to implement its financial and management controls, reporting systems, information technology and procedures in a timely and effective fashion, Vimeo's ability to comply with its financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired. Moreover, there can be no assurance that Vimeo's implementation of additional systems or transition to new systems will be successful, or that such implementation or transition will not present unforeseen costs or demands on Vimeo's management. Any failure to achieve and maintain effective internal controls could result in adverse regulatory consequences and/or loss of investor confidence, which could limit Vimeo's ability to access the global capital markets and could have a material adverse effect on Vimeo's business, financial condition, results of operations, cash flows or the market price of Vimeo securities.

The terms Vimeo received in its agreements with IAC could be less beneficial than the terms it may have otherwise received from unaffiliated third parties.

The agreements Vimeo entered into with IAC in connection with the Spin-off, including the separation agreement, a tax matters agreement, an employee matters agreement, and an office lease, were prepared in the context of the Spin-off while Vimeo was still a subsidiary of IAC. Accordingly, during the period in which the terms of those agreements were prepared, Vimeo did not have an independent Board of Directors or a management team that was independent of IAC. As a result, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. See "Certain Relationships and Related Party Transactions — Relationship Between IAC and Vimeo Holdings After the Spin-off."

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on Vimeo's business, results of operations or financial condition.

As a public company, Vimeo is required to prepare its financial statements according to the rules and regulations required by the SEC. In addition, the Exchange Act requires that Vimeo file annual, quarterly and current reports. Vimeo's failure to prepare and disclose this information in a timely manner or to otherwise comply with applicable law could subject it to penalties under federal securities laws, expose it to lawsuits and restrict its ability to access financing.

In addition, the Sarbanes-Oxley Act requires that, among other things, Vimeo establish and maintain effective internal controls and procedures for financial reporting and disclosure purposes. Internal control over financial reporting is complex and may be revised over time to adapt to changes in Vimeo's business or changes in applicable accounting rules. Vimeo cannot assure its stockholders that its internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which Vimeo had previously believed that its internal controls were effective. If Vimeo is not able to maintain or document effective internal control over financial reporting, its independent registered public accounting firm will not be able to certify as to the effectiveness of its internal control over financial reporting.

Matters affecting Vimeo's internal controls may cause it to be unable to report its financial information on a timely basis, or may cause Vimeo to restate previously issued financial information, and thereby subject it to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in the company and the reliability of Vimeo's financial statements. Confidence in the reliability of Vimeo's financial statements is also likely to suffer if it reports, or its independent registered public accounting firm reports, a material weakness in Vimeo's internal control over financial

reporting. This could have a material adverse effect on Vimeo's business, results of operations or financial condition and could lead to a decline in the share price of Vimeo common stock or impair Vimeo's ability to raise additional capital.

Risks Relating to Vimeo Securities Following the Spin-off

The market price and trading volume of Vimeo securities may be volatile and may face negative pressure.

We cannot accurately predict how investors in Vimeo securities will behave after the Spin-off. The market price for Vimeo securities following the Spin-off may be more volatile than the market price of IAC securities before the Spin-off. Prior to the Spin-off, IAC owned Vimeo and the businesses that Vimeo will operate following the Spin-off. Therefore, prior to the Spin-off there was no trading market for Vimeo securities and the Vimeo securities issued in the Spin-off traded publicly for the first time post-Spin-off. Therefore, there may be significant fluctuations in price due to a variety of factors.

The market price of Vimeo securities could fluctuate significantly for many reasons, including the risks identified in this prospectus or reasons unrelated to Vimeo's performance. Among the factors that could affect Vimeo's stock price are:

- actual or anticipated fluctuations in operating results;
- changes in earnings estimated by securities analysts or in Vimeo's ability to meet those estimates;
- the operating and stock price performance of comparable companies;
- changes to the regulatory and legal environment under which Vimeo operates;
- changes in relationships with significant customers; and
- domestic and worldwide economic conditions.

These factors, among others, may result in short- or long-term negative pressure on the value of Vimeo securities.

The dual-class common stock structure of Vimeo may negatively impact the market price of its common stock.

We cannot predict whether the dual-class common stock structure of Vimeo, combined with the concentrated voting power of Mr. Diller and members of his family as the holders of all of the outstanding Class B common stock of Vimeo following the Spin-off, will result in a lower or more volatile market price of Vimeo common stock, or other adverse consequences.

For example, certain stock index providers, such as S&P Dow Jones, exclude companies with multiple classes of shares of common stock from being added to certain stock indices, including the S&P 500. In addition, several stockholder advisory firms and large institutional investors oppose the use of multiple class structures. As a result, the dual class structure of the common stock of Vimeo may prevent the inclusion of Vimeo common stock in such indices, may cause stockholder advisory firms to publish negative commentary about Vimeo's corporate governance practices or otherwise seek to cause Vimeo to change its capital structure, and may result in large institutional investors not purchasing shares of Vimeo common stock. Any exclusion from stock indices could result in a less active trading market for Vimeo common stock. Any actions or publications by stockholder advisory firms or institutional investors critical of Vimeo's corporate governance practices or capital structure could also adversely affect the value of Vimeo common stock.

The difference in the voting rights between the common stock and Class B common stock of Vimeo could also harm the value of its common stock to the extent that any investor or potential future purchaser of Vimeo common stock ascribes value to the right of holders of its Class B common stock to ten votes per share of Class B common stock, or could potentially result in the Class B common stock of Vimeo receiving higher consideration in a sale of such company than that paid to holders of Vimeo common stock. The existence of two classes of common stock could also result in less liquidity for Vimeo Class B common stock than if there were only one class of common stock.

Substantial sales of Vimeo common stock following the Spin-off, or the perception that such sales might occur, could depress the market price of Vimeo common stock.

Holders of IAC capital stock may not wish to continue to hold the shares of Vimeo capital stock that they will receive as a result of the Spin-off, which may lead to the disposition of a substantial number of shares of Vimeo common stock following the Spin-off. There is no assurance that there will be sufficient buying interest to offset any such sales, and, accordingly, the price of Vimeo common stock may be depressed by those sales, or by the perception that such sales may occur, and have periods of volatility.

Vimeo securities may not qualify for various investment indices. In addition, Vimeo securities may fail to meet the investment guidelines of institutional investors. In either case, these factors may negatively impact the price of Vimeo securities and may impair Vimeo’s ability to raise capital through the sale of securities.

Companies are generally selected for investment indices, and in some cases selected by institutional investors, based on factors such as market capitalization, industry, trading liquidity and financial condition. As an independent company, Vimeo initially has a lower market capitalization than IAC has today. As a result, Vimeo securities may not qualify for those investment indices despite the fact that IAC securities currently qualify for those same investment indices. In addition, Vimeo securities that are received in the Spin-off may not meet the investment guidelines of some institutional investors. Consequently, these index funds and institutional investors may have to sell some or all of the securities they receive in the Spin-off, and the prices of Vimeo securities may fall as a result. Any such decline could impair the ability of Vimeo to raise capital through future sales of securities.

Vimeo is not expected to declare any regular cash dividends in the foreseeable future.

Vimeo is not expected to pay cash dividends on its capital stock in the near term. Instead, it is anticipated that Vimeo’s future earnings will be retained to support its operations and to finance the growth and development of its business. Any future determination relating to Vimeo’s dividend policy will be made by Vimeo’s board of directors and will depend on a number of factors, including:

- Vimeo’s historical and projected financial condition, liquidity and results of operations;
- Vimeo’s capital levels and needs;
- tax considerations;
- any acquisitions or potential acquisitions that Vimeo may consider;
- statutory and regulatory prohibitions and other limitations;
- the terms of any credit agreements or other borrowing arrangements that will restrict Vimeo’s ability to pay cash dividends;
- general economic conditions; and
- other factors deemed relevant by Vimeo’s board of directors.

In the absence of dividends, investors may need to rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

Provisions in Delaware law and the Vimeo certificate of incorporation and by-laws could discourage, delay or prevent a change of control of Vimeo or changes in its management and, therefore, depress the trading price of its common stock.

The DGCL and the Vimeo certificate of incorporation and by-laws contain provisions that could discourage, delay or prevent a change in control of Vimeo or changes in its management that its stockholders may deem advantageous, including its dual-class structure and the existence of the high-vote common stock, and provisions which:

- authorize the issuance of “blank check” preferred stock that Vimeo’s board of directors could issue to increase the number of outstanding shares and to discourage a takeover attempt; and

- provide that Vimeo’s board of directors is expressly authorized to make, alter or repeal such company’s by-laws.

Any provision of Vimeo’s certificate of incorporation, its by-laws or Delaware law that has the effect of delaying, deterring or preventing a change in control could limit the opportunity for its stockholders to receive a premium for their shares of capital stock, and could also affect the price that some investors are willing to pay for such capital stock.

The Vimeo by-laws designate the Delaware Court of Chancery or, in some cases, the federal district courts of the United States as the sole and exclusive forum for certain types of actions or proceedings that may be initiated by its stockholders, which could discourage lawsuits against Vimeo and its directors, officers and significant stockholders.

The Vimeo by-laws provide that, unless Vimeo consents in writing to the selection of an alternative forum, the Delaware Court of Chancery (or, if the Delaware Court of Chancery lacks jurisdiction, another state or federal court located within the State of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for:

- any derivative action or proceeding brought on behalf of Vimeo;
- any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director, officer, other employee or agent or stockholder of Vimeo to Vimeo or its stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty;
- any action asserting a claim against Vimeo or any current or former director, officer, other employee or agent or stockholder of Vimeo arising pursuant to any provision of the DGCL, the certificate of incorporation or the by-laws;
- any action asserting a claim related to or involving Vimeo or any current or former director, officer, other employee or agent or stockholder that is governed by the internal affairs doctrine; and
- any action asserting an “internal corporate claim,” as that term is defined in Section 115 of the DGCL.

In addition, the Vimeo by-laws provide that, unless Vimeo consents in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act against any person in connection with any offering of Vimeo securities. The exclusive forum provisions do not apply to suits brought to enforce any liability or duty created by the Exchange Act.

The enforceability of similar exclusive forum provisions in other companies’ organizational documents has been challenged in legal proceedings, and it is possible that a court could find the exclusive forum provisions contained in the Vimeo by-laws to be inapplicable or unenforceable.

These exclusive forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that such stockholder may find favorable for disputes with Vimeo or its directors, officers, employees, agents or stockholders, may discourage lawsuits with respect to such claims and may increase the costs to bring such claims. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, Vimeo may incur additional costs associated with resolving such disputes in other jurisdictions, which could have an adverse impact on Vimeo’s business and financial condition.

If securities or industry analysts do not publish research or publish unfavorable research about Vimeo, its stock price and trading volume could decline.

The trading market for Vimeo common stock will be influenced by the research and reports that industry or securities analysts publish about Vimeo and its business. If one or more of these analysts ceases coverage, or fails to publish reports about Vimeo regularly, Vimeo could lose visibility in the financial markets, which in turn could cause its stock price or trading volume to decline. Moreover, if Vimeo’s operating results do not meet the expectations of the investor community, one or more of the analysts who cover Vimeo may change their recommendations regarding Vimeo, and its stock price could decline.

Risks Relating to Vimeo and the Vimeo Business Following the Spin-off

Vimeo has a limited operating history as a pure software-as-a-service (“SaaS”) company.

In its 16-year history, Vimeo (through Vimeo OpCo) has explored or experimented with various service offerings, including a proprietary streaming service, and various monetization methods, including advertising, transactions and subscriptions. While Vimeo has offered subscription plans since 2008, Vimeo did not decide to focus primarily on SaaS offerings until 2017. In addition, Vimeo has only operated an enterprise-focused sales operation since 2017, when it acquired Livestream.

Mr. Diller, certain members of his family and Mr. Levin will be able to exercise significant influence over the composition of Vimeo’s Board of Directors, matters subject to stockholder approval and Vimeo’s operations.

As of April 5, 2021, Mr. Diller, his spouse, Diane von Furstenberg, and his stepson, Alexander von Furstenberg, collectively held shares of IAC Class B common stock and IAC common stock that represented approximately 41% of the total outstanding voting power of IAC (based on the number of shares of IAC common stock outstanding and entitled to vote as of April 5, 2021) and they collectively hold shares of Vimeo Class B common stock and Vimeo common stock that represent approximately 41% of the total outstanding voting power of Vimeo immediately following the Spin-off. The Vimeo shares are also subject to a voting agreement with Mr. Levin, IAC’s Chief Executive Officer and the Chairman of the Vimeo Board of Directors.

As a result of Vimeo securities that are beneficially owned by these individuals following the completion of the Spin-off, such individuals will be, collectively, in a position to influence (subject to Vimeo’s organizational documents and Delaware law), the composition of Vimeo’s Board of Directors and the outcome of corporate actions requiring shareholder approval, such as mergers, business combinations and dispositions of assets, among other corporate transactions. The disparity between the voting power of the holders of the Vimeo Class B common stock and the corresponding economic ownership position could also create incentives for such holders to either seek to obtain benefits for themselves (in the form of compensation or other contractual benefits, for example) in a form not available to all stockholders on a pro rata basis. In addition, this concentration of investment and voting power could discourage others from initiating a potential merger, takeover or other change of control transaction that may otherwise be beneficial to Vimeo and its shareholders, which could adversely affect the market price of Vimeo securities.

In addition, the holders of the Vimeo Class B common stock could sell all or a portion of those shares to a third party, which could result in the purchaser obtaining significant influence over Vimeo, the composition of Vimeo’s Board of Directors, matters subject to stockholder approval and Vimeo’s operations, without consideration being paid to holders of shares of Vimeo common stock, and without holders of shares of Vimeo common stock having a right to consent to the identity of such purchaser.

Vimeo has a history of losses.

The Vimeo business has not earned a profit in any full fiscal year since its inception, and it cannot be certain as to when Vimeo will achieve or maintain profitability. Because the market for SaaS video services is rapidly evolving and highly competitive, Vimeo must continue to invest in research and development. If such investment does not allow Vimeo to scale or attract and retain users and subscribers, Vimeo will not be able to achieve profitability.

Vimeo’s recent and rapid growth may not be indicative of future performance.

The growth Vimeo experienced during the first nine months of 2020 may be partly or largely attributable to increased demand for online video due to social distancing undertaken in response to the COVID-19 pandemic. If the COVID-19 pandemic ends and the level of demand for online video returns to pre-pandemic levels, then the growth rates Vimeo achieved in 2020 may not be indicative of growth rates in future periods. In addition, a prolonged economic downturn caused by the COVID-19 pandemic could ultimately reduce demand by reducing businesses’ ability to pay for Vimeo’s services.

Vimeo's growth and profitability depend upon a wide variety of factors, some of which are out of Vimeo's control.

Whether Vimeo can grow its revenue and ultimately achieve profitability will depend upon a number of factors including:

- Vimeo's reputation and brand recognition;
- demand for the types of video services Vimeo offers;
- the actual and perceived quality, integrity and value of the video services Vimeo provides;
- Vimeo's development and timely deployment of innovative video services that provide value to its users and subscribers;
- Vimeo's ability to price its video services competitively;
- Vimeo's ability to acquire new subscribers sustainably, through a combination of organic efforts (continuing to convert a meaningful portion of its free user base into paying subscribers), paid acquisition (marketing), sales efforts (for enterprise) and partnerships;
- Vimeo's ability to retain and upsell existing subscribers by continuing to provide them with value;
- the scalability of Vimeo's technology platform;
- the quality of Vimeo's support and onboarding efforts for users and subscribers;
- the growth of Vimeo's employee base in a highly competitive market for talent;
- Vimeo's ability to expand internationally;
- Vimeo's ability to successfully integrate new businesses that it acquires;
- changes in laws that allow Vimeo to host and distribute large quantities of user and subscriber content; and
- domestic and global macroeconomic conditions.

Vimeo's total addressable market may prove to be smaller than it expects.

While Vimeo believes, based upon internal data, that every small and mid-sized business and every larger enterprise will need an online video presence to succeed, the number of entities that are willing and able to pay fees for software-based video services may not be as large as it expects. Vimeo has not conducted research by a third party to validate its data and thesis.

Prior to the Spin-off, Vimeo has no experience as a standalone public company.

Prior to the Spin-off, Vimeo's executive officers did not have experience as officers of a publicly traded company. Transitioning to a public company may distract management from its focus on Vimeo's core business. In addition, both the Spin-off and registration of Vimeo securities will require Vimeo to incur new significant new expenses, particularly in the areas of finance, legal and human resources, that were previously incurred by IAC.

Vimeo may need additional funding as Vimeo continues to invest in research and development and expand internationally.

Vimeo may need to raise additional funds by way of a primary offering of shares of Vimeo common stock, which would dilute existing shareholders. Vimeo may also raise additional funds through additional borrowings. To obtain such funding, Vimeo may need to pledge assets and agree to certain financial covenants.

Vimeo may not have the right product/market fit.

Vimeo's business depends upon attracting new subscribers and retaining existing ones. To do so, it must provide products with an attractive value proposition. Vimeo may fail to do that if it:

- fails to innovate and provide new and useful features that its users and subscribers want;
- releases products that fail to reliably operate (due to bugs or service interruptions);
- releases products too late relative to competitors;
- prices its products in an uncompetitive manner; or
- fails to educate its users and subscribers about its features.

Vimeo may not be able to convert its free users into subscribers.

An essential part of Vimeo’s strategy for attracting subscribers depends upon offering basic services for free and converting a certain portion of its free users into subscribers over time. While a majority of Vimeo subscribers began as free users, only a small percentage of free users become paying users over time. Vimeo’s ability to convert users into subscribers at this or a higher rate may not materialize if:

- the number of free users Vimeo attracts declines, which could occur due to, among other things, reduced visibility of its brand or services;
- Vimeo overestimates the number of free users who have the propensity to pay due to issues with duplicative, fraudulent or spam accounts;
- Vimeo’s free users do not repeatedly use the free product, either because they are unaware of the features Vimeo offers or because the features are not perceived as useful;
- Vimeo fails to optimize the conversion of free users by communicating the value of its subscription plans;
- Vimeo experiences headwinds in its international expansion due to variety of reasons, including language and cultural barriers, as well as unfavorable regulatory environments; or
- Vimeo’s service offerings and pricing are not competitive.

If Vimeo’s efforts to convert free users into subscribers do not succeed, it will have to rely more heavily on paid marketing efforts to acquire new subscribers and therefore achieve growth. Such a shift would cause Vimeo to incur higher costs in acquiring users, which would reduce its profits.

Competition in Vimeo’s market is intense.

Vimeo operates in a highly competitive market. It competes with both large social media networks and a variety of niche software providers for business customers. Large social media networks provide their services for free and offer features such as a large built-in audience, social media features and the ability to monetize through advertising. Niche providers include large, well-funded companies and new entrants. Either may be able to provide more compelling features than Vimeo within their area of focus. In addition, Vimeo expects that more competitors will emerge given the relatively low barriers to entry for software-based video creation applications, particularly mobile-based applications. New competitors could take the form of start-ups or large, well-funded companies that already operate in markets adjacent to Vimeo.

Vimeo may not be able to scale its business effectively.

Vimeo may not be able to capitalize on the market’s demand for video if it cannot scale its operations. For example, Vimeo might experience delays in onboarding new customers and responding to increased customer support tickets, and it may not be able to handle increased loads on its servers during peak times. All of these things would result in missed opportunities or user and subscriber frustration that could negatively affect user and subscriber growth and retention.

Vimeo may experience service interruptions.

Vimeo typically does not provide 100% uptime across its video services in any given month. This may be due to technical errors (bugs), human error (by employees and contractors), interruptions experienced by key vendors (such as cloud-based service or payment providers), higher than anticipated traffic and/or

cyberattacks. Interruptions in key aspects of Vimeo’s video services (notably, video delivery and payment processing) could result in lost business, credits payable to subscribers with service level agreements, increased user and subscriber support tickets, remediation costs and increased subscriber churn (lost renewals). In severe cases, Vimeo could face litigation or reputational risk, particularly if an interruption occurs during a high-profile event.

Hosting and delivery costs may increase unexpectedly.

Hosting and delivery costs comprise the largest component of Vimeo’s cost of goods sold and thus materially influences its gross margin. These costs could increase unexpectedly if Vimeo experiences rapid growth over a short period of time (either in terms of users and subscribers or bandwidth consumed), it fails to address subscribers who use more bandwidth than its plans permit (*e.g.*, either by failing to charge them overage fees or by failing to limit their bandwidth) or Vimeo fails to distribute increased bandwidth across its content delivery network (CDN) vendors in a cost-optimal manner by, for example, moving traffic to the lowest-cost provider. Vimeo may not be able to pass these costs onto subscribers.

The success of Vimeo will depend upon its continued ability to identify, hire, develop, motivate and retain highly skilled individuals worldwide.

In order to build and scale its business, Vimeo will need to further increase its employee base, particularly in the areas of engineering, product development, sales (domestically and internationally), customer support and shared services. Vimeo’s ability to attract and retain talent and to fully experience the benefits of that talent depends upon:

- Vimeo’s reputation;
- Vimeo’s compensation and benefit packages;
- Vimeo’s ability to successfully onboard new employees;
- Vimeo’s commitment to diversity, equity, and inclusion;
- Vimeo’s ability to maintain its corporate culture while growing headcount, adding employees in new countries and locations and operating on a largely remote basis during the pendency of the COVID-19 pandemic (for further details, see “Risks Relating to Vimeo and the Vimeo Business Following the Spin-off — The novel coronavirus that causes the disease known as COVID-19 has caused a global health crisis that has caused significant economic and social disruption”); and
- the competitive landscape in the geographic markets for talent in which Vimeo competes.

Vimeo’s compensation packages may not be sufficient.

While Vimeo has established compensation programs (which include cash compensation, equity-based programs and other benefits) to attract and retain employees, these compensation arrangements may not be sufficient in the highly competitive labor market in which it participates. Large competitors and non-competitors in the technology space may offer compensation arrangements that may significantly exceed those that Vimeo is able to offer. If Vimeo fails to provide competitive compensation arrangements, it may fail to attract and retain talent. In addition, if Vimeo does not ensure the effective transfer of knowledge to successors and smooth transitions (particularly in the case of senior management), its business may be adversely affected. On the other hand, if Vimeo increases compensation levels in a significant way in order to compete for talent, its profitability could suffer.

Vimeo may fail to attract or retain employees for issues that negatively impact Vimeo’s image.

Vimeo’s ability to attract and retain employees could also be adversely affected by issues that negatively impact its image, such as incidents of actual or perceived discrimination, controversial business decisions, including decisions about user content, and issues with the quality of our products (such as bugs or interruptions in services, among other issues).

Vimeo's success depends, in substantial part, on its ability to market, distribute and monetize its products and services through search engines, digital app stores and social media platforms.

The marketing, distribution and monetization of Vimeo's products and services depend on its ability to cultivate and maintain cost-effective and otherwise satisfactory relationships with search engines, digital app stores and social media platforms, in particular, those operated by Apple, Google and Facebook. These platforms could decide not to market and distribute some or all of Vimeo's products and services, change their terms and conditions of use at any time (and without notice), favor their own products and services over those of Vimeo and/or significantly increase their fees. While Vimeo expects to maintain cost-effective and otherwise satisfactory relationships with these platforms, no assurances can be provided that Vimeo will be able to do so and its inability to do so in the case of one or more of these platforms could have a material adverse effect on Vimeo's business, financial condition and results of operations.

In particular, as consumers increasingly access Vimeo's products and services through applications (both mobile and desktop), Vimeo increasingly depends upon the Apple App Store, Google Play Store and Google's Chrome Web Store to distribute its mobile and desktop browser applications. Both Apple and Google have broad discretion to change their respective terms and conditions applicable to the distribution of Vimeo's applications, including those relating to the amount of (and requirement to pay) certain fees associated with purchases facilitated by Apple and Google through Vimeo's applications, their ability to interpret their respective terms and conditions in ways that may limit, eliminate or otherwise interfere with Vimeo's ability to distribute its applications through their stores, the features Vimeo may provide in its products and services, Vimeo's ability to access information about its subscribers and users that they collect and the manner in which Vimeo markets in-app products. Apple or Google could also make changes to their operating systems or payment services that could negatively affect Vimeo. No assurances can be provided that Apple and/or Google will not interpret their respective terms and conditions in the manner described above and to the extent either or both of them do so, Vimeo's business, financial condition and results of operations could be adversely affected.

While some of Vimeo's mobile applications are generally free to download from the Apple App and Google Play Stores, many of them are subscription-based. While Vimeo determines the prices at which these subscriptions are sold, currently, all related purchases must be processed through the in-app payment systems provided by these stores, for which Vimeo pays these stores a meaningful share (generally 30% for the first 12 months, and 15% thereafter) of the related revenue it receives. Given the increasing distribution of its mobile applications through digital app stores and strict in-app payment system requirements, Vimeo may need to offset increased digital app store fees by decreasing traditional marketing expenditures as a percentage of revenue, increasing user volume or monetization per user or engaging in other efforts to increase revenue or decrease costs generally, or its business, financial condition and results of operations could be adversely affected.

In addition to Vimeo's current branded apps, one of the services Vimeo offers subscribers (for its Vimeo OTT service) is the ability to reach their viewers using apps on various platforms' operating systems, including those of Apple, Google, Amazon Fire, Roku, and Microsoft's Xbox. These apps use Vimeo technology but feature the subscriber's branding. Changes in platform policies may make it more difficult or expensive for Vimeo Holdings to release and maintain its subscribers' apps.

Vimeo depends on integrations with third parties to enable key features of its video services and to acquire new subscribers.

Some of Vimeo's video services are integrated, typically through application programming interfaces ("APIs"), with numerous third parties, including companies that compete with Vimeo. For example, Vimeo provides a "publish to social" feature which allows its users and subscribers to publish their videos to their accounts on Facebook and/or YouTube. This type of feature makes Vimeo's video services valuable because it effectively allows Vimeo to serve as a hub for managing all of the videos for a given user or subscriber across numerous platforms. If platforms change their policies to no longer permit this feature, Vimeo's video services would be less attractive to its users and subscribers.

Vimeo depends on key third-party vendors to provide core services.

Vimeo depends on third-party vendors to, among other things, provide customer support, develop software, host videos uploaded by its users, transcode videos (compressing a video file and converting it into a standard format optimized for streaming), stream videos to viewers and process payments. Specifically, Google Cloud Service (“GCS”) provides Vimeo with hosting and transcoding services, Amazon S3 provides Vimeo with hosting services and Vimeo uses multiple CDNs to deliver traffic worldwide. Certain of these third-party vendors have experienced outages in the past that have caused key Vimeo video services to be unavailable for several hours. Vimeo does not have backup systems for GCS or Amazon S3. Consequently, outages in those services materially affect its video services. Outages may expose Vimeo to having to offer credits to subscribers, loss of subscribers and reputational damage. Vimeo may not be able to full offset these losses with any credits it might receive from its vendors.

Vimeo depends on search engines and social media networks for traffic.

Vimeo depends on search engines and social media networks to acquire traffic to its website. These third parties have the ability to influence who reaches Vimeo’s website and video services through algorithmic search rankings and other policy decisions, which are subject to frequent change. Some of these third parties or their affiliates compete with Vimeo and may have an incentive to favor their competing services over Vimeo’s. In the past, traffic to Vimeo’s website and video services has been negatively impacted as a result of certain policy changes by both search engines and social media networks.

Vimeo depends on internet service providers (“ISPs”) to deliver traffic to end users and subscribers.

For Vimeo’s video services to operate, users and subscribers must have a connection to the internet. Typically, Vimeo users and subscribers access the internet through a wireline or wireless data service offered by ISPs such as AT&T, Comcast and/or Verizon. There is currently no federal regulation in the U.S. limiting the practices that ISPs may use to impact data flowing from websites and online applications to users and subscribers of online products and services generally. As a result, ISPs could discriminate against data that Vimeo delivers to users or subscribers (or data its users upload to it) by blocking it outright, slowing it down or otherwise degrading its quality vis-à-vis competing traffic. ISPs could also cause their customers to favor competing services by “zero rating” traffic to and from Vimeo competitors (in other words, not counting competitor traffic against an ISP customer’s data caps) but declining to zero rate its traffic. These practices could make Vimeo less attractive as a provider of video services. Alternatively, Vimeo may have to pay fees to ISPs to maintain parity with competitors, which could adversely affect its profitability.

Vimeo’s business involves hosting large quantities of user content.

Vimeo does not (and cannot undertake to) review all or even a significant portion of the videos uploaded to its platform to ensure that the videos do not violate any law or third-party rights. Some of the videos uploaded to Vimeo’s platform will invariably violate a third party’s rights or a law, rule or regulation, and if so, Vimeo could, in turn, face lawsuits, liability and negative publicity for hosting such content.

Vimeo has been sued for hosting content that allegedly infringed on a third-party copyright.

Vimeo cannot guarantee that it will be shielded from third-party copyright infringement lawsuits and related liability for hosting user and subscriber content by laws such as the online safe harbor provisions of the Digital Millennium Copyright Act of 1998 (“DMCA”), which are intended to limit the liability of online providers with respect to user- and subscriber-uploaded content. In addition, even if Vimeo ultimately succeeds in demonstrating that the DMCA limits its liability, litigating these issues is costly and time-consuming. For details regarding pending lawsuits of this nature, see “Business — Legal Proceedings.”

Some countries outside of the United States have laws that, like the DMCA, limit the copyright infringement liability of service providers. However, these laws may impose different requirements upon Vimeo and may not protect it to the same degree as the DMCA. Vimeo cannot guarantee that it will be compliant with foreign requirements. For example, as described in the section entitled “Business — Legal Proceedings,” we have been sued in Italy for the copyright infringement of our users.

If the laws limiting Vimeo’s liability for user and subscriber copyright infringement are changed, either by amendment, regulatory action or judicial interpretation, Vimeo could face increased compliance costs and increased risk of liability for copyright infringement. In 2020, Congress held hearings on whether the DMCA ought to be amended. In 2018, the European Union passed Article 17 to revise the EU’s existing framework for limiting the liability of service providers for copyright infringement. EU member state laws that implement Article 17 (which must be done by July 2021) may require Vimeo to undertake new and costly screening activities or to obtain costly licenses from rights holders or both.

Vimeo may face liability for hosting a variety of tortious or unlawful materials.

In the United States, Section 230 of the Communications Decency Act generally limits Vimeo’s liability for hosting tortious and otherwise illegal content. The immunities conferred by Section 230 could be narrowed or eliminated through amendment, regulatory action or judicial interpretation. In 2018, Congress amended Section 230 to remove immunities for content that promotes or facilitates sex trafficking and prostitution. In 2020, various members of Congress introduced bills to further limit Section 230, and a petition was filed by a Department of Commerce entity with the Federal Communications Commission to commence a rulemaking to further limit Section 230.

Laws like Section 230 generally do not exist outside of the United States, and some countries have enacted laws that require online content providers to remove certain pieces of content within short time frames. For example, in 2020, France enacted a law requiring covered social media networks to remove terror content within one hour upon receiving notice. If Vimeo fails to comply with such laws, it could be subject to prosecution or regulatory proceedings. In addition, some countries may decide to ban Vimeo’s service based upon a single piece of content. Vimeo has been subject to temporary bans in certain countries, including India, Russia and Turkey, for hosting content that those governments determined to be illegal.

Vimeo may also face liability when it removes content and accounts that it believes are violating its acceptable use policy, and Vimeo has been sued in the past for certain content-removal decisions. While Vimeo believes that Section 230 allows it to restrict or remove certain categories of content, its protections may not always end a lawsuit at an early stage, potentially resulting in costly and time-consuming litigation.

Vimeo has faced negative publicity for removing, or declining to remove, certain content, regardless of whether such content violated any law.

Individuals and groups may upload controversial content to Vimeo’s platform. Removing or failing to remove such content may result in negative publicity, which could harm its efforts to attract and retain users and subscribers. Vimeo has also faced criticism from users and subscribers for removing content and terminating accounts in compliance with the DMCA.

Vimeo collects, stores, and processes large amounts of video content (including videos that are not intended for public consumption) and personal information of its users and subscribers.

Vimeo collects, stores and processes large amounts of video content (including videos that are not intended for public consumption) and personal information of its users and subscribers. Vimeo also shares such information, where appropriate, with third parties that help it operate its business. Despite Vimeo’s efforts, it may fail to properly secure its systems and its user and subscriber data. This could be caused by technical issues (bugs), human error or internal or external malfeasance, and could lead to unauthorized disclosure of data, unauthorized changes or data losses. For example, Vimeo routinely receives reports from security researchers regarding potential vulnerabilities in its applications. The existence of such vulnerabilities, if undetected or detected but not remediated, could result in unauthorized access to Vimeo systems or the data of Vimeo users and subscribers.

A data breach could expose Vimeo to regulatory actions and litigation. Depending on the circumstances, Vimeo may be required to disclose a suspected breach to regulators, affected individuals and/or the public. This could lead to regulatory actions, including the possibility of fines, class-action or traditional litigation by affected individuals, reputational harm, costly investigation and remedial efforts, the triggering of indemnification obligations under data-protection agreements with subscribers, vendors, and partners and/or higher premiums for cyber insurance.

Vimeo has been the target of cyberattacks by malicious actors.

Malicious actors may use a variety of techniques to interfere with or gain access to Vimeo’s systems, including hacking (exploiting software vulnerabilities), social engineering (gaining access to internal systems through employees), malware, ransomware and denial of service attacks (sending large quantities of traffic in an attempt to overload our servers). Vimeo may fail to adequately defend against such attacks. If not prevented or mitigated, cyberattacks could result in a data breach, loss of data and business interruption, any of all of which could adversely affect Vimeo’s business.

Some malfeasance could also be directed at the accounts of Vimeo users and subscribers (as opposed to Vimeo’s systems). For example, Vimeo has experienced cases where user and subscriber accounts were compromised due to password guessing or credential stuffing arising from a breach of account credentials on third-party services. These situations take time to remediate and are frustrating for Vimeo users and subscribers, some of whom may blame Vimeo for the relevant cyberattack.

Vimeo may fail to comply with applicable privacy laws.

Vimeo is subject to numerous laws governing the use of personal information, including sensitive personal information, such as financial information and demographic information. Vimeo has been sued for violating the Illinois Biometric Protection Act, which regulates the collection and use of biometric information (see the section entitled “Business — Legal Proceedings”). The failure to comply with applicable privacy laws could lead to regulatory actions, including the possibility of fines, class-action or traditional litigation, reputational harm and/or costly investigation and remedial efforts.

Compliance obligations imposed by new privacy laws or industry practices may adversely affect Vimeo’s business.

New laws could restrict Vimeo’s ability to conduct marketing (by, for example, restricting the emailing or targeting users or use certain technologies like artificial intelligence). Similarly, private-market participants may deploy technologies or require certain practices that limit Vimeo’s ability to obtain or use certain information about its users and subscribers. For example, Google has indicated that it will ultimately phase out the use of cookies to track users of its search services in future versions of its Chrome web browser, and Apple has indicated that a future update to its iOS mobile operating system will require app developers to obtain opt-in consent before tracking users of its various services. If these types of changes are implemented, Vimeo’s ability to determine how its users and subscribers are using its video services and to use targeted advertising in a cost-effective manner may be limited.

Vimeo’s ability to transfer personal information to the United States may be restricted.

Some countries outside of the United States (particularly those states that are members of the European Union) may limit the transfer of data regarding their residents to other countries. Such laws have the potential to adversely affect Vimeo’s business. For example, prior to June 2020, many United States companies (including Vimeo) participated in the U.S.-EU and U.S.-Swiss “Privacy Shield” program, which provided a basis on which to transfer personal information from the EU and Switzerland to the U.S. In June 2020, the EU High Court of Justice determined that the program did not adequately protect EU residents’ privacy rights. Vimeo did not rely solely on the Privacy Shield program to transfer data from the EU to the U.S. and has continued to transfer data from the EU to the U.S. under other legal bases. If those other legal bases were to be invalidated, Vimeo may have to stop transferring personal data from the EU. This could require Vimeo to host personal EU data within the EU and not transfer it outside of the EU. Should this occur, it would face higher costs and operational challenges, which could adversely affect its business and gross margin.

Vimeo depends on vendors to process transactions.

Vimeo relies on payment card transactions to earn revenue from its self-serve subscription plans. Vimeo does not directly process credit cards. Instead, it relies exclusively on third-party vendors to process such payments. While this avoids it having to acquire credit card numbers in the first instance, it makes Vimeo

dependent on payment vendors such as credit card processing companies. These vendors have experienced interruptions and errors that have caused Vimeo to lose revenue.

Vimeo may fail to comply with laws regulating subscriptions and free trials.

Subscriptions to Vimeo’s video services automatically renew unless the subscriber cancels the subscription before the end of the current period, and Vimeo often provides free or discounted trial periods. There are various laws regulating such offers, such as the U.S. Restore Online Shoppers Confidence Act (“ROSCA”) and analogous state-level laws. Non-compliance could result in voided contracts, lost revenue, damages and class action or traditional lawsuits.

Changes in laws or industry practices concerning subscription services may have a negative impact on renewal rates.

New laws or interpretations of existing laws may impose obligations that make it difficult or impossible to implement the automatic renewal of subscription to Vimeo’s video service. For example, if Vimeo were required to obtain express opt-in consent for automatic renewal of its video service and were not permitted to deny transactions to people who fail to opt-in, the related rate of renewal would likely decrease substantially. Similarly, private entities involved in payment collection and processing may also effectively regulate subscriptions to Vimeo’s video services. Failure to comply with these rules could result in Vimeo’s inability to process automatic renewals. Finally, Vimeo has no control over policy decisions by app platforms regarding automatic renewals. Policy changes by app platforms could adversely impact Vimeo’s renewal rates for subscription to its video services, and in turn, its business.

The sale of Vimeo’s products are subject to a variety of sales, use and value-added taxes, both in the United States and worldwide.

In 2018, in *South Dakota v. Wayfair*, the United States Supreme Court held that states may charge taxes on purchases made by their residents from out-of-state sellers who have no physical nexus to the state. As a result of this decision, Vimeo is subject to taxes in states where one or more of its services is taxable, the state permits taxation based upon economic nexus, and Vimeo meets certain thresholds. Vimeo is also, as before, subject to taxes in states in which it maintains a physical presence. Vimeo cannot guarantee complete tax compliance. Vimeo is currently involved in one voluntary disclosure proceeding in one United States state concerning the non-payment of a certain tax.

Vimeo may be subject to digital services taxes (“DSTs”) in a variety of countries.

A DST typically levies a tax rate on a company’s total revenue derived from a country from covered digital activities, which may include online advertising, online transactions or operating certain types of online businesses, such as a social media network. Countries including the UK and France have passed DST laws and more countries are considering them. Depending on the scope of the law and its revenue thresholds, some of Vimeo’s revenue could be in scope for DST taxation. Vimeo may or may not be able to pass along the cost of such additional taxes to subscribers in the taxing countries.

The historical financial information and pro forma financial information, as well as certain Vimeo operating metrics, included in this prospectus may not be indicative of Vimeo’s future results.

The historical financial information and pro forma financial information included in this prospectus may not reflect what Vimeo’s results of operations, financial position and cash flows would have been as an independent company during the periods presented, or be indicative of what Vimeo’s results of operations, financial position and cash flows may be in the future.

In addition, the pro forma financial information included in this prospectus is based, in part, upon a number of estimates and assumptions. These estimates and assumptions may prove not to be accurate, and, accordingly, the pro forma financial information should not be assumed to be indicative of what Vimeo’s financial condition or results of operations actually would have been as a separate company and may not be a reliable indicator of what Vimeo’s financial condition or results of operations may be in the future.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes and incorporates by reference “forward-looking statements” within the meaning of the securities laws. All statements that are not historical facts are “forward-looking statements.” The words “estimate,” “project,” “intend,” “expect,” “believe,” “anticipate” and similar expressions, and statements concerning strategy, identify forward-looking statements. These forward-looking statements include, among others, statements regarding future financial performance, anticipated trends and prospects in the markets and industries in which Vimeo operates, business prospects and strategies, including with respect to the Spin-off and the Vimeo merger, and statements relating to Vimeo’s anticipated financial position, liquidity and capital needs. For those statements, Vimeo claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Forward-looking statements reflect Vimeo’s judgment and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Although Vimeo believes that the estimates and projections reflected in the forward-looking statements are reasonable, these expectations may prove to be incorrect. Other unknown or unpredictable factors also could have material adverse effects on Vimeo’s future results, performance or achievements. When considering forward-looking statements, you should keep in mind the factors described under the caption “Risk Factors.” Important factors, some of which are described under the caption “Risk Factors,” that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, among others:

- risks and uncertainties discussed in this prospectus and other reports that Vimeo has filed with the SEC;
- the impact of the COVID-19 pandemic, or any subsequent or similar epidemic or pandemic;
- Vimeo’s continued ability to successfully market, distribute and monetize its products and services through search engines, digital app stores and social media platforms;
- Vimeo’s ability to market its products and services in a successful and cost-effective manner;
- the continued display of links to websites offering Vimeo products and services in a prominent manner in search results;
- changes in Vimeo’s relationship with (or policies implemented by) Google or Apple;
- Vimeo’s ability to compete;
- the failure or delay of the markets and industries in which Vimeo’s business operates to migrate online;
- adverse economic events or trends (particularly those that adversely impact consumer confidence and spending behavior), either generally and/or in any of the markets in which Vimeo’s business operates;
- changes in policies implemented by third party platforms upon which Vimeo’s business relies for traffic and distribution of mobile apps;
- increased competition in the online video category;
- Vimeo’s ability to convert visitors into uploaders and uploaders into paying subscribers, our ability to retain paying subscribers by maintaining and improving our value proposition, our ability to provide video storage and streaming in a cost-effective manner;
- Vimeo’s ability to successfully scale its enterprise business;
- Vimeo’s ability to build, maintain and/or enhance its brands;
- Vimeo’s ability to develop and monetize versions of its products and services for mobile and other digital devices;
- Vimeo’s continued ability to communicate with users and consumers via email (or other sufficient means);

- Vimeo’s ability to access, collect and use personal data about its users and subscribers;
- Vimeo’s ability to successfully offset increasing digital app store fees;
- Vimeo’s ability to protect their systems from cyberattacks and to protect personal and confidential user information;
- the occurrence of data security breaches, fraud and/or additional regulation involving or impacting credit card payments;
- the integrity, quality, scalability and redundancy of Vimeo’s systems, technology and infrastructure (and those of third parties with whom it does business);
- changes in key personnel;
- Vimeo’s ability to service its respective outstanding indebtedness and interest rate risk;
- foreign exchange currency rate fluctuations,
- operational and financial risks relating to acquisitions and Vimeo’s ability to identify suitable acquisition candidates;
- Vimeo’s ability to operate in (and expand into) international markets successfully;
- regulatory changes;
- Vimeo’s ability to adequately protect their intellectual property rights and not infringe the intellectual property rights of third parties;
- the possibility that Vimeo’s historical results may not be indicative of future results;
- the risks inherent in separating Vimeo from the other businesses of IAC, including uncertainties related to, among other things, the costs and expected benefits of the Spin-off, any litigation arising out of or relating to the Spin-off, the expected tax treatment of the Spin-off and the impact of the Spin-off on the Vimeo business;
- risks relating to the Vimeo merger, including uncertainties related to, among other things, any litigation arising out of or relating to the Vimeo merger, and the tax consequences of the Vimeo merger; and
- other circumstances beyond Vimeo’s control.

Vimeo believes these forward-looking statements are reasonable. However, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. Vimeo is not under any obligation, and Vimeo does not intend, to make publicly available any update or other revisions to any of the forward-looking statements contained in this prospectus to reflect circumstances existing after the date of this prospectus or to reflect the occurrence of future events even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized.

RECENT DEVELOPMENTS

Minority Investments in Vimeo OpCo

On November 5, 2020, Vimeo OpCo and IAC Group entered into an investment agreement (the “November 2020 Investment Agreement”) with entities affiliated with Thrive Capital (the “Thrive Entities”) and an entity affiliated with GIC Private Limited (together with the Thrive Entities, the “November Investors”), pursuant to which on November 10, 2020, the November Investors acquired an aggregate of 8,655,510 shares of Vimeo voting common stock for an aggregate purchase price of approximately \$150 million, or \$17.33 per share, with the transaction valuing Vimeo at an enterprise value of approximately \$2.75 billion.

In connection with the investment, Vimeo OpCo, IAC Group and the November Investors entered into an amendment to the existing Vimeo OpCo shareholders agreement. The majority of the provisions of the Vimeo shareholders agreement terminated upon the consummation of the Spin-off and/or the Merger, other than certain confidentiality and registration rights provisions. Additionally, pursuant to the amendment to the Vimeo shareholders agreement, Vimeo OpCo and IAC Group agreed that if the Thrive Entities, together with their respective affiliates (“Thrive”), continue to own at least 75% of the shares of Vimeo voting common stock acquired by Thrive pursuant to the November 2020 Investment Agreement, and Thrive owned at least 2% of the outstanding common stock of Vimeo at the time of the Spin-off, Thrive would have the right to recommend a candidate for consideration for appointment to the initial post-Spin-off Vimeo board of directors, and Vimeo and IAC Group would consider such candidate in good faith.

In addition, the amendment to the Vimeo OpCo shareholders agreement specified certain separation principles relating to a potential Spin-off, with the November Investors’ agreement to cooperate with the Spin-off generally conditioned on compliance with such separation principles (other than departures not materially adverse to the November Investors). The amendment to the shareholders agreement also required that, in connection with the Spin-off, all holders of Vimeo OpCo shares, other than IAC and its affiliates, be given the benefit of the anti-dilution adjustment described in the section of this prospectus entitled “The Vimeo Merger — Consideration to Vimeo OpCo Stockholders.”

On January 25, 2021, Vimeo OpCo and IAC Group entered into investment agreements with funds and accounts advised by T. Rowe Price Associates, Inc. and entities affiliated with Oberndorf Enterprises, LLC, pursuant to which Vimeo OpCo issued and sold 6,170,934 shares of Vimeo OpCo voting common stock for \$200 million, or \$32.41 per share, at a \$5.2 billion pre-money valuation, and 2,828,854 shares of Vimeo OpCo voting common stock for \$100 million, or \$35.35 per share, at a \$5.7 billion pre-money valuation.

In connection with the investment, the investors became parties to the Vimeo OpCo shareholders agreement.

Dividend Payment

On November 5, 2020, prior to the completion of the investment pursuant to the November 2020 Investment Agreement, the Vimeo OpCo board of directors declared a cash dividend in the amount of \$0.22 per share of Vimeo OpCo voting common stock and Vimeo OpCo non-voting common stock. The dividend payment date was set as November 13, 2020, and the dividend was paid to Vimeo OpCo stockholders of record as of the close of business on November 5, 2020.

THE SPIN-OFF

Structure of the Spin-off

Subject to the terms and conditions set forth in the separation agreement, IAC's Vimeo business was separated from the remaining businesses of IAC through a series of transactions (which we refer to as the "Spin-off") that resulted in the pre-transaction stockholders of IAC directly owning shares in both IAC and Vimeo, and in Vimeo becoming a separate public company.

The Spin-off was structured to include the following steps:

- Certain restructuring transactions, including, among other things, the transfer to Vimeo of IAC's equity interests in Vimeo OpCo, and the repayment by Vimeo OpCo of all outstanding intercompany debt owed to IAC and its subsidiaries (other than Vimeo OpCo's subsidiaries).
- Amending IAC's certificate of incorporation to provide for:
 - the reclassification of each share of IAC par value \$0.001 common stock into (i) one share of IAC par value \$0.0001 common stock and (ii) 1/100th of a share of IAC Series 1 mandatorily exchangeable preferred stock that was automatically exchanged for a number of shares of Vimeo common stock equal to the Spin-off exchange ratio (with holders receiving cash in lieu of any fractional shares of Vimeo common stock resulting, after aggregation, from the reclassification); and
 - the reclassification of each share of IAC par value \$0.001 Class B common stock into (i) one share of IAC par value \$0.0001 Class B common stock and (ii) 1/100th of a share of IAC Series 2 mandatorily exchangeable preferred stock that was automatically exchanged for a number of shares of Vimeo Class B common stock equal to the Spin-off exchange ratio (with holders receiving cash in lieu of any fractional shares of Vimeo Class B common stock resulting, after aggregation, from the reclassification).
- The effectiveness of certain other amendments to the IAC certificate of incorporation.

Prior to the completion of the Spin-off, IAC indirectly owned approximately 88% of the total outstanding shares of Vimeo OpCo, with the remaining Vimeo OpCo shares held by third-parties. In connection with the Spin-off, Vimeo OpCo's existing shareholders agreement required IAC to cause the conversion of the Vimeo OpCo shares held by such non-IAC Vimeo OpCo stockholders into Vimeo common stock, which we refer to as the "Vimeo minority exchange." The shareholders agreement also required that the non-IAC Vimeo OpCo stockholders be compensated (in the form of additional Vimeo equity) for dilution resulting from the issuance of Vimeo options in respect of vested IAC employee option awards that are adjusted in the Spin-Off. Each such Vimeo OpCo shareholder was compensated for their ratable portion of 50% of the intrinsic value of the Vimeo options so issued, measured at the time of the Spin-off (see the section of this prospectus entitled "The Vimeo Merger — Consideration to Vimeo OpCo Stockholders"), and see the Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements of Vimeo, Inc. — Note 2.

Formation of Vimeo Holdings

Vimeo was formed in Delaware in December 2020 for the purpose of holding Vimeo OpCo following the Spin-off.

Treatment of IAC Equity Awards

IAC Options

Each option to purchase shares of IAC common stock was converted into an option to purchase shares of IAC common stock and an option to purchase shares of Vimeo common stock with adjustments to the number of shares subject to each option and the option exercise prices based on (1) the value of IAC common stock prior to the Spin-off and (2) the value of IAC common stock and the value of Vimeo common stock after giving effect to the Spin-off.

Except as otherwise described above and except to the extent otherwise provided under local law, following the Spin-off, the converted options generally have the same terms and conditions, including the same exercise periods, as the options to purchase shares of IAC common stock had immediately prior to the Spin-off.

Following the Spin-off, solely for purposes of determining the expiration of options with respect to shares of common stock of one company held by employees of the other company, IAC and Vimeo employees will be deemed employed by both companies for so long as they continue to be employed by whichever of the companies employs them immediately following the Spin-off.

IAC RSUs

All IAC restricted stock units (“RSUs”) continue to be IAC RSUs following the Spin-off, with adjustments to the number of RSUs based on (1) the value of IAC common stock prior to the Spin-off and (2) the value of IAC common stock after giving effect to the Spin-off.

Except as otherwise described above and except to the extent otherwise provided under local law, following the Spin-off, the RSUs generally will have the same terms and conditions, including the same vesting provisions, as the IAC RSUs had immediately prior to the date of the Spin-off.

Treatment of Mr. Levin’s IAC Restricted Stock Award

On November 5, 2020, Mr. Levin received an IAC Restricted Stock award covering 3,000,000 shares of IAC common stock.

In the Spin-off, Mr. Levin received in respect of each share of IAC restricted common stock that he holds a number of shares of Vimeo common stock based on the Spin-off exchange ratio and retained his 3,000,000 shares of IAC restricted common stock.

In connection with the Spin-off:

- the IAC stock price performance goals applicable to the IAC Restricted Stock award were equitably adjusted to reflect the impact of the Spin-off, including giving effect to the Spin-off exchange ratio; and
- Vimeo and Mr. Levin entered into a restricted stock agreement covering the shares of restricted Vimeo common stock received by Mr. Levin in the Spin-off, with the vesting of such shares generally subject to the same requirements as are applicable to the IAC Restricted Stock award, including Vimeo stock price performance goals that reflect the impact of the Spin-off, including giving effect to the Spin-off exchange ratio.

For purposes of the Vimeo Restricted Stock award, the definition of “Change in Control” mirrors the definition that applies to the IAC Restricted Stock award, except that the relevant entity for purposes of the definition will be Vimeo, rather than IAC. Upon a Change in Control of Vimeo, a designated percentage of the Vimeo Restricted Stock award will vest based on the timing of the Change of Control and subject to a floor of 30%, escalating to 100%. Except as otherwise noted above, the Vimeo Restricted Stock award generally will have the same terms as the IAC Restricted Stock award.

Treatment of Vimeo OpCo Equity Awards

Vimeo OpCo has outstanding stock appreciation rights (“Vimeo OpCo SARs”) and restricted stock units (“Vimeo OpCo RSU awards”), the value of which correspond to shares of Vimeo OpCo common stock.

In the Vimeo merger:

- each Vimeo SAR was converted into a stock appreciation right corresponding to, and settled in, shares of Vimeo common stock (“Vimeo SAR”), with adjustments to the number of shares subject to each Vimeo SAR and the base price applicable to each Vimeo SAR, based on the exchange ratio in the Vimeo merger; and

- each Vimeo RSU Award was converted into an award of restricted stock units corresponding to, and settled in, shares of Vimeo common stock (“Vimeo RSU Award”), with adjustments to the number of shares subject to each Vimeo RSU Award based on the exchange ratio in the Vimeo merger.

The Vimeo SARs and the Vimeo RSU awards otherwise have terms and conditions that are customary for a public company stock appreciation right and restricted stock unit.

Accounting Treatment

IAC and Vimeo prepare their financial statements in accordance with United States generally accepted accounting principles. After the Spin-off, the assets and liabilities of Vimeo will be accounted for at their historical carrying values immediately prior to the Spin-off.

Market for Vimeo Common Stock

Prior to the Spin-off, there was no established public trading market for Vimeo common stock. Vimeo common stock is listed on The Nasdaq Global Select Market under the ticker symbol “VMEQ.” Trading in Vimeo common stock under this symbol began on the first business day following the date that IAC completed the Spin-off.

Post-Spin-off Governance and Management

Please see “Directors and Executive Officers” for information regarding the persons who serve on the Vimeo board of directors.

In connection with their prior investment in Vimeo OpCo (see the section of this prospectus entitled “Recent Developments — Minority Investments in Vimeo.”), Vimeo and IAC agreed that if Thrive continues to own at least 75% of the shares of Vimeo voting common stock acquired by Thrive pursuant to the Investment Agreement, and Thrive owns at least 2% of the outstanding common stock of Vimeo at the time of the Spin-off, Thrive will have the right to recommend a candidate for consideration for appointment to the initial post-Spin-off Vimeo Holdings board of directors, and Vimeo and IAC will consider such candidate in good faith.

The executive officers of Vimeo OpCo prior to the Spin-off have been appointed to serve as the executive officers of Vimeo following the Spin-off. Anjali Sud, Narayan Menon, Mark Kornfilt and Michael A. Cheah currently serve as executive officers of Vimeo OpCo. At this time, there are no other individuals identified to serve as executive officers of Vimeo following the Spin-off.

For more information regarding Vimeo’s governance and management, see the section of this prospectus entitled “Directors and Executive Officers.”

THE VIMEO MERGER

The following section summarizes certain material aspects of the Vimeo merger. This summary does not purport to be complete and may not contain all of the information that is important to you. You are urged to read the Vimeo merger agreement filed as Exhibit 2.2 to the registration statement of which this prospectus forms a part carefully and in its entirety, as well as this prospectus and the information incorporated by reference into this prospectus.

Structure of the Merger

The Vimeo merger agreement provides, among other matters and on the terms and subject to the conditions in the Vimeo merger agreement and in accordance with the DGCL, for the merger of Merger Sub with and into Vimeo OpCo, with Vimeo OpCo continuing as the surviving corporation and as a wholly owned subsidiary of Vimeo.

Consideration to Vimeo OpCo Stockholders

Subject to the applicable provisions of the Vimeo merger agreement, at the effective time, by virtue of the Vimeo merger and without any action on the part of the parties or holders of any securities of Vimeo OpCo or any other person:

- each share of Vimeo OpCo capital stock owned by Vimeo, IAC or any subsidiary of Vimeo or IAC (other than any subsidiary of Vimeo) or held in treasury by Vimeo OpCo was cancelled for no consideration; and
- each share of Vimeo OpCo capital stock issued and outstanding immediately prior to the effective time of the Vimeo merger and owned by a non-IAC Vimeo OpCo stockholder (other than any dissenting shares) was automatically cancelled and converted into the right to receive a number of shares of Vimeo common stock equal to the Vimeo merger exchange ratio.

As used in this document, the terms set forth below will have the following meanings:

- “base merger exchange ratio” means (a) the number of mandatory exchange shares divided by (b) the number of shares of Vimeo OpCo capital stock outstanding and owned by Vimeo, IAC or any subsidiary of either Vimeo or IAC immediately prior to the effective time of the Vimeo merger;
- “IAC option” means an option (either nonqualified or incentive) to purchase shares of IAC common stock issued under any IAC compensation plan;
- “IAC ratio” means (a) one minus (b) the Vimeo Holdings ratio;
- “IAC service provider option value” means (a) the product of (i) the total number of shares of IAC common stock underlying IAC options (excluding IAC options held by employees of Vimeo OpCo and its subsidiaries) (referred to as “IAC service provider options”) as of immediately prior to the effective time of the mandatory exchange that is part of the IAC reclassification and (ii) the IAC VWAP, less (b) the sum of the exercise prices required to exercise all IAC service provider options; provided that if such product is a negative number, IAC service provider option value means \$0.00;
- “IAC stock value” means the opening price of IAC common stock on the Nasdaq on the first Nasdaq trading day beginning following the occurrence of the effective time of the mandatory exchange;
- “IAC VWAP” means the average, rounded to four decimal places, of the daily dollar-volume-weighted average price for IAC common stock, as reported by Bloomberg, L.P. through its “IAC Equity AQR” function for the time period 9:30 a.m. through 4:00 p.m. (or if such function or service ceases to exist, any substitute function or service mutually agreed between Vimeo and Vimeo OpCo) for the ten consecutive Nasdaq trading days ending on the date that is the second business day prior to the occurrence of the effective time of the mandatory exchange;
- “mandatory exchange shares” means shares of Vimeo capital stock exchanged for shares of IAC Series 1 mandatorily exchangeable preferred stock and IAC Series 2 mandatorily exchangeable

preferred stock pursuant to the mandatory exchange that is part of the IAC reclassification (including any shares of Vimeo capital stock sold or to be sold in order to pay cash in lieu of fractional shares, but excluding any shares of Vimeo capital stock exchanged for shares of IAC Series 1 mandatorily exchangeable preferred stock or IAC Series 2 mandatorily exchangeable preferred stock issued in respect of restricted shares of IAC common stock outstanding on the date of the original Vimeo merger agreement);

- “merger exchange ratio adjustment amount” means (a) the option adjustment share number divided by (b) the number of shares of Vimeo common stock outstanding (calculated on a fully diluted, treasury method basis, including all outstanding equity awards of Vimeo) immediately prior to the effective time of the mandatory exchange, with such calculation in respect of all Vimeo SARs made based on a price per share of Vimeo common stock as determined consistent with an aggregate valuation for Vimeo determined in good faith by the Vimeo board of directors prior to the closing of the Vimeo merger;
- “option adjustment share number” means (a) the option adjustment value divided by (b) the Vimeo Holdings stock price;
- “option adjustment value” means (a) the product of (i) fifty percent (50%) of the IAC service provider option value and (ii) the Vimeo Holdings ratio minus (b) the product of (i) the Vimeo OpCo service provider option value and (ii) the IAC ratio;
- “Vimeo Holdings ratio” means (a) the Vimeo Holdings stock value divided by (b) the sum of (i) the Vimeo Holdings stock value and (ii) the IAC stock value;
- “Vimeo Holdings stock price” means the quotient of (a)(i) the closing price of IAC common stock on the Nasdaq on the last full Nasdaq trading day prior to the occurrence of the effective time of the mandatory exchange minus (ii) the IAC stock value over (b) the Spin-off exchange ratio;
- “Vimeo Holdings stock value” means the product of (a) the Vimeo Holdings stock price and (b) the spin-off exchange ratio;
- “Vimeo merger exchange ratio” means the sum of (a) the base merger exchange ratio and (b) the merger exchange ratio adjustment amount, rounded to four decimal places; and
- “Vimeo service provider option value” means (a) the product of (i) the total number of shares of IAC common stock underlying IAC options held by Vimeo OpCo employees (referred to as “Vimeo service provider options”) as of immediately prior to the effective time of the mandatory exchange and (ii) the IAC VWAP, less (b) the sum of the exercise prices required to exercise all Vimeo service provider options; provided that if such product is a negative number, Vimeo service provider option value means \$0.00.

THE VIMEO MERGER AGREEMENT

The following section summarizes certain material provisions of the Vimeo merger agreement, which is filed as Exhibit 2.2 to the registration statement of which this prospectus forms a part. The summary of the Vimeo merger agreement below and elsewhere in this prospectus is qualified in its entirety by reference to the Vimeo merger agreement. This summary does not purport to be complete and may not contain all of the information about the Vimeo merger agreement that is important to you. This section is not intended to provide you with any factual information about Vimeo or Vimeo OpCo. The rights and obligations of Vimeo and Vimeo OpCo under the Vimeo merger agreement are governed by the Vimeo merger agreement and not by this summary or any other information contained in or incorporated by reference into the registration statement of which this prospectus forms a part. You are urged to read the Vimeo merger agreement carefully and in its entirety, as well as this prospectus and the information incorporated by reference into the registration statement of which this prospectus forms a part.

Explanatory Note Regarding the Vimeo Merger Agreement

The Vimeo merger agreement is filed as Exhibit 2.2 to the registration statement of which this prospectus forms a part and is described in this summary to provide you with information regarding its terms. The Vimeo merger agreement contains representations and warranties by Vimeo and Merger Sub, on the one hand, and by Vimeo OpCo, on the other hand, which were made solely for the benefit of the other parties for purposes of the Vimeo merger agreement. The representations, warranties and covenants made in the Vimeo merger agreement by Vimeo, Vimeo OpCo and Merger Sub were qualified and subject to important limitations agreed to by Vimeo, Vimeo OpCo and Merger Sub in connection with negotiating the terms of the Vimeo merger agreement. In particular, in your review of the representations and warranties contained in the Vimeo merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purpose of allocating risk between the parties to the Vimeo merger agreement, rather than establishing matters as facts about Vimeo, Vimeo OpCo, Merger Sub or any other person at the time they were made or otherwise. The representations and warranties may also be subject to a contractual standard of materiality different from that generally applicable to stockholders and reports and documents filed with the SEC. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this prospectus, may have changed since the date of the Vimeo merger agreement. Accordingly, the representations and warranties and other provisions of the Vimeo merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in this prospectus and in the documents incorporated by reference into the registration statement of which this prospectus forms a part. See the section of this prospectus entitled “Where You Can Find More Information.”

The Vimeo Merger

The Vimeo merger agreement provides for, among other matters, on the terms and subject to the conditions in the Vimeo merger agreement and in accordance with the DGCL, the merger of Merger Sub with and into Vimeo OpCo, with Vimeo OpCo continuing as the surviving corporation and as a wholly owned subsidiary of Vimeo.

At the effective time, the certificate of incorporation and the bylaws of the surviving corporation were amended to read the same as the certificate of incorporation and the bylaws, respectively, of Merger Sub as in effect immediately prior to the effective time until thereafter changed or amended (subject to the requirements described in the section below entitled “— Director and Officer Indemnification”), except that the name of the surviving corporation will be named Vimeo.com, Inc. and references to the incorporator will be deleted.

The officers and directors of Vimeo OpCo immediately prior to the effective time of the Vimeo merger are the initial officers and directors of the surviving corporation, until their successors are duly elected or appointed and qualified.

Closing; Effective Time

Pursuant to the merger agreement, the closing took place remotely by exchange of documents and signatures, at 9:00 a.m., eastern time, on the third business day after the satisfaction or, to the extent

permitted by applicable law, waiver of the last of the conditions to closing (other than any such conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or, to the extent permitted by applicable law, waiver of such conditions at the closing), unless another date or place is agreed to in writing by Vimeo and Vimeo OpCo. The closing of the Vimeo merger occurred on May 25, 2021.

On the closing date, the parties caused a certificate of merger with respect to the Vimeo merger to be duly executed and filed with the Secretary of State of the State of Delaware as provided under the DGCL and made any other filings, recordings or publications required to be made under the DGCL in connection with the Vimeo merger. The Vimeo merger became effective at such time as the certificate of merger is duly filed with the Secretary of State of the State of Delaware or at such other time as may be agreed to by Vimeo and Vimeo OpCo and specified in the certificate of merger.

Consideration; Effect of the Vimeo Merger on Vimeo Capital Stock

Subject to the applicable provisions of the Vimeo merger agreement, at the effective time of the Vimeo merger, by virtue of the Vimeo merger and without any action on the part of the parties or holders of any securities of Vimeo OpCo or any other person, each share of Vimeo OpCo voting common stock and each share of Vimeo OpCo non-voting common stock (other than any shares of Vimeo OpCo voting common stock or Vimeo OpCo non-voting common stock owned by Vimeo, IAC or any subsidiary of Vimeo or IAC (other than any subsidiary of Vimeo OpCo), shares held in treasury by Vimeo OpCo, or any dissenting shares) issued and outstanding immediately prior to the effective time of the Vimeo merger were converted into the right to receive a number of shares of Vimeo common stock equal to the Vimeo merger exchange ratio.

Also at the effective time of the Vimeo merger, (a) each share of Vimeo OpCo capital stock issued and outstanding immediately prior to the effective time of the Vimeo merger that was owned by Vimeo, IAC or any subsidiary of Vimeo or IAC (other than any subsidiary of Vimeo OpCo) or was held in treasury by Vimeo OpCo was automatically cancelled without payment of any consideration therefor, and (b) each share of common stock, par value \$0.01 per share, of Merger Sub issued and outstanding immediately prior to the effective time of the Vimeo merger was automatically converted into and become one fully paid and nonassessable share of common stock of the surviving corporation.

Exchange Procedures

Prior to the effective time of the Vimeo merger, Vimeo designated a bank or trust company to act as the exchange agent in connection with the Vimeo merger (the “exchange agent”). Promptly (and in any event within three business days) after the effective time of the Vimeo merger, Vimeo will deposit, or cause to be deposited, with the exchange agent for the sole benefit of Vimeo OpCo stockholders (other than Vimeo, IAC, any subsidiary of Vimeo or IAC (other than any subsidiary of Vimeo OpCo) and any dissenting stockholders) (collectively, the “converting holders”) evidence of book-entry shares of Vimeo common stock representing the shares of Vimeo common stock issuable pursuant to the Vimeo merger agreement. Vimeo will subsequently deposit with the exchange agent cash in immediately available funds (or other property or securities, as applicable) in an amount sufficient to pay any dividends or other distributions on shares of Vimeo common stock payable in accordance with the applicable provisions of the Vimeo merger agreement.

As soon as reasonably practicable after the effective time of the Vimeo merger, Vimeo will cause the exchange agent to mail to each holder of shares of Vimeo OpCo capital stock that were converted into the right to receive shares of Vimeo common stock:

- with respect to (a) each holder of record of a certificate or certificates which immediately prior to the effective time of the Vimeo merger represented outstanding shares of Vimeo OpCo capital stock (“Vimeo OpCo certificates”) and (b) each holder of record of a book-entry position or book-entry positions which immediately prior to the effective time of the Vimeo merger represented outstanding shares of Vimeo OpCo capital stock (“Vimeo OpCo book-entry shares”), a customary letter of transmittal, which will specify that delivery will be effected, and risk of loss and title to the Vimeo OpCo certificates will pass, only upon delivery of the Vimeo OpCo certificates (or affidavits of loss in lieu thereof and, if required by Vimeo OpCo Holdings, an indemnity bond) to the exchange agent; and

- instructions for effecting the surrender of the Vimeo OpCo certificates (or affidavits of loss in lieu thereof and, if required by Vimeo, an indemnity bond) or Vimeo OpCo book-entry shares in exchange for the shares of Vimeo common stock into which such shares of Vimeo OpCo capital stock have been converted, including any cash amount payable in lieu of fractional shares of Vimeo common stock and any dividends or other distributions on shares of Vimeo common stock payable in accordance with the applicable provisions of the Vimeo merger agreement.

Upon surrender of a Vimeo OpCo certificate (or an affidavit of loss in lieu thereof and, if required by Vimeo, an indemnity bond) or Vimeo OpCo book-entry share for cancellation to the exchange agent, together with a duly completed and validly executed letter of transmittal and such other documents as may be required, such holder will be entitled to receive (a) that number of whole shares of Vimeo common stock (which will be in uncertificated book-entry form), (b) any cash in lieu of fractional shares of Vimeo common stock, and (c) any dividends or other distributions on shares of Vimeo common stock, in each case that such holder has the right to receive in respect of the shares of Vimeo OpCo capital stock formerly represented by such Vimeo OpCo certificate or Vimeo OpCo book-entry shares in accordance with the applicable provisions of the Vimeo merger agreement, and the Vimeo OpCo certificate (or an affidavit of loss in lieu thereof and, if required by Vimeo, an indemnity bond) or Vimeo OpCo book-entry shares so surrendered will be cancelled. The exchange agent will accept such Vimeo OpCo certificates (or affidavits of loss in lieu thereof and, if required by Vimeo, an indemnity bond) or Vimeo OpCo book-entry shares upon compliance with such reasonable terms and conditions as the exchange agent may impose to effect an orderly exchange.

From the effective time of the Vimeo merger, there will be no further registration of transfers of Vimeo OpCo capital stock. Until surrendered, each Vimeo OpCo certificate and each Vimeo OpCo book-entry share is deemed at any time after the effective time of the Vimeo merger to represent only the right to receive the shares of Vimeo common stock payable in respect of such shares, including any cash amount payable in respect of fractional shares of Vimeo common stock and any dividends or other distributions on shares of Vimeo common stock payable in accordance with the applicable provisions of the Vimeo merger agreement.

Any amounts remaining unclaimed by the converting holders six months following the effective date of the Vimeo merger will, at any time thereafter at the request of Vimeo, be delivered to Vimeo or as otherwise instructed by Vimeo. None of Vimeo, Vimeo OpCo, the surviving corporation or the exchange agent will be liable to any converting holder or any other person for the shares of Vimeo common stock issuable pursuant to the Vimeo merger agreement or other amounts delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. Any amounts remaining unclaimed by converting holders immediately prior to such time when the amounts would otherwise escheat to or become property of any governmental entity will become, to the extent permitted by applicable law, the property of Vimeo free and clear of any claims or interest of any person.

In the event that any Vimeo OpCo certificate has been lost, stolen or destroyed, the exchange agent will issue in exchange for such lost, stolen or destroyed Vimeo OpCo certificate, upon the making of an affidavit of that fact by the holder and, if required by Vimeo, an indemnity bond, the shares of Vimeo common stock issuable in respect of the shares of Vimeo OpCo capital stock represented by such Vimeo OpCo certificate, including any cash amount payable in respect of fractional shares of Vimeo common stock and any dividends or other distributions on shares of Vimeo common stock payable in accordance with the applicable provisions of the Vimeo merger agreement.

No dividends or other distributions with respect to Vimeo common stock with a record date after the effective time of the Vimeo merger will be paid to the holder of any unsurrendered Vimeo OpCo certificate or Vimeo OpCo book-entry shares with respect to the shares of Vimeo common stock issuable pursuant to the Vimeo merger agreement, and all such dividends and other distributions will be paid by Vimeo to the exchange agent until the surrender of such Vimeo OpCo certificate (or an affidavit of loss in lieu thereof and, if required by Vimeo, an indemnity bond) or Vimeo OpCo book-entry shares. Subject to applicable law, following surrender of any such Vimeo OpCo certificate (or affidavit of loss in lieu thereof and, if required by Vimeo, an indemnity bond) or Vimeo OpCo book-entry shares, there will be paid to the holder thereof, without interest, (a) the amount of dividends or other distributions with a record date after the effective time of the Vimeo merger paid with respect to such shares of Vimeo common stock to which such holder is entitled pursuant to the Vimeo merger agreement and (c) at the appropriate payment date, the amount of

dividends or other distributions with a record date after the effective time of the Vimeo merger but prior to such surrender and with a payment date subsequent to such surrender payable with respect to such shares of Vimeo common stock.

No Fractional Shares

Vimeo will not issue fractional shares of Vimeo common stock in the Vimeo merger. As promptly as reasonably practicable following the effective time of the Vimeo merger, the exchange agent, acting as agent for the holders of Vimeo OpCo capital stock who would otherwise have been entitled to receive fractional shares of Vimeo common stock, will aggregate all fractional shares of Vimeo common stock that would otherwise have been required to be distributed to such holders and cause such fractional shares to be sold on the nationally recognized stock exchange on which shares of Vimeo common stock will be listed in connection with the Spin-off at then-prevailing prices in the manner provided in the immediately following sentence. The sale of such fractional shares by the exchange agent, acting as agent for such holders, will be executed in round lots to the extent practicable, and until the proceeds of sale or sales have been distributed to such holders, the exchange agent will, subject to the return to Vimeo or as otherwise instructed by Vimeo of any amounts remaining unclaimed by the converting holders six months following the closing date, hold such proceeds in trust for such holders. Each such holder will, in lieu of receiving fractional shares that such holder would otherwise have been entitled to receive, be entitled to receive from the proceeds from such sales by the exchange agent, rounded to the nearest whole cent and without interest, an amount equal to such holder's proportionate interest in the proceeds from such sales. As promptly as reasonably practicable after the determination of the amount of cash, if any, to be paid to the holders of Vimeo OpCo capital stock who would otherwise have been entitled to receive fractional shares of Vimeo common stock, the exchange agent will make available such amounts, without interest, to such holders.

Withholding Rights

Each of Vimeo, Vimeo OpCo, the surviving corporation and the exchange agent will be entitled to deduct and withhold from amounts otherwise payable pursuant to the Vimeo merger agreement any amounts as are required to be deducted or withheld with respect to such payment under the Code or any other applicable law. To the extent that amounts are so deducted or withheld, such amounts will be treated as having been paid to the person in respect of which such deduction or withholding was made.

Dissenting Shares

Any share of Vimeo OpCo capital stock, as of the effective time of the Vimeo merger, held by a holder who properly exercised (and has not effectively withdrawn or lost) his, her or its appraisal rights with respect to such share under Section 262 of the DGCL (a "dissenting share") were not converted into and do not represent a right to receive the consideration set forth in the applicable provisions of the Vimeo merger agreement, and the holder of such dissenting share will be entitled only to such rights as may be granted to such holder in Section 262 of the DGCL. However, if the status of any such dissenting share as a share carrying appraisal rights is withdrawn, or if any such dissenting share loses its status as a share carrying appraisal rights, then, as of the later of the effective time or the loss of such status, such dissenting share will automatically be converted into and will represent only the right to receive (upon the surrender of the applicable Vimeo OpCo certificate (or an affidavit of loss in lieu thereof and, if required by Vimeo, an indemnity bond) or Vimeo OpCo book-entry share) the consideration set forth in the applicable provisions of the Vimeo merger agreement, without any interest thereon.

Actions Related to the Spin-off

The Vimeo merger agreement provides that nothing in the Vimeo merger agreement will, or will be deemed to, restrict, prevent or prohibit the consummation of any transactions determined by IAC or any of its subsidiaries to be necessary or desirable to carry out the Spin-off, including the transfer by IAC Group to Vimeo of the shares of Vimeo OpCo capital stock held by IAC Group and including the IAC reclassification, or to affect in any respect IAC's right to abandon the Spin-off (and accordingly cause the Vimeo merger to be abandoned) in its sole discretion.

Representations and Warranties

The Vimeo merger agreement contains representations and warranties by Vimeo, Vimeo OpCo and Merger Sub that are subject to certain exceptions and qualifications (including exceptions and qualifications related to materiality).

The Vimeo merger agreement contains representations and warranties by Vimeo OpCo relating to, among other things, the following:

- due organization, valid existence, good standing and qualification to do business;
- capitalization;
- corporate power and authority; and
- absence of certain conflicts.

The Vimeo merger agreement contains representations and warranties by Vimeo and Merger Sub relating to, among other things, the following:

- due organization, valid existence, good standing and qualification to do business;
- corporate power and authority; and
- absence of certain conflicts.

The representations and warranties in the Vimeo merger agreement do not survive the effective time of the Vimeo merger.

Covenants and Agreements

Consent Solicitation

The Vimeo merger agreement provides that Vimeo OpCo will seek Vimeo OpCo stockholder approval of the Vimeo merger, which approval has been obtained.

Director and Officer Indemnification

The parties to the Vimeo merger agreement have agreed that, for a period of six years from and after the effective time, Vimeo will:

- cause the surviving corporation to indemnify and hold harmless all past and present directors and officers of Vimeo OpCo and its subsidiaries (collectively, the “Vimeo indemnified parties”) against any costs or expenses, judgments, fines, claims, damages and amounts paid in settlement in connection with any actual or threatened claim, investigation or proceeding in respect of acts or omissions alleged to have occurred at or prior to the effective time of the Vimeo merger, to the fullest extent permitted by applicable law and the Vimeo OpCo governing documents; and
- cause to be maintained in effect the provisions in the Vimeo OpCo governing documents in existence on the date of the original Vimeo merger agreement regarding elimination of liability, indemnification of officers and directors and advancement of expenses that are in existence on the date of the Vimeo merger agreement.

Certain Additional Covenants and Agreements

The Vimeo merger agreement contains certain other covenants and agreements, including, among others, covenants relating to preparation and filing of a joint registration statement, exemption from takeover laws, and the submission of an application for the listing of the shares of Vimeo common stock to be issued in the Vimeo merger on any nationally recognized stock exchange on which shares of Vimeo common stock will be listed in connection with the Spin-off.

Expenses

Except as otherwise expressly provided in the Vimeo merger agreement, all costs and expenses incurred in connection with the Vimeo merger agreement and the Vimeo merger will be paid by the party incurring such costs and expenses.

Amendments and Waivers

Subject to applicable law and except as otherwise provided in the merger agreement, the merger agreement may be amended, modified and supplemented by written agreement of the parties at any time before or after receipt of the Vimeo OpCo stockholder approval. However, after the Vimeo OpCo stockholder approval has been obtained, there may not be any amendment that by applicable law requires further approval by the respective stockholders of Vimeo, Vimeo OpCo or Merger Sub, as applicable, without such further approval of such stockholders.

No Third-Party Beneficiaries

The Vimeo merger agreement is not intended to and does not confer upon any person other than the parties to the Vimeo merger agreement any rights or remedies, except with respect to certain provisions related to (a) the right of IAC to, without restriction from the Vimeo merger agreement, carry out or abandon the Spin-off (and the Vimeo merger) and (b) the indemnification of Vimeo OpCo directors and officers.

Governing Law

The Vimeo merger agreement is governed by Delaware law, without giving effect to conflicts of laws principles that would result in the application of the law of any other state.

DIVIDEND POLICY

The timing, initiation, declaration, amount and payment of any dividends following the Spin-off is within the discretion of the Vimeo board of directors and depends upon many factors, including Vimeo's financial condition, earnings, capital requirements of Vimeo's operating subsidiaries, legal requirements, regulatory constraints, industry practice, ability to access capital markets, and other factors deemed relevant by the Vimeo board of directors. Moreover, if Vimeo determines to pay any dividend in the future, there can be no assurance that Vimeo will continue to pay such dividends or the amount of such dividends. Vimeo does not currently expect that cash or other dividends will be paid by it in the near future.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following selected financial data is only a summary and should be read in conjunction with the historical consolidated financial statements and accompanying notes and management's discussion and analysis of financial condition and results of operations included elsewhere in this prospectus. For information relating to periods prior to the Spin-off, the financial statements presented below relate to Vimeo OpCo. Following completion of the Spin-off, Vimeo will report consolidated financial results, which will include Vimeo OpCo.

The following table presents selected consolidated financial information of Vimeo OpCo as of March 31, 2021 and for the three months ended March 31, 2021 and 2020 and as of and for the years ended December 31, 2019 and 2020. The selected consolidated financial data of Vimeo OpCo as of March 31, 2021 and for the three months ended March 31, 2021 and 2020 and as of December 31, 2019 and 2020 and for the years ended December 31, 2019 and 2020 were derived from the consolidated financial statements of Vimeo OpCo included as Annex A to this prospectus. You should read the information in the following table in conjunction with the consolidated financial statements and accompanying notes of Vimeo OpCo included in Annex A to this prospectus, as well as the disclosure set forth under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Three Months Ended March 31,		Years Ended December 31,	
	2021	2020	2019	2020
(In thousands, except per share data)				
Statement of Operations Data:				
Revenue	\$89,422	\$ 56,968	\$196,015	\$283,218
Operating loss	(5,598)	(17,193)	(60,253)	(40,777)
Net earnings (loss)	3,313	(20,260)	(75,577)	(50,628)
Basic and diluted earnings (loss) per share	\$ 0.02	\$ (0.14)	\$ (0.58)	\$ (0.36)
Dividends declared per share	\$ —	\$ —	\$ —	\$ 0.22
			March 31,	December 31,
			2021	2019
				2020
(In thousands)				
Balance Sheet Data:				
Total assets	\$584,509	\$271,500	\$371,079	
Debt – related party:				
Promissory notes due on demand – related party	—	59,753	44,565	
Long-term debt – related party	—	37,706	50,000	

VIMEO, INC.**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

On December 22, 2020, IAC announced that its Board of Directors approved a plan to spin-off its full stake in its Vimeo business to IAC shareholders. IAC's Vimeo business (Vimeo.com, Inc., formerly Vimeo, Inc. or "Vimeo OpCo") was separated from the remaining businesses of IAC through a series of transactions (which we refer to as the "Spin-off") that resulted in the transfer of IAC's Vimeo business to Vimeo, Inc. (formerly Vimeo Holdings, Inc. or "Vimeo"), a wholly-owned subsidiary of IAC which became an independent, separately traded public company through a spin-off from IAC. The Spin-off was completed prior to the open of business on May 25, 2021.

In connection with the Spin-off, pursuant to Vimeo OpCo's existing shareholders agreement, Vimeo OpCo shares held by non-IAC Vimeo OpCo stockholders were converted into Vimeo common stock, which we refer to as the "Vimeo minority exchange."

The following unaudited pro forma condensed consolidated financial statements of Vimeo give effect to the Spin-off and Vimeo minority exchange and are presented in accordance with Article 11 of the Securities and Exchange Commission's (the "SEC") Regulation S-X.

For purposes of these unaudited pro forma condensed consolidated financial statements, the Spin-off and Vimeo minority exchange are assumed to have occurred as of January 1, 2020 with respect to the unaudited pro forma condensed consolidated statements of operations and as of March 31, 2021 with respect to the unaudited pro forma condensed consolidated balance sheet.

The unaudited pro forma condensed consolidated balance sheet and related unaudited pro forma statement of operations as of and for the three months ended March 31, 2021 have been derived from the unaudited historical consolidated balance sheet and related historical consolidated statement of operations of Vimeo OpCo as of and for the three months ended March 31, 2021 included in Annex A to this prospectus. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2020 has been derived from the audited historical consolidated statement of operations of Vimeo OpCo for the year ended December 31, 2020 included in Annex A to this prospectus.

The historical consolidated financial statements of Vimeo OpCo have been derived from IAC's historical accounting records and reflect the allocation of costs from IAC for certain services that IAC provided to Vimeo OpCo in the ordinary course (e.g. shared services and rent for space in IAC's corporate headquarters). In addition, certain previously unallocated costs have been allocated to Vimeo OpCo in accordance with the SEC's Staff Accounting Bulletin Topic No. 1:B:1, "Allocation Of Expenses And Related Disclosure In Financial Statements Of Subsidiaries, Divisions Or Lesser Business Components Of Another Entity" in the preparation of Vimeo OpCo's historical consolidated financial statements included in this prospectus. In management's opinion, the basis on which these expenses have been allocated to Vimeo OpCo from IAC is reasonable. However, the historical consolidated financial statements of Vimeo OpCo do not necessarily represent the financial position or results of operations of Vimeo OpCo had it been operated as an independent, separate public company during the period or at the date presented. As a result, a pro forma adjustment has been made to reflect the incremental costs that Vimeo expects to incur as an independent, separate public company. These pro forma adjustments are referred to as "Autonomous Entity Adjustments" in these unaudited pro forma condensed consolidated financial statements.

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have been achieved had the Spin-off occurred on the dates assumed, nor is it indicative of Vimeo's future operating results or financial position. Because these unaudited pro forma condensed consolidated financial statements have been prepared based upon preliminary estimates, the impact of the Spin-off and the timing thereof could cause material differences from the information presented herein.

The pro forma adjustments are based upon information and assumptions available at the time of the filing of this prospectus as set forth in the notes to the unaudited pro forma condensed consolidated financial statements. The pro forma information should be read in conjunction with the accompanying notes thereto, with "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is included elsewhere in this prospectus, and Vimeo OpCo's historical unaudited and audited consolidated financial statements and related notes thereto, which are included in Annex A to this prospectus.

VIMEO, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2021
(In thousands, except par value amounts)

	Vimeo OpCo Historical Consolidated	Adjustments Related to the Spin-off and Other Transactions	Notes	Autonomous Entity Adjustments	Notes	Vimeo, Inc. Pro Forma
ASSETS						
Cash and cash equivalents	\$ 316,305	\$ —		\$ —		\$ 316,305
Accounts receivable, net	14,121	—		—		14,121
Other current assets	11,335	—		—		11,335
Total current assets	341,761	—		—		341,761
Leasehold improvements and equipment, net	3,320	—		—		3,320
Goodwill	219,337	—		—		219,337
Intangible assets with definite lives, net	8,967	—		—		8,967
Other non-current assets	11,124	—		—		11,124
TOTAL ASSETS	\$ 584,509	\$ —		\$ —		\$ 584,509
LIABILITIES AND SHAREHOLDERS' EQUITY						
LIABILITIES:						
Accounts payable, trade	\$ 2,797	\$ —		\$ —		\$ 2,797
Deferred revenue	147,766	—		—		147,766
Accrued expenses and other current liabilities	40,102	786	(5a)	1,512	(7)	42,400
Total current liabilities	190,665	786		1,512		192,963
Other long-term liabilities	4,710	—		—		4,710
Commitments and contingencies						
SHAREHOLDERS' EQUITY:						
Class A Voting common stock \$0.01 par value	928	(177)	(2)	—		—
		(751)	(3)			
Class B Non-Voting common stock \$0.01 par value	663	(16)	(2)	—		—
		(647)	(3)			
Preferred stock \$0.01 par value	—	—		—		—
Common stock \$0.01 par value	—	195	(2)	—		1,548
		1,304	(3)			
		49	(4b)			
Class B common stock \$0.01 par value	—	94	(3)	—		94
Additional paid-in-capital	667,348	(2)	(2)	—		667,297
		(49)	(4b)			
Accumulated deficit	(279,696)	(786)	(5a)	(1,512)	(7)	(281,994)
Accumulated other comprehensive loss	(109)	—		—		(109)
Total shareholders' equity	389,134	(786)		(1,512)		386,836
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 584,509	\$ —		\$ —		\$ 584,509

VIMEO, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In thousands, except per share data)

	Vimeo OpCo Historical Consolidated	Adjustments Related to the Spin-off and Other Transactions	Notes	Autonomous Entity Adjustments	Notes	Vimeo, Inc. Pro Forma
Revenue	\$ 89,422	\$ —		\$ —		\$ 89,422
Cost of revenue (exclusive of depreciation shown separately below)	24,956	—		—		24,956
Gross profit	64,466	—		—		64,466
Operating expenses:						
Research and development expense	21,475	—		—		21,475
Sales and marketing expense	32,069	—		—		32,069
General and administrative expense	14,518	2,565	(4a)	1,512	(7)	16,878
		(1,717)	(5b)			
Depreciation	115	—		—		115
Amortization of intangibles	1,887	—		—		1,887
Total operating expenses	70,064	848		1,512		72,424
Operating loss	(5,598)	(848)		(1,512)		(7,958)
Interest expense	(64)	—		—		(64)
Interest expense – related party	(726)	726	(1)	—		—
Other income, net	10,086	—		—		10,086
Earnings before income taxes	3,698	(122)		(1,512)		2,064
Income tax (provision) benefit	(385)	28	(6)	348	(7)	(9)
Net earnings attributable to Class A						
Voting common stock and Class B						
Non-Voting common stock shareholders	<u>\$ 3,313</u>	<u>\$ (94)</u>		<u>\$ (1,164)</u>		<u>\$ 2,055</u>
Per share information attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders: ⁽⁸⁾						
Basic earnings per share	\$ 0.02					\$ 0.01
Diluted earnings per share	\$ 0.02					\$ 0.01
Weighted average basic shares outstanding	156,480					159,347
Weighted average diluted shares outstanding	165,888					173,911

VIMEO, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In thousands, except per share data)

	Vimeo OpCo Historical Consolidated	Adjustments Related to the Spin-off and Other Transactions	Notes	Autonomous Entity Adjustments	Notes	Vimeo, Inc. Pro Forma
Revenue	\$283,218	\$ —		\$ —		\$283,218
Cost of revenue (exclusive of depreciation shown separately below)	89,077	—		—		89,077
Gross profit	194,141	—		—		194,141
Operating expenses:						
Research and development expense	64,238	—		—		64,238
Sales and marketing expense	105,630	—		—		105,630
General and administrative expense	49,846	8,133	(4a)	8,908	(7)	69,931
		3,044	(5b)			
Depreciation	460	—		—		460
Amortization of intangibles	14,744	—		—		14,744
Total operating expenses	234,918	11,177		8,908		255,003
Operating loss	(40,777)	(11,177)		(8,908)		(60,862)
Interest expense – related party	(9,116)	9,116	(1)	—		—
Other income, net	93	—		—		93
Loss before income taxes	(49,800)	(2,061)		(8,908)		(60,769)
Income tax (provision) benefit	(828)	474	(6)	2,049	(7)	1,695
Net loss attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders	\$ (50,628)	\$ (1,587)		\$ (6,859)		\$ (59,074)
Per share information attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders:⁽⁸⁾						
Basic and diluted loss per share	\$ (0.36)					\$ (0.37)
Weighted average shares outstanding	142,426					159,347

VIMEO, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

Adjustments Related to the Spin-off and Other Transactions:

- (1) Reflects the elimination of historical related party interest expense associated with the intercompany debt payable to IAC and subsidiaries that was repaid in January 2021.
- (2) Prior to the Spin-off, IAC indirectly owned approximately 88% of the total outstanding shares of Vimeo OpCo, with the remaining Vimeo OpCo shares held by third parties. In connection with the Spin-off, pursuant to Vimeo OpCo's existing shareholders agreement, Vimeo OpCo shares held by non-IAC Vimeo OpCo stockholders were converted into Vimeo common stock, which we refer to as the "Vimeo minority exchange." The shareholders agreement also required that the non-IAC Vimeo OpCo stockholders be compensated (in the form of additional Vimeo equity) for a portion of the dilution resulting from the issuance of Vimeo options in respect of vested IAC option awards under the IAC equity plans that are adjusted in the Spin-Off. Each such existing Vimeo OpCo shareholder was compensated for their ratable portion of 50% of the intrinsic value of the Vimeo options so issued, measured at the time of the Spin-off, in accordance with the Vimeo merger agreement.

This adjustment reflects the Vimeo minority exchange using the Vimeo merger exchange ratio of 1.0143, pursuant to the Vimeo merger agreement.

See the section of this prospectus entitled "The Vimeo Merger — Consideration to Vimeo OpCo Stockholders".

- (3) As a part of the Spin-off, Vimeo's outstanding capital stock was subject to a stock split, resulting in IAC owning a number of shares of Vimeo common stock equal to the product of the number of outstanding shares of IAC common stock and the Spin-off exchange ratio, and a number of shares of Vimeo Class B common stock equal to the product of the number of outstanding shares of IAC Class B common stock and the Spin-off exchange ratio of 1.6235.

Following the stock split described above, each share of IAC par value \$0.001 common stock was reclassified into (i) one share of IAC par value \$0.0001 common stock and (ii) 1/100th of a share of IAC Series 1 mandatorily exchangeable preferred stock that was automatically exchanged for 1.6235 shares of Vimeo common stock (with holders receiving cash in lieu of any fractional shares of Vimeo common stock resulting, after aggregation, from the reclassification) and each share of IAC par value \$0.001 Class B common stock was reclassified into (i) one share of IAC par value \$0.0001 Class B common stock and (ii) 1/100th of a share of IAC Series 2 mandatorily exchangeable preferred stock that was automatically exchanged for 1.6235 shares of Vimeo Class B common stock (with holders receiving cash in lieu of any fractional shares of Vimeo Class B common stock resulting, after aggregation, from the reclassification).

This adjustment reflects the implementation of the Spin-off by the exchange of 803,578 shares of IAC Series 1 mandatorily exchangeable preferred stock for 130.4 million shares of Vimeo common stock and the exchange of 57,895 shares of IAC Series 2 mandatorily exchangeable preferred stock for 9.4 million shares of Vimeo Class B common stock based on the Spin-off exchange ratio of 1.6235 (based on the number of outstanding shares of IAC common stock and IAC Class B common stock as of May 24, 2021).

- (4) Vimeo OpCo has outstanding stock appreciation rights ("Vimeo OpCo SARs") and restricted stock units ("Vimeo OpCo RSUs"), the value of which corresponds to shares of Vimeo OpCo common stock. Upon exercise of Vimeo OpCo SARs or vesting of Vimeo OpCo RSUs, the awards were generally settled for shares of IAC common stock representing (i) the increase in value between the Vimeo OpCo SAR grant date and the date a holder exercises the Vimeo OpCo SAR or (ii) the value of the Vimeo OpCo RSU on the vesting date. In the Vimeo merger, each outstanding Vimeo OpCo SAR or Vimeo OpCo RSU were converted into either a Vimeo stock appreciation right ("Vimeo SAR") or Vimeo restricted stock unit ("Vimeo RSU"), respectively, corresponding

to, and settled in, shares of Vimeo common stock, with adjustments to (i) the number of shares subject to each Vimeo SAR and Vimeo RSU based on the merger exchange ratio in the Vimeo merger and (ii) the base price applicable to each Vimeo SAR and Vimeo RSU. The Vimeo SARs and Vimeo RSUs otherwise have terms and conditions that are customary for a public company stock appreciation right and restricted stock unit.

On November 5, 2020, Mr. Levin, IAC's Chief Executive Officer ("CEO"), received an IAC Restricted Stock award covering 3,000,000 shares of IAC common stock. As a part of the Spin-off, Mr. Levin received in respect of each share of IAC restricted common stock that he holds a number of shares of Vimeo common stock equal to the Spin-off exchange ratio. The calculation of the allocation of stock-based compensation expense to Vimeo for the IAC Restricted Stock award was based upon the closing per share stock price of IAC on May 24, 2021 of \$252.63 and the closing per share stock price of Vimeo on May 24, 2021 on a when-issued trading basis of \$52.08.

These transactions have been reflected through the following adjustments:

- (a) \$2.6 million and \$8.1 million of incremental stock-based compensation expense for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively, resulting from (i) the modification of Vimeo OpCo SARs and Vimeo OpCo RSUs and (ii) the November 5, 2020 IAC Restricted Stock award to IAC's CEO upon completion of the Spin-off in his capacity as the Chairman of the Vimeo Board of Directors; and
 - (b) the issuance of 4.9 million restricted shares of Vimeo common stock in connection with the modification of the IAC Restricted Stock award of 3,000,000 shares based on the Spin-off exchange ratio of 1.6235.
- (5) Transaction and one-time costs related to the Spin-off have been reflected through the following adjustments:
- (a) Additional estimated transaction and one-time costs related to the Spin-off of \$0.8 million that are expected to be incurred by Vimeo subsequent to March 31, 2021 and are, therefore, not reflected in the historical consolidated balance sheet of Vimeo OpCo.
 - (b) Reversal of transaction and one-time costs of \$1.7 million incurred in the historical consolidated statement of operations of Vimeo OpCo for the three months ended March 31, 2021 as this amount is already reflected in the additional estimated transaction costs of \$3.0 million in the unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2020.
- (6) Reflects the tax effects of the pro forma pre-tax adjustments at the applicable statutory income tax rate of 23%.

Autonomous Entity Adjustments:

- (7) As an independent, separate public company following the Spin-off, Vimeo expects to incur certain costs including financial reporting and regulatory compliance, board of directors' fees and expenses, accounting, auditing, tax, legal, insurance, information technology, human resources, investor relations, risk management, treasury and other general and administrative-related functions.

The unaudited pro forma condensed consolidated financial statements have been adjusted to depict Vimeo as an autonomous entity. Vimeo expects to incur approximately \$1.5 million and \$8.9 million of expenses in addition to IAC's corporate and shared costs allocated to Vimeo OpCo in its historical consolidated financial statements for the three months ended March 31, 2021 and the year ended December 31, 2020, respectively. The additional expenses have been estimated based on assumptions that IAC and Vimeo management believe are reasonable. However, actual incremental costs that will be incurred could differ materially from these estimates and depend on several factors, such as the macro-economic environment and strategic decisions made in the applicable functional areas.

The adjustment also reflects the tax effects of the autonomous entity adjustment at the applicable statutory income tax rate of 23%.

Earnings (Loss) Per Share

- (8) Vimeo common stock and Vimeo Class B common stock are treated as one class of stock for earnings per share (“EPS”) purposes as both classes of stock participate in earnings, dividends and other distributions on the same basis. As described in Note (4), in the Spin-off, Mr. Levin, IAC’s CEO, received in respect of each share of IAC restricted common stock that he holds a number of shares of Vimeo common stock equal to the Spin-off exchange ratio. As the Vimeo Restricted Stock award is a participating security, Vimeo pro forma EPS is calculated using the two-class method given those shares are unvested and have a non-forfeitable dividend right in the event Vimeo declares a cash dividend to common shareholders and participates in all other distributions of Vimeo in the same manner as all other Vimeo common shareholders.

Undistributed earnings allocated to the participating security is subtracted from net income in determining net income attributable to Vimeo common stock and Vimeo Class B common stock shareholders for pro forma basic EPS. Pro forma basic EPS has been computed by dividing net income attributable to Vimeo common stock and Vimeo Class B common stock shareholders by the total number of Vimeo common stock and Vimeo Class B common stock outstanding upon completion of the Spin-off as described in Notes (2) and (3) above.

For the calculation of pro forma diluted EPS, net income attributable to Vimeo common stock and Vimeo Class B common stock shareholders is adjusted for the reallocation of undistributed earnings allocated to the participating security, then divided by the total number of Vimeo common stock and Vimeo Class B common stock outstanding upon completion of the Spin-off as described in Notes (2) and (3) above plus dilutive securities.

	Three Months Ended March 31, 2021	
	Vimeo OpCo Historical Consolidated	Vimeo, Inc. Pro Forma
(In thousands, except per share data)		
Basic EPS:		
Numerator:		
Net earnings attributable to Vimeo OpCo / Vimeo shareholders	\$ 3,313	\$ 2,055
Net earnings attributed to unvested participating security ^(a)	—	(61)
Net earnings attributable to Vimeo OpCo Class A Voting common stock and Class B Non-Voting common stock shareholders / Vimeo common stock and Class B common stock shareholders	<u>\$ 3,313</u>	<u>\$ 1,994</u>
Denominator:		
Vimeo OpCo historical weighted average shares outstanding	156,480	—
Vimeo common shares outstanding after giving effect to the reclassification and minority exchange	—	159,347
Weighted average basic shares outstanding	<u>156,480</u>	<u>159,347</u>
Basic EPS	<u>\$ 0.02</u>	<u>\$ 0.01</u>
Diluted EPS:		
Numerator:		
Net earnings attributable to Vimeo OpCo Class A Voting common stock and Class B Non-Voting common stock shareholders / Vimeo common stock and Class B common stock shareholders	\$ 3,313	\$ 1,994
Net earnings attributed to unvested participating security ^(a)	—	61
Reallocation of net earnings attributable to unvested participating security	—	(56)
Net earnings attributable to Vimeo OpCo Class A Voting common stock and Class B Non-Voting common stock shareholders / Vimeo common stock and Class B common stock shareholders for diluted EPS computation	<u>\$ 3,313</u>	<u>\$ 1,999</u>
Denominator:		
Weighted average basic shares outstanding used for basic EPS computation	156,480	159,347
Dilutive securities ^{(b)(c)}	9,408	14,564
Number of shares used for diluted EPS computation	<u>165,888</u>	<u>173,911</u>
Diluted EPS	<u>\$ 0.02</u>	<u>\$ 0.01</u>

	Year Ended December 31, 2020	
	Vimeo OpCo Historical Consolidated	Vimeo, Inc. Pro Forma
(In thousands, except per share data)		
Numerator:		
Net loss attributable to Vimeo OpCo / Vimeo shareholders	\$ (50,628)	\$ (59,074)
Denominator:		
Vimeo OpCo historical weighted average shares outstanding	142,426	—
Vimeo common shares outstanding after giving effect to the reclassification and minority exchange	—	159,347
Weighted average basic shares outstanding	142,426	159,347
Dilutive securities ^(d)	—	—
Number of shares used for diluted EPS computation	142,426	159,347
Loss per share:		
Basic and diluted loss per share	\$ (0.36)	\$ (0.37)

- (a) On November 5, 2020, IAC's CEO, Mr. Levin, was granted a stock-based award in the form of 3.0 million shares of restricted common stock. In the Spin-off, Mr. Levin received in respect of each share of IAC restricted common stock that he holds a number of shares of Vimeo common stock equal to the Spin-off exchange ratio. The number of shares that ultimately vest is subject to the satisfaction of growth targets in Vimeo's stock price over the 10-year service condition of the award. These restricted shares have a non-forfeitable dividend right in the event Vimeo declares a cash dividend to common shareholders and participates in all other distributions of Vimeo in the same manner as all other common shareholders. Accordingly, the two-class method of calculating EPS is used.
- (b) If the effect is dilutive, weighted average diluted shares outstanding include the incremental shares that would be issued upon the assumed exercise of stock appreciation rights ("SARs"), vesting of restricted stock, and vesting of restricted stock units. For the three months ended March 31, 2021, 4.9 million potentially dilutive securities were excluded from the calculation of diluted EPS because their inclusion would have been anti-dilutive.
- (c) Performance-based SARs are considered contingently issuable shares. Shares issuable upon exercise of performance-based SARs are included in the denominator of diluted EPS if (i) the applicable performance condition(s) has been met and (ii) the inclusion of the performance-based SARs is dilutive for the respective reporting periods. For the three months ended March 31, 2021, 2.3 million shares underlying performance-based SARs were excluded from the calculation of diluted EPS because the performance condition(s) had not been met.
- (d) For the year ended December 31, 2020, Vimeo had a loss from operations. As a result, approximately 18.9 million potentially dilutive securities were excluded from computing diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, the number of shares used to compute diluted EPS for the year ended December 31, 2020 is based (i) in the case of Vimeo OpCo Historical Consolidated, on the number of shares of Vimeo OpCo Class A Voting common stock and Class B Non-Voting common stock, and (ii) in the case of Vimeo, Inc. Pro Forma, on the number of shares of Vimeo common stock and Class B common stock outstanding upon completion of the Spin-off as described in Notes (2) and (3) above.

BUSINESS

For the purpose of the following business description about Vimeo, “we,” “our” or “us” refers to Vimeo.com, Inc. (formerly known as Vimeo, Inc.) with respect to periods prior to the completion of the Spin-off and to Vimeo, Inc. (formerly known as Vimeo Holdings, Inc.) with respect to periods following the completion of the Spin-off.

Overview

Our mission

Our mission is to enable professional-quality video for all.

We believe that we can empower every professional, team and organization to use video, with tools that are far easier and more effective than ever before.

Who we are

We are the world’s leading all-in-one video software solution, providing the full breadth of video tools through a software-as-a-service (“SaaS”) model.

We provide a single turnkey solution to create, collaborate and communicate with video. Businesses face significant barriers to use video today, including time, cost, lack of technical expertise and the need to pay for and manage multiple software vendors. Our cloud-based software eliminates these barriers and solves essential video needs, including:

- *Creation:* Record, produce, edit and stream videos, for both live and on-demand viewing.
- *Collaboration:* Share videos privately with clients and teams, review and comment on work-in-progress videos and manage team access and permissions.
- *Distribution:* Share videos publicly, including: publishing on a website, blog, marketplace or social media platform, broadcasting through a secure corporate portal, or building a branded video destination or storefront.
- *Hosting:* Organize and manage a central video library across users and teams, in one centralized location.
- *Marketing:* Use video to capture leads and convert them into customers.
- *Monetization:* Monetize video through a subscription fee, pay-per-view model or third-party advertising, across devices, currencies and payment methods.
- *Analytics:* Measure video performance across platforms, including tracking viewer engagement and drop-off rates, sources of traffic and customer leads.

We serve a growing community of over 200 million registered users (those users who have created an account with us using an email address) in over 190 countries. Our users include creative professionals, small businesses, marketers, agencies, schools, nonprofits and large organizations. They range from the Emmy-nominated animator working on her next short, to the beauty entrepreneur creating videos for Instagram and her Shopify store, to the Fortune 500 company live streaming town halls and remotely training sales associates at stores around the world.

We operate at a significant scale. As of December 31, 2020, our video player was embedded on millions of websites and is powering billions of views a month, with 297,000 new videos being uploaded to our platform each day. Our brand is well known and highly regarded, and most of our new users find us organically. We are also regarded as an industry leader in video technology, having set new standards in adopting higher resolutions, advanced imaging and audio protocols, new video compression formats and intelligent streaming algorithms. In 2020, Vimeo was recognized by Fast Company as the #1 Most Innovative Video Company in the World.

Recent performance

We have grown rapidly in 2020. As of December 31, 2020, we had over 1.5 million subscribers who pay us an average of \$223 per year. For the year ended December 31, 2020, our total bookings increased 62% year-over-year and new bookings increased 158% year-over-year.¹ We attribute this growth to (1) our recent product enhancements to better serve business needs and (2) the ongoing secular shift to online video for all forms of business communication, which has been accelerated by the COVID-19 pandemic.

As of December 31, 2020, over 80% of our subscribers are on annual plans. As a result, we enjoy a high degree of revenue predictability in future periods. Our revenue is also highly diversified across customers and geographies. For the year ended December 31, 2020, our top 10 customers generated less than 3% of our revenue, and nearly 50% of our revenue came from customers outside of the U.S.

We believe that we have a large opportunity to both grow our free user base and convert more of our free users into paying customers. 60% of our nearly 1.5 million subscribers started as free users, using our platform for free first before deciding to sign up for a subscription plan. These users contributed 50% of our total bookings for the year ended December 31, 2020. We have over 200 million free users today, and continuously seek to improve our free offering and increase product usage by adding features those users want, such as mobile video creation. Over the year ended December 31, 2020, we added over 35 million free users, who were more actively engaged with our platform than new free users over the same period last year.

We further believe that we have a large opportunity to grow average revenue per user. Over the year ended December 31, 2020, 25% of our bookings came from subscribers who upgraded to a higher-priced plan from their initial plan. We continually seek to add compelling features in our higher-priced plans, and we frequently test and optimize the pricing and packaging of our subscription plans to encourage upgrades. As of December 31, 2020, we had over 3,800 enterprise customers, who, as of the quarter ended December 31, 2020, pay us over \$22,000 per year, on average. We define “enterprise customers” as those who purchase plans through contact with our sales force. Our enterprise customers grew 87% year-over-year for the quarter ended December 31, 2020, and these customers now represent nearly 25% of our total revenue for the same period. We believe that we can continue to attract enterprise customers both through product enhancements which make our offering more relevant to large organizations, and through expanded sales efforts.

As of December 31, 2020, more than 60% of Fortune 500 companies have at least one paid Vimeo account, while less than 1% of our subscribers pay more than \$10,000 per year. We believe this demonstrates that our product has already gained a foothold in many of the largest enterprises and that there is a clear opportunity to expand within these large enterprises to more departments, employees and customers. The net revenue retention (NRR) for our enterprise customers was above 110% for the quarter ended December 31, 2020, meaning that the enterprise customers we had one year prior paid us more overall in the current period than they did a year before, including accounting for churn.² This represented the seventh consecutive quarter of sequentially increasing NRR for our enterprise customers.

¹ We define “bookings” as fixed fees for SaaS services that subscribers have paid or committed to pay during their subscription period or 12 months, whichever is shorter, less refunds and chargebacks during the same period. “New bookings” refers to bookings from new subscriptions during a particular period.

² We calculate net revenue retention by taking the sum of (a) annualized subscription revenue for enterprise subscribers at the end of the period that also existed twelve months prior and (b) the variable revenue attributed to these same subscribers over the preceding twelve months and dividing that by annualized subscription revenue for all subscribers that existed twelve months prior plus the variable revenue attributed to this same set of subscribers over the twelve months prior to that date.

Lastly, we believe that we have attractive margin characteristics to support investment in future growth. In the quarter ended December 31, 2020, our gross margin reached 70%, we exhibited significant sales and marketing customer acquisition efficiency with room to scale, and we generated positive Adjusted EBITDA.³

Businesses need video

In the past decade, video has gone from a form of entertainment to the most engaging and effective medium to communicate ideas, build brands, promote products and connect with each other. This is because video is a far richer and more expressive medium than text or static images. As consumers spend more time online and as workforces become more distributed, businesses need to keep pace with their customers and employees, who increasingly expect to consume engaging video content.

Yet for too many businesses, professional-quality video remains out of reach due to lack of time, budget and expertise. For example:

- the average professionally-produced video takes weeks to make and costs thousands of dollars, but has a shelf life on social media of just a few days. Simply shooting content on one's phone won't produce a high-quality product demo, brand video or Facebook ad given the need to edit and stitch together multiple shots and add branding, music, voice-over and motion graphics.
- collaborating on video projects is inefficient and full of friction, often requiring multiple pieces of software, shared passwords, expensive licenses and wasted time sharing feedback in back-and-forth email chains.
- producing a live event typically requires expensive hardware and a professional production team. Even the largest companies struggle today to make their town halls, conferences, webinars and training programs high-quality and engaging.
- companies lack a centralized, secure video library where all their videos are intuitively organized and easily searchable. They also lack robust and centralized video analytics to measure the return on their video investment across platforms and teams.

Vimeo solves essential video needs

We offer a SaaS solution that spans the full breadth of a business's video needs. Our cloud-based software enables users to create, collaborate and communicate with video, eliminating the need to pay for multiple software providers and removing the barriers of time, budget and technical expertise for a wide range of use cases. For example:

- a flower shop owner can promote their store re-opening on social media with professional-looking videos they create on their phone in a few clicks;
- a fitness studio can launch its own video channel to stream classes in TV-quality in a matter of minutes;
- a freelancer or creative agency can showcase their portfolio, collaborate with clients and deliver projects securely, all from a single account; and
- a global company can integrate video across all of its corporate communications, from town halls and training to virtual conferences and product launches.

³ Operating loss of \$3.7 million for the quarter ended December 31, 2020 less amortization of intangibles of \$2.1 million less stock-based compensation expense of \$2.1 million less depreciation expense of \$0.2 million = Adjusted EBITDA of \$0.7 million for the quarter ended December 31, 2020. For the year ended December 31, 2020, we realized a net loss of approximately \$50.6 million.

Trends in Our Favor

We believe that we are witnessing the rapid proliferation of video into every aspect of business communication. We expect many more businesses to require video in the future, aided by the following secular trends:

- *Consumers expect engaging video.* Consumers increasingly expect engaging and real-time video from both brands and employers. We expect the marked growth of self-produced video on social media platforms to put more pressure on businesses to produce professional-quality videos for these platforms as well. At work, employees are increasingly driving IT modernization as they demand the latest technologies from their personal lives in their workplace.
- *Video works better than image and text.* Video is the most engaging medium. A 2018 analysis by Twitter showed that social media posts with video attract 10 times more engagement than those without, and a 2018 analysis by LinkedIn showed that videos are shared 20 times more often than other content formats. A 2020 study on advertising by Amazon shows that video increases clicks, conversion rates and visitor time-on-site, which can assist with both driving traffic and search engine optimization (SEO).
- *The nature of work is changing, and organizations must adapt.* As workforces become more distributed and teams rely more on software to interact with their colleagues, video has become a critical tool to increase employee engagement, productivity and retention. A 2020 study completed by GlobalWebIndex for Vimeo shows that employees at companies that use video are 75% more likely to rate employee engagement highly and 72% more likely to rate productivity highly. Beyond distributed teams, the COVID-19 pandemic has likely ignited a permanent trend towards workplace flexibility, with over 80% of company leaders intending to permit remote work some of the time according to a 2020 study by Gartner.
- *The rise of direct-to-consumer streaming.* Content creators are increasingly reaching audiences directly, without traditional media intermediaries like television networks. According to Mediaplaynews, the average streaming U.S. household pays for nearly four subscription services, and Wikipedia and other sources report there are now over 16 streaming services with over one million subscribers. In 2020, Forbes reported that outside of traditional media, there are two million content creators on YouTube, Instagram, TikTok and Twitch making over six figures in advertising income; we expect many of these creators will want to launch their own direct-to-consumer video offerings in the future.
- *Video is broadly distributed.* In the past, online video was primarily viewed on desktop computers that required a physical high-speed Internet connection. Today, mobile phones and tablets enable high-definition video recording and playback, 5G network coverage is expanding, and connected TVs have made their way to many households. With consumers spending an average of over six hours a day watching online video content (based upon 2020 data from Nielsen), we expect more viewing surfaces to emerge in the future, from virtual reality headsets to augmented reality devices to self-driving cars. As audiences engage on more devices, businesses will increasingly need a central hub to publish video across these platforms.

While the COVID-19 pandemic has accelerated the demand for video from businesses, we believe this shift is secular and will endure given the fundamental need for businesses to communicate online. For example, we believe that the businesses streaming their town halls, classes and events today will continue to value the global reach of livestreaming along with their physical events in the future. We see countless examples of the power of this reach in our user base today:

- When drugstore chain Rite Aid used Vimeo to produce their first virtual town hall to their store locations, they engaged more associates than they had in over a decade of in-person events.
- When coatings manufacturer Axalta added video to their auto shop training programs, they went from limited classroom instruction to engaging an additional 8,000 technicians virtually, for a fraction of the cost.
- When interior design company SpOak Decor tested video ads versus image ads, they saw a 35 times higher engagement rate and 30% more registrants. They now use Vimeo for all feature releases and demo videos.

- When fitness chain System of Strength moved its studio classes online, their viewership grew from hundreds in Ohio to thousands of people across 33 states. Video streaming will remain a key part of their ongoing strategy.

Our Market Opportunity

Target customers

Our target customers include small-to-midsize businesses (SMBs), larger enterprises, marketers, agencies and creative professionals.

We believe that anyone who produces video content, markets to customers, works with distributed teams or hosts in-person experiences is a potential Vimeo user. We further believe that once our users begin to experience the benefits of our platform, they tend to greatly expand their use of video internally and externally. As a result, we expect that use of our platform will increase the broader market penetration of video across all customer types and use cases.

Geographic market

Our market is global. Our products are used by customers in over 190 countries.

Total addressable market

Based on our internal data, we estimate our total addressable market to be approximately \$40 billion in 2021, growing to \$70 billion in 2024. While our opportunity includes a range of customer types, we believe the largest market segments are:

- *Small-to-midsize businesses (SMBs) who use video for marketing to consumers.* IDC estimates the number of global SMBs to be 348 million. We estimate that there is an approximately \$20 billion market of SMBs willing to pay for video software, aided by the growing need for brands of all sizes to reach their customers on social media and increase engagement on their websites and marketplaces. We expect this market to grow to approximately \$25 billion in 2024.
- *Enterprises who use video for internal and external communications.* CapIQ estimates that there are more than one million global enterprises with annual revenues above \$10 million. We believe every one of these organizations will look to use video, and that as our product portfolio expands to cover more use cases, departments and employees within the enterprise, we can materially expand both our footprint and contract value. We estimate the addressable market for enterprises to be currently at approximately \$20 billion and expect it to grow to approximately \$45 billion in 2024.

Our Business Model and Services

We earn revenue primarily through a SaaS business model, selling subscriptions to our cloud-based software on an annual or monthly basis. We employ a “freemium” pricing strategy, offering free membership and access to our video tools alongside paid subscription plans for advanced video capabilities. As of December 31, 2020, over 95% of our subscribers purchased plans without ever speaking to customer support or going through a salesperson.

Basic (free) memberships

Anyone can access a basic (free) membership to Vimeo by signing up with an email address. With a basic membership, users can create, record, upload and share videos through our website and native apps for free. Our free users are subject to weekly and total caps on uploaded videos, and do not have access to advanced video capabilities such as live streaming or the ability to add team members. We provide opportunities to upgrade to a paid subscription at natural points in the user’s experience, such as when a free user nears or hits an uploaded video cap. We also highlight the advanced video capabilities of our subscription plans natively within our free user product experience.

Self-serve subscription plans

We offer paid subscription plans on a “self-serve” basis, meaning that users can sign up directly through our website or apps and pay subscription fees with a credit card or an in-app purchase mechanism. We charge fees that typically range from \$7 per month to \$900 per year for features that vary depending on the plan type. These features include video creation, collaboration, distribution, hosting, marketing, monetization and analytics. We also offer the ability to add multiple team members to our higher-priced plans. As of December 31, 2020, nearly 10% of our subscribers had added team members, and the number of team accounts is up over 100% from the same time last year.

Enterprise subscription plans

We sell enterprise subscription plans through our sales force. Our enterprise plans provide additional features beyond our self-serve plans, plus options for dedicated support, account management, service level agreements and professional live event services. Our enterprise contracts range from thousands to hundreds of thousands of dollars per year, and for the quarter ended December 31, 2020, over 65% of our new enterprise contracts came from customers who were existing free users or self-serve subscribers first. Our enterprise plans include:

- *Vimeo Enterprise*: an organization-wide video solution that includes secure unlimited live streaming of events, a corporate video portal, single-sign-on support, content delivery network optimization to improve quality-of-service in corporate networks, and the ability to use our technology on a fully branded basis (so that the company’s own branding is featured instead of Vimeo’s).
- *Vimeo OTT*: an over-the-top (OTT) video monetization solution that allows customers to launch and run their own video streaming channel directly to their audience through a branded web portal, mobile apps and Internet-enabled TV apps. Our customers have a direct relationship with the end viewers of their content, and we handle everything from app development to billing to customer support. Customers may offer their videos on a subscription basis, an à la carte basis, an ad-supported basis or for free.
- *Vimeo Custom*: plans optimized for high-volume users, e.g., plans that offer significantly higher storage or bandwidth.

Sales and Marketing

We acquire subscribers primarily through: (1) conversion of free users to subscribers through organic efforts, including word-of-mouth referrals and in-product messaging; (2) acquisition of subscribers through marketing spend, primarily through digital media channels; (3) our sales force (for enterprise customers); and (4) acquisition of subscribers through third party partnerships and integrations.

Key Benefits to Customers

We believe that our solutions provide the following benefits to our customers:

- *Centralized video solution*. We provide an integrated video software solution that enables video creation, hosting, distribution and measurement in one interface. Our platform eliminates the need to purchase and manage multiple software providers for editing, storage, publishing and analytics.
- *Scalable, reliable video delivery*. Our video player delivers a best-in-class playback and live streaming experience for audiences of all sizes, and we optimize video delivery across devices, geographies, bandwidth and network performance. Our technology enables streaming of high dynamic range (HDR) video in up to 8K resolution, and is built to scale with organizations as their needs advance.
- *Easy to use*. We provide a self-serve and intuitive interface that can be easily navigated by even first-time users. The vast majority of our users never speak to a customer support agent or salesperson. Our platform removes the need for video-specific expertise and high-touch user support and troubleshooting.
- *Fast setup, no hardware required*. Our cloud-based software runs natively on desktop and mobile devices without requiring any specialized hardware or need to download third-party software.

- *Attractive return on investment.* We provide the advanced capabilities of a live TV studio (on-screen graphics, video switching, audio mixing, audience Q&A and polls) and sophisticated marketing tools (branding customization, in-video calls-to-action, email capture and cross-platform distribution) at an accessible price point. For large organizations, switching to our platform reduces the time and cost associated with expensive on-premises infrastructure and continual maintenance.
- *Fully branded, customizable experience.* We enable subscribers to fully customize the video player experience and exercise complete control over their content and who sees it. We also enable subscribers to build branded video channels, destinations and storefronts off Vimeo, so they can directly own the relationship with their viewers.
- *Interoperable and integrated.* Vimeo integrates with cloud-based software applications such as Shopify, GoDaddy, Dropbox, Google, Slack, Adobe, Mailchimp and HubSpot. We also have an ecosystem of distribution partners where we enable native publishing of videos, including Facebook, YouTube, LinkedIn, Twitter and Pinterest.
- *Developer-friendly.* We enable anyone to build on top of our platform. Our flexible video APIs (application programming interfaces) allow external developers and engineering teams to build their own applications using our technology. As of December 31, 2020, we had over 110,000 developers actively using our APIs and, for the quarter ended December 31, 2020, we received an average of more than 2.5 billion API calls a month.
- *Robust customer support.* We offer 24/7/365 support globally, through live chat, email, telephone and video. For the quarter ended December 31, 2020, our customer support team achieved a customer satisfaction score (CSAT) of over 90%. We are obsessively focused on providing our users with excellent support, and believe this is a critical driver of our ability to build long-term relationships with them.
- *Creative inspiration.* Vimeo isn't just software. Vimeo is a creative community. We go beyond tools and technology to offer inspiration and help from our global community of video creatives and professionals. This includes content inspiration (Staff Picks, video templates, video school), marketplaces to license content and hire video pros (For Hire, Stock), and events (Vimeo Festival & Awards, Streameo).

Our Growth Strategy

We focus on the following areas to drive our growth:

- *Grow our free user base:* Our adoption is driven by a virtuous cycle of users collaborating on and sharing videos. Every time a free user uploads a video that someone else watches, that viewer experiences a part of our platform. As a result, our addressable customer base expands each time our users publish or broadcast videos to their audience, privately share Vimeo links, collaborate with their team on a video project or embed Vimeo's video player on another platform. These actions attract viewers, who may then decide to register and become users. Our player is embedded on millions of websites and has powered over a hundred billion views.
- *Convert free users into subscribers:* We provide a high-quality free product with numerous features that have the potential to be used repeatedly, and we offer price- and feature-optimized tiering of our subscription plans to drive organic conversion of free users to subscribers over time.
- *Extend customer value:* We seek to employ a "land and expand" strategy where we inspire our existing subscribers to increase video adoption and usage and upgrade to higher-priced plans over time. For enterprise customers, we seek to expand the number of employees, teams and departments using our platform and increase contract value organization-wide.
- *Product innovation:* We continuously innovate and improve our platform by investing in research and development, customer insights and business intelligence analytics. We strive to make both our free and paid experiences more compelling so that our users find increasing value in our services.
- *Partnerships:* We seek to grow our presence on third-party platforms with native product integrations, and encourage third-party platforms to natively integrate their software and tools with us.

- *International:* We seek to attract more subscribers outside of the U.S. through localized product, marketing and sales efforts in other countries.
- *Sales and marketing:* We intend to increase investments in marketing and in our sales team to reach and convert more customers. We monitor our sales and marketing spend and return on investment closely to ensure that we are acquiring customers in an efficient manner.

Competition and Competitive Advantages

Competition

Our competitors include large social media platforms, such as Facebook and YouTube, which allow users to share videos for free. These services provide a built-in audience, social media-specific capabilities, and the ability to monetize video through advertising. They typically don't allow users to control whether or which kind of advertising accompanies their videos.

We also compete with a variety of companies that provide niche video services focused on a specific user segment or video use case. For example, some of these companies may provide a video editing solution, which may or may not be cloud-based, while other companies primarily provide distribution and monetization.

Competitive advantages

We believe that our competitive advantages include:

- *Centralized video solution.* Vimeo is unique in that we provide an integrated video software solution that eliminates the need to connect and pay for multiple software providers for video creation, hosting, distribution and measurement. The breadth of our tools enables us to offer more value at a competitive price point, and serve a broader range of customer types and use cases.
- *Agnostic distribution:* Social media platforms are overwhelmingly focused on increasing advertising dollars through viewership on their own properties. However, most businesses need and want to distribute their videos across multiple (if not all) platforms to reach the highest number of potential customers. We are an agnostic provider who can facilitate distribution across these platforms as well as on websites, apps and marketplaces. Our business model is aligned with our users' need to put their videos everywhere, and as a result we can provide more distribution opportunities than social media platforms can or are likely to provide. We therefore view social media platforms as our partners rather than competitors, and we already enable native distribution from Vimeo to Facebook, YouTube, LinkedIn, Twitter and Pinterest.
- *Ad-free, fully branded experience.* Unlike social media platforms, we offer our free users an ad-free video player, and enable subscribers to fully customize the video player experience and exercise complete control over their content. Because we don't monetize audiences through advertising, we never try to drive traffic away from our users' content or website. We further enable subscribers to build branded video channels, destinations and storefronts off Vimeo, so they can directly own the relationship with their viewers.
- *High-quality product.* Our video player delivers a best-in-class playback and live streaming experience for audiences of all sizes, optimized across devices, geographies, bandwidth and network performance. Our technology enables streaming of high dynamic range (HDR) video in up to 8K resolution, and is built to scale with organizations as their needs advance.
- *Economies of scale.* As we store and deliver more video, we are able to reduce our variable costs. The significant scale at which we operate has enabled us to improve our margins without increasing our prices. For example, our gross margin reached 70% for the quarter ended December 31, 2020. This further allows us to offer accessible pricing in areas that have been historically cost-prohibitive, such as professional-quality live streaming, over-the-top (OTT) delivery and 8K/HDR video streaming.
- *Cross-platform data.* As a result of our scale, we have deep insight into video engagement and performance across platforms. For the twelve months ended December 31, 2020, we captured over

one trillion unique video events across millions of unique destinations. We expect to use this data over time to provide personalized insights, dynamically optimize content, improve video quality and recommend which types of videos to make, when and for which platform. Our ability to deliver smarter products and insights for our users increases with the more data we collect, and the amount of data we collect increases as our users grow.

- *Creative community.* Nearly 70% of creatives whose work we recognize as Staff Picks say that Vimeo’s recognition helped them launch their video careers, and 85% of them showcase their work primarily on Vimeo. We believe that the diversity, size and engagement of our creative community is an asset that is difficult for others to replicate.

Technology

We use proprietary video creation, storage, delivery and playback technology that we have developed or acquired over the past 16 years. We are at the forefront of adopting next-generation video codecs like HEVC and AV1, which use advanced data compression and state-of-the-art prediction techniques to increase video playback quality.

We invest heavily in research and development to drive product improvements and innovation. As of December 31, 2020, nearly half of our employees were in product and engineering roles. The majority of our development work is done in-house, complemented by open-source software, off-the-shelf commercial software, and proprietary vendor-developed software.

Acquisitions

In 2016, we acquired VHX, a provider of over-the-top OTT streaming and monetization services. In 2017, we acquired Livestream, a provider of professional live streaming services. In 2019, we acquired Magisto, a provider of AI-driven video creation and editing tools. Today each of these capabilities is available through the Vimeo platform.

Intellectual Property

Our intellectual property includes registered trademarks, such as *VIMEO*, in the U.S. and over 15 other countries; 17 U.S. patents that claim various technologies that we may use in our operations, including patents directed to live video streaming and video editing using artificial intelligence technologies, with expiration dates ranging from 2030 to 2039; copyrights in our source code, website, apps and creative assets; over 150 domain names, including *Vimeo.com* and *Livestream.com*; and trade secrets.

Human Capital

As a software technology company, our employees are our number one resource. As of December 31, 2020, we had 702 full-time employees, of whom 210 were based outside of the U.S. None of our employees are covered by collective bargaining agreements. Overall, we consider our relations with employees to be good.

Our Company Culture

We believe that our company culture is a critical driver of our business success. We are a mission-driven company and have designed a set of guiding principles, along with our programs and processes, to help us maximize the potential of every individual in our company. Our principles are:

- Start with Users.
- Ask Why.
- Aim High.
- Own It.
- Be Real.

We believe this approach fosters a culture that is transparent, innovative and ambitious, all of which enable us to drive long-term customer value and achieve competitive differentiation.

Diversity, Equity and Inclusion

We believe our impact is greatest when our workforce represents the diverse and global community that we serve. Accordingly, we view diversity, equity, and inclusion (DE&I) efforts as integral to our success. We have a robust DE&I program that is headed by a dedicated head of DE&I, who reports to our Chief Operating Officer. Our DE&I efforts include:

- *Hiring practices:* We use a number of techniques, primarily directed toward expanding our pipeline, to achieve a diverse workforce. Beginning in 2020, we started implementing, across selected departments in the U.S., a goal of ensuring that women, BIPOC (black, indigenous and people of color), LGBTQIA+ (lesbian, gay, bisexual, transgender, genderqueer, queer, intersexed, agender and asexual) and candidates with disabilities comprise a minimum of 30% of candidates who reach the hiring manager interview stage of our hiring process.
- *Employee community (resource) groups (ECGs):* ECGs at Vimeo are employee-led and organizationally-supported groups of employees that are drawn together by shared characteristics (such as ethnicity, gender, sexual orientation, etc.) or shared interests. Participation is open to all. Each ECG has a leader and an executive sponsor from our leadership team. ECGs serve as a resource, point of connection, and community for underrepresented employees and their allies, and are an important part of building and maintaining an equitable, diverse and inclusive workforce and community. ECGs also play an integral role in helping Vimeo reach its strategic DE&I goals as they relate to our business operations, our workplace and our community.
- *Cultural education, bias mitigation, and allyship:* We provide regular programming on cultural awareness, bias mitigation, and allyship by partnering with third parties. All new hires are required to participate in unconscious bias training.
- *Skill development:* We provide mentoring opportunities for employees as well as learning and development resources, including an annual stipend for educational activities relevant to one's job. In addition, we provide regular manager training and coaching opportunities to continue to build skills.

As of December 31, 2019, our U.S. workforce was, based upon employee self-identification, 62% white, 12% Asian, 7% of two or more racial groups, 4% black, 7% of Hispanic or Latin background, and 0.2% Native Hawaiian or other Pacific Islander; 8% declined to self-identify. As of the same date, our workforce was 60% male, 39% female, and 1% non-binary. We publicly publish metrics on these and other measures of diversity at least once annually.

Compensation

We believe in a performance-based culture and have structured our compensation packages to reflect that. Employees are paid either a salary or on an hourly basis depending on their job duties and legal requirements. For non-sales salaried employees, we set targets for discretionary bonuses as a percentage of base salary, and we determine year-end bonuses based upon a combination of company performance, team performance, and individual performance. Sales-based employees are entitled to commissions based upon sales.

We maintain an employee equity program in which we grant, at present, stock-settled stock appreciation rights (SSARs) to all full-time employees. Following the Spin-off, we expect to continue providing employees with equity, which may include stock options, restricted stock units and an employee stock purchase plan.

In addition to these compensation methods, we provide a broad range of benefits, including comprehensive health and retirement benefits, that we believe meet or exceed market levels. For example, for U.S. full-time employees, we match all pre-tax contributions by our employees to IAC's 401(k) plan, as well as post-tax contributions by our employees to Roth individual retirement accounts, dollar for dollar in an amount of up to 10% of an employee's base salary (subject to an annual cap).

We are committed to providing competitive and equitable pay. We base our compensation on market data and conduct evaluations of our salary bands and compensation practices with a third-party consultant on a regular basis to determine the competitiveness and fairness of our packages.

Talent development

We are committed to empowering our people with career advancement and learning opportunities. We do this by providing, among other things: written guidance on expectations for job levels; bi-annual employee evaluations; mentoring programs; training for new managers; professional and leadership development training for ECG leaders; one-on-one coaching for leadership roles; and a stipend for annual learning and development opportunities.

Government Regulation

We are subject to domestic and foreign laws that affect companies conducting business on the internet generally, including laws relating to the liability of providers of online services for their operations and the activities of their users.

Because we host user-uploaded content, we may be subject to laws concerning such content. In the U.S., we rely, to a significant degree, on laws that limit the liability of online providers for user-uploaded content, including the Digital Millennium Copyright Act of 1998 (DMCA) and Section 230 of the Communications Decency Act of 1996. Countries outside the U.S. generally do not provide as robust protections for online providers and may instead regulate such entities to a higher degree. For example, in certain countries, online providers may be liable for hosting certain types of content or may be required to remove such content within a short period of time upon notice. We or our customers may also be subject to laws that regulate streaming services or online platforms, such as the EU's Audiovisual Media Services Directive or EU Regulation 2019/1150, which regulates platform-to-business relations.

Because we receive, store and use a substantial amount of information received from or generated by our users, we are also impacted by laws and regulations governing privacy and data security in the U.S. and worldwide. Examples of such regimes include Section 5 of the Federal Trade Commission Act, the EU's General Data Protection Law (GDPR), and the California Consumer Privacy Act (CCPA). These laws generally regulate the collection, storage, transfer and use of personal information.

Due to our subscription business model, we are subject to a variety of laws governing online transactions, payment card transactions and the automatic renewal of online agreements. In the U.S., these matters are regulated by, among other things, the federal Restore Online Shoppers Confidence Act (ROSCA) and various state laws.

As a U.S.-based company with foreign offices, we are subject to a variety of foreign laws governing our foreign operations, as well as U.S. laws that restrict trade and certain practices, such as the Foreign Corrupt Practices Act.

Facilities

Our corporate headquarters are located in New York, New York. We do not own any real property. Our facilities, which we lease (in one case from IAC) both in the United States and abroad, consist of executive and administrative offices and space for servers and other equipment.

Our New York headquarters is located in IAC's corporate headquarters in New York, New York. We plan to remain in this space following the Spin-off and will increase our leasehold by approximately 23,291 square feet beginning in March 2021. IAC presently allocates costs to us based upon the rentable square footage that we use; we do not have a formal lease at this time. We will enter into a formal lease as part of the Spin-off.

We believe that our current facilities are adequate to meet our ongoing needs. We also believe that, if we require additional space, we will be able to lease additional facilities on commercially reasonable terms.

Legal Proceedings**Overview**

Vimeo is, and from time to time may become, involved in various legal proceedings arising in the normal course of our business activities, such as copyright infringement and tort claims arising from user-uploaded content, patent infringement claims, breach of contract claims, putative class actions based upon

consumer protection or privacy laws and other matters. The amounts that may be recovered in such matters may be subject to insurance coverage. The litigation matters described below involve issues or claims that may be of particular interest to our stockholders, regardless of whether any of these matters may be material to our financial position or operations based upon the standard set forth in the SEC's rules.

Pursuant to the Separation Agreement, we have agreed to indemnify IAC for matters relating to any business of Vimeo, including indemnifying IAC for costs related to the matters described below.

Sony/Universal/Warner Copyright Litigation

In March 2021, Sony Music Entertainment Italy (a subsidiary of Sony Music Entertainment Group), Warner Music Italia (a subsidiary of Warner Music Group), Universal Music Italia (a subsidiary of Universal Music Group), and Warner Music International Services (a subsidiary of Warner Music Group) filed a lawsuit against Vimeo in the Court of Milan alleging violations of Italian copyright and unfair competition laws. See *Sony Music Entertainment Italy s.p.a. et al. v. Vimeo, Inc.*, Case No. 10977/2021 (Court of Milan, Business Division). The complaint alleges that Vimeo infringed plaintiffs' copyrights by hosting and streaming user-uploaded videos that contain plaintiffs' copyrighted works and that, upon notification of the alleged infringement, Vimeo employed a takedown process that did not comply with Italian law. The complaint seeks, among other things, injunctive relief. Vimeo has not yet responded to the complaint. Vimeo believes that the allegations in this lawsuit are without merit and will defend vigorously against them.

EMI/Capitol Records Copyright Infringement Litigation

In December 2009, a group of music publishers owned by EMI Music Publishing (now owned by Sony/ATV Music Publishing, a subsidiary of Sony Entertainment) and a group of then EMI-affiliated record companies including Capitol Records (now owned by Universal Music Group, a subsidiary of Vivendi), filed two lawsuits against Vimeo and its former owner, Connected Ventures, in the U.S. District Court for the Southern District of New York. See *Capitol Records, LLC v. Vimeo, LLC*, No. 09 Civ. 10101 (S.D.N.Y.) and *EMI Blackwood Music, Inc. v. Vimeo, LLC*, No. 09 Civ. 10105 (S.D.N.Y.). In both cases, plaintiffs allege that Vimeo infringed their music copyrights (in the publishers' musical compositions and the record companies' sound recordings) by hosting and streaming videos uploaded by users (and in certain cases, former employees) featuring their musical works. Plaintiffs seek, among other things, injunctive relief and monetary damages. The initial complaints identified 199 videos as infringing (which Vimeo removed post-suit).

Prior to suit, plaintiffs did not avail themselves of their right to submit a takedown notice to Vimeo pursuant to the online safe harbor provisions of the Digital Millennium Copyright Act of 1998 (DMCA), which limits the liability of online service providers for copyright infringement of their users when the provider takes certain measures. Vimeo asserts that the DMCA limits its liability because it complies with the DMCA and plaintiffs failed to submit takedown notices. Plaintiffs disagree, asserting various theories as to why the DMCA may not apply to some or all of the videos-in-suit.

The district court bifurcated proceedings and required the parties to first litigate the issue of whether Vimeo satisfied the DMCA's safe harbor provisions. On September 18, 2013, the district court granted partial summary judgment to Vimeo on 144 of the 199 original videos-in-suit on the ground that Vimeo complied with the threshold requirements of the DMCA and that there was no evidence that a Vimeo employee had watched the videos in question such that Vimeo had actual or "red flag" knowledge of infringement, which would disqualify the DMCA's application. The court denied summary judgment as to 35 videos-in-suit on the ground that there was a material question of fact as to whether Vimeo had "red flag" knowledge of infringement based upon employees having watched all or part of these videos. The court further held that the DMCA did not apply to the record companies' state-law claims regarding sound recordings fixed before February 1972; a trial was necessary to determine whether Vimeo was liable for employees who uploaded approximately 20 videos; and that plaintiffs should be permitted to amend their complaints to add over 1,500 videos allegedly infringing their copyrights (which Vimeo removed after receiving plaintiffs' proposed amended complaint).

Vimeo sought and obtained the right to appeal certain issues on an interlocutory basis to the U.S. Court of Appeals for the Second Circuit. On June 16, 2016, the Second Circuit held that (1) the district

court had applied the incorrect summary-judgment standard for “red flag” infringement and that evidence that an employee watched all or part of a video containing plaintiffs’ music did not raise a genuine issue of fact as to whether Vimeo had “red flag” knowledge in such video; (2) the DMCA applies to state-law copyright infringement claims predicated on pre-1972 sound recordings; and (3) on an issue raised by plaintiffs in their cross-appeal, the record did not show that Vimeo was willfully blind towards infringing activity taking place on its platform. As a result of these rulings, the Second Circuit partially vacated the district court’s ruling and remanded the case for further proceedings consistent with its judgment.

On March 31, 2018, the district court granted Vimeo’s motion to dismiss plaintiffs’ state-law unfair competition claims on the grounds that they were state-law copyright claims covered by the DMCA per the Second Circuit’s judgment. In filings made over the course of 2018 through February 21, 2020, the parties have fully briefed their respective renewed motions for summary judgment in light of the Second Circuit’s judgment. The parties are currently awaiting either the scheduling of argument or a decision on these motions.

It is Vimeo’s position that the DMCA limits its liability with respect to all user-uploaded videos-in-suit. Vimeo believes that the allegations in these lawsuits are without merit and will defend vigorously against them.

RTI Copyright Litigation

Between 2012 and 2017, Italian broadcaster Reti Televisive Italiane s.p.a. and an affiliate thereof (collectively, RTI) filed four lawsuits for copyright infringement against Vimeo in the Civil Court of Rome. See *Reti Televisive Italiane s.p.a. v. Vimeo, LLC*, Cause Nos. 23732/12, 62343/2015, and 59780/2017 (Rome Civil Court), and *Medusa Film v. Vimeo, Inc.*, Cause No. 74775/2017 (Rome Civil Court). In each case, RTI asserts that Vimeo infringed its copyrights by hosting and streaming user-uploaded videos that allegedly contain RTI’s television or film programming.

On January 15, 2019, the Civil Court of Rome concluded the first case (No. 23732/12) and entered a judgment against Vimeo, awarding RTI damages of EUR 8,500,000 plus interest and entering an injunction against Vimeo with respect to further acts of infringement. Vimeo filed an appeal and petitioned to stay the judgment pending appeal. On May 13, 2019, the Rome Court of Appeal stayed the judgment pending appeal. The appeal is currently pending.

On June 2, 2019, the Civil Court of Rome concluded the second case (No. 62343/2015) and entered a judgment against Vimeo, awarding RTI damages of EUR 4,746,273 plus interest and entering an injunction against Vimeo as to further acts of infringement. Vimeo filed an appeal and petitioned to stay the judgment pending appeal. The Rome Court of Appeal declined to stay the judgment. The appeal is currently pending. On October 26, 2020, RTI commenced a lawsuit against Vimeo in the U.S. District Court for the Southern District of New York to enforce the damages award of the June 2019 judgment. See *Reti Televisive Italiane s.p.a. v. Vimeo, LLC*, No. 20 Civ. 8954 (S.D.N.Y.). On December 22, 2020, Vimeo and RTI filed, and the district court entered, a stipulation and order staying the U.S. proceedings pending the final outcome of the appeals from the Italian judgment at issue.

Proceedings in the third and fourth cases (Nos. 59780/2017 and 74775/2017, respectively) are pending before the Civil Court of Rome. In each case, RTI seeks, among other things, injunctive relief and monetary damages.

It is Vimeo’s position that its liability is limited under Italian and EU laws and that the judgments against it are inconsistent with those laws and the decisions of the Italian Supreme Court. Vimeo believes that the allegations in these lawsuits are without merit and will defend vigorously against them.

British Telecommunications Patent Litigation

On March 18, 2018, British Telecommunications plc, which is referred to as BT, commenced a patent infringement lawsuit against Vimeo in the U.S. District Court for the District of Delaware. See *British Telecommunications plc v. IAC/InterActiveCorp, et al.*, Civ. No. 18-366 (D. Del.). In its complaint, BT asserted that Vimeo has infringed or is infringing three of its patents, U.S. Patent Nos. 6,240,450 (‘450 patent), 6,578,079 (‘079 patent), and 7,974,200 (‘200 patent). The plaintiff seeks, among other things, injunctive relief and monetary damages.

On February 4, 2019, on Vimeo's motion, the district court dismissed the claims based upon the '450 and '079 patents on the ground that the asserted patents were not directed to patentable subject matter. In pursuing an immediate appeal against one of Vimeo's co-defendants, Plaintiff waived its right to appeal the dismissal of those claims. Thereafter, Vimeo filed an inter partes review (IPR) petition with the U.S. Patent and Trademark Office (USPTO) with respect to certain of the asserted claims of the '200 patent. On August 5, 2020, the Patent Trial and Appeal Board (PTAB) of the USPTO issued a judgment canceling all but one of the challenged claims. Neither party appealed the PTAB's decision.

Following the PTAB decision, proceedings in the district court (which had been stayed since the institution of the IPR) resumed. As a result of the district court and PTAB decisions to date, only certain claims of the '200 patent remain viable. These claims are generally directed towards a fast startup technique in video streaming applications. On November 5, 2020, the district court entered a claim construction order construing certain terms of the '200 patent. On January 14, 2021, BT withdrew two of the asserted claims from the litigation, leaving only one claim of the '200 patent at issue. On March 29, 2021, the court approved BT's voluntary dismissal of its remaining claim with prejudice.

Illinois Biometric Information Privacy Act Litigation

On September 9, 2019, Bradley Acaley filed, on behalf of himself and other similarly situated individuals, a putative class action complaint against Vimeo in the Circuit Court of Cook County, Illinois. Vimeo thereafter removed the case to the U.S. District Court for the Northern District of Illinois, where it is now pending. See *Bradley Acaley v. Vimeo, Inc.*, No. 19 Civ. 7164 (N.D. Ill.). In his complaint, plaintiff asserts that Vimeo's Magisto mobile application collected facial biometric information in a manner that violated his rights under the Illinois Biometric Information Privacy Act (BIPA).

Vimeo moved to compel arbitration of the case. On June 1, 2020, the district court denied Vimeo's motion. On June 18, 2020, Vimeo filed an appeal to the U.S. Court of Appeals for the Seventh Circuit. On June 23, 2020, the district court administratively closed the case pending appeal. Briefing in the appeal has been stayed to permit the parties to engage in settlement discussions mediated through the Seventh Circuit's mediation program. The plaintiff seeks, among other things, injunctive relief and monetary damages.

It is Vimeo's position that the Magisto app does not violate BIPA. Vimeo believes that the allegations in this lawsuit are without merit and will defend vigorously against them.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion describes the financial condition and results of operations of Vimeo OpCo as though Vimeo OpCo were a separate company as of the dates and for the periods presented. You should read this discussion in conjunction with Vimeo OpCo’s audited and unaudited consolidated financial statements and accompanying notes included in Annex A to this prospectus.

Key Terms:

When the following terms appear in this Management’s Discussion and Analysis of Financial Condition and Results of Operations, they have the meanings indicated below:

- **Subscribers** — is the number of users who have an active subscription to one of Vimeo OpCo’s paid plans measured at the end of the relevant period. We count each account with a subscription plan as a subscriber. In the case of enterprise customers who maintain multiple accounts across our platforms as part of a single enterprise subscription plan, we count only one subscriber. We do not count team members who have access to a subscriber’s account as additional subscribers.
- **Average Subscribers** — is the sum of the number of Subscribers at the beginning and at the end of the relevant measurement period divided by two.
- **Average Revenue per User (“ARPU”)** — is the annualized revenue for the relevant period divided by Average Subscribers. For periods that are less than a full year, annualized revenue is calculated by dividing the revenue for that particular period by the number of calendar days in the period and multiplying this value by the number of days in that year.
- **Gross Margin** — is revenue less cost of revenue, divided by revenue.

Operating Costs and Expenses:

- **Cost of revenue** — consists primarily of hosting fees, credit card processing fees, compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in customer care functions, amortization of in-app purchase fees, outsourced customer care personnel costs, rent expense and facilities costs. In-app purchase fees are monies paid to Apple and Google in connection with the processing of in-app purchases of subscriptions and product features through the in-app payment systems provided by Apple and Google.
- **Research and development expense** — consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology, software license and maintenance costs, rent expense and facilities costs.
- **Sales and marketing expense** — consists primarily of advertising expenditures, which include online marketing, including fees paid to search engines, social media sites, email campaigns, display advertising, video advertising and affiliate marketing, and offline marketing, which includes conferences and events, compensation expense (including stock-based compensation expense) and other employee-related costs for Vimeo OpCo’s sales force and marketing personnel, software license and maintenance costs, rent expense and facilities costs.
- **General and administrative expense** — consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in executive management, finance, legal, tax, information technology and human resources, fees for professional services (including transaction-related costs related to the Spin-off and acquisitions), rent expense, facilities costs, and software license and maintenance costs.
- **Credit Facility** — On February 12, 2021, Vimeo OpCo entered into a \$100 million revolving credit facility that expires on February 12, 2026. At March 31, 2021, there were no outstanding borrowings under the Credit Facility.

Non-GAAP financial measure:

- **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”)**— is a non-GAAP financial measure. See “Principles of Financial Reporting” for the definition of Adjusted EBITDA and a reconciliation of net earnings (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders to operating loss to Adjusted EBITDA for the three months ended March 31, 2021 and 2020 and the year ended December 31, 2019 and 2020.

MANAGEMENT OVERVIEW

Vimeo OpCo is the world's leading all-in-one video software solution, providing the full breadth of video tools through a software-as-a-service model. Vimeo OpCo's comprehensive and cloud-based tools empower its users to create, collaborate and communicate with video on a single, turnkey platform.

Sources of Revenue

Vimeo OpCo's revenue is derived primarily from annual and monthly SaaS subscription fees paid by subscribers for self-serve and enterprise subscription plans. Subscription revenue is recognized over the term of the applicable subscription period, which ranges from one month to three years. The most common subscription is an annual subscription.

Distribution, Marketing and Advertiser Relationships

Vimeo OpCo pays to market and distribute its services on third-party search engines and social media websites, and through e-mail campaigns, display advertising, video advertising and affiliate marketing. Vimeo OpCo also pays fees to Apple and Google related to the distribution and the facilitation of in-app purchases of product features. These distribution channels might also offer other third parties services and products which compete with those Vimeo OpCo offers.

Vimeo OpCo also markets and offers its services and products through branded websites, allowing customers to transact directly with it in a convenient manner. Vimeo OpCo has made, and expects to continue to make, significant investments in online marketing to drive traffic to its websites.

Results of Operations for the three months ended March 31, 2021 compared to the three months ended March 31, 2020

Revenue

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands, except ARPU)			
Revenue	\$89,422	\$32,454	57%	\$56,968
Operating metrics:				
Subscribers (in thousands)	1,587	316	25%	1,271
Average Subscribers (in thousands)	1,559	308	25%	1,251
ARPU (in whole dollars)	\$ 233	\$ 50	27%	\$ 183

Revenue grew \$32.5 million or 57%, driven primarily by a 25% increase in Average Subscribers and a 27% increase in ARPU. The growth in Average Subscribers is due to the increase in self-serve and enterprise customers as individuals, businesses and organizations accelerated their adoption of video to communicate with their customers and employees due, in part, to the effects of COVID-19.

ARPU increased as a greater percentage of both new and existing self-serve subscribers purchased, on average, higher-priced offerings that include features such as additional storage and bandwidth, video creation and editing tools and live streaming capability. The growth in enterprise customers, whose average annual contract values are much greater, also contributed to ARPU growth.

Cost of revenue (exclusive of depreciation shown separately below)

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Cost of revenue (exclusive of depreciation shown separately below)	\$24,956	\$6,598	36%	\$18,358
As a percentage of revenue	28%			32%

Cost of revenue increased \$6.6 million, or 36%, due primarily to increases of \$3.6 million in hosting fees and \$2.4 million in credit card processing fees and in-app purchase fees. The increase in hosting fees was due to the increase in Average Subscribers, partially offset by cost optimization initiatives. The increase in credit card processing fees and in-app purchase fees was due primarily to an increase in Average Subscribers and growth in on-demand content transactions.

Gross profit

	Three Months Ended March 31,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Gross profit	\$64,466	\$25,856	67%	\$38,610
Gross margin	72%			68%

Gross margin increased due to revenue growth as well as cost optimization initiatives for hosting, which as a percentage of revenue decreased.

Research and development expense

	Three Months Ended March 31,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Research and development expense	\$21,475	\$6,182	40%	\$15,293
As a percentage of revenue	24%			27%

Research and development expense increased \$6.2 million, or 40%, due primarily to increased investment in products. The increased investment included \$5.0 million in compensation expense due to increased headcount and an increase of \$1.3 million in stock-based compensation expense, \$0.7 million in consulting costs and \$0.6 million in software license and maintenance costs. The increase in stock-based compensation expense is due to the acceleration of expense related to certain performance-based awards and the issuance of new equity awards since 2020.

Sales and marketing expense

	Three Months Ended March 31,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Sales and marketing expense	\$32,069	\$6,944	28%	\$25,125
As a percentage of revenue	36%			44%

Sales and marketing expense increased \$6.9 million, or 28%, due primarily to increases of \$3.6 million in compensation expense and \$2.9 million in advertising costs. The increase in compensation expense is primarily due to growth in the enterprise sales force.

General and administrative expense

	Three Months Ended March 31,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
General and administrative expense	\$14,518	\$2,314	19%	\$12,204
As a percentage of revenue	16%			21%

General and administrative expense increased \$2.3 million, or 19%, due primarily to increases of \$2.9 million in professional fees and \$2.8 million in compensation expense as a result of increased headcount and an increase of \$1.5 million in stock-based compensation expense, partially offset by a decrease of \$0.7 million in bad debt expense and the inclusion in 2020 of lease termination costs of \$0.7 million. The increase in professional fees is primarily due to \$1.3 million in costs associated with the implementation of new enterprise systems and \$0.7 million in costs associated with the Spin-off. The increase in stock-based compensation expense is due to the acceleration of expense related to certain performance-based awards and the issuance of new equity awards since 2020. Compensation expense was further impacted by a decrease in certain bonuses and severance expense.

Depreciation

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Depreciation	\$ 115	\$57	98%	\$ 58
As a percentage of revenue	NM			NM

Depreciation increased \$0.1 million, or 98%, due primarily to additional fixed assets being placed in service after the first quarter of 2020.

Operating loss

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Operating loss	\$(5,598)	\$11,595	67%	\$(17,193)
As a percentage of revenue	(6)%			(30)%

Operating loss decreased due to the increase in Adjusted EBITDA of \$13.3 million described below and a decrease of \$1.2 million in amortization of intangibles, partially offset by increases of \$2.9 million in stock-based compensation expense and \$0.1 million in depreciation expense. The decrease in amortization of intangibles is due to certain intangibles being fully amortized in 2020. The increase in stock-based compensation expense is due to the acceleration of expense related to certain performance-based awards and the issuance of new equity awards since 2020.

At March 31, 2021, there was \$51.0 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.8 years.

Adjusted EBITDA

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Adjusted EBITDA	\$1,316	\$13,312	NM	\$(11,996)
As a percentage of revenue	1%			(21)%

For a reconciliation of net earnings (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders to operating loss to Adjusted EBITDA, see “Principles of Financial Reporting.”

Adjusted EBITDA increased \$13.3 million to \$1.3 million due primarily to higher revenue and improved gross margin (72% in 2021 compared to 68% in 2020) as described above, partially offset by an increase in compensation expense due primarily to increases in headcount, an increase in professional fees, including costs related to the Spin-off and higher advertising costs.

Interest expense

	Three Months Ended March 31,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Interest expense	\$(64)	\$(64)	NM	\$—

Interest expense relates to amortization of deferred financing costs and commitment fees associated with the Credit Facility, which commenced on February 12, 2021.

Interest expense — related party

	Three Months Ended March 31,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Interest expense – related party	\$(726)	\$1,727	70%	\$(2,453)

Interest expense — related party relates to interest expense charged by IAC and its subsidiaries on the related party notes. The notes were repaid to IAC in January 2021.

Other income (expense), net

	Three Months Ended March 31,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Other income (expense), net	\$10,086	\$10,145	NM	\$(59)

Other income, net in 2021 includes a gain of \$10.2 million related to the sale of Vimeo OpCo's retained interest in its former hardware business.

Vimeo OpCo previously sold live streaming devices and accessories through its hardware business. Vimeo OpCo retained an interest in its former hardware business after it sold a majority stake on March 29, 2019 that provided it with rights to participate in and receive distributions in the event of positive cash flows or proceeds should there be another sale of the business. In the first quarter of 2021, the former hardware business, inclusive of Vimeo OpCo's retained interest, was sold and a gain was recognized. This gain includes amounts received in the first quarter of 2021 and funds held in escrow. Vimeo OpCo may receive additional consideration based on the revenue of its former hardware business relative to established targets through December 31, 2021. Such amounts will be recognized as income only if, and at the point in time, any additional consideration is received, or it is probable that additional consideration will be received.

Other expense, net in 2020 reflects \$0.1 million of net foreign exchange losses.

Income tax provision

	Three Months Ended March 31,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Income tax provision	\$(385)	\$170	31%	\$(555)
Effective income tax rate	10%			NM

For further details of income tax matters, see "Note 2 — Income Taxes" to the unaudited consolidated financial statements included in Annex A.

Vimeo OpCo is in a net operating loss ("NOL") position for federal and state income tax purposes. The largest deferred tax assets are the federal and state NOLs. Vimeo OpCo has recorded a valuation allowance for its net deferred tax assets because it has concluded that it is more likely than not that the NOLs will not be utilized due to its history of pre-tax losses. The income tax provisions relate to international and state taxes for jurisdictions in which Vimeo OpCo conducts business. The decrease in income tax provision is driven by a decrease in international tax accruals.

Results of Operations for the Years Ended December 31, 2019 and 2020**Revenue**

	Years Ended December 31,			
	2019	Change	% Change	2020
	(Dollars in thousands, except ARPU)			
Revenue (in thousands)	\$196,015	\$87,203	44%	\$283,218
Operating metrics:				
Subscribers (in thousands)	1,232	298	24%	1,530
Average Subscribers (in thousands)	1,092	289	26%	1,381
ARPU (in whole dollars)	\$ 180	\$ 25	14%	\$ 205

Revenue grew 44% to \$283.2 million, driven by a 26% increase in Average Subscribers, a 14% increase in ARPU, and the contribution of Magisto, which was acquired on May 28, 2019. The growth in Subscribers is due to the increase in self-serve and enterprise customers as individuals, businesses and organizations accelerated their adoption of video to communicate due, in part, to the effects of COVID-19.

ARPU increased as a greater percentage of both new and existing self-serve subscribers purchased, on average, higher-priced offerings that include features such as additional storage and bandwidth, video creation and editing tools and live streaming capability. The growth in enterprise customers, whose average annual contract values are much greater, also contributed to ARPU growth. For the year ended December 31, 2020, the number of enterprise subscribers increased from nearly 2,100 to more than 3,800, and enterprise revenue, as a percentage of total revenue, increased from 17% to 23%.

Magisto, which is included in self-serve, contributed \$12.2 million to the year-over-year revenue growth. Revenue in 2019 included \$2.3 million from the hardware business, which was sold in the first quarter of 2019.

Cost of revenue

	Years Ended December 31,			
	2019	\$ Change	% Change	2020
	(Dollars in thousands)			
Cost of revenue (exclusive of depreciation shown separately below)	\$77,665	\$11,412	15%	\$89,077
As a percentage of revenue	40%			31%

Cost of revenue increased \$11.4 million, or 15%, due primarily to increases of \$9.7 million in credit card processing fees, \$2.3 million in in-app purchase fees paid to Apple and Google, \$2.1 million in outsourced customer care personnel costs and \$2.0 million in compensation expense related to increased customer care personnel, partially offset by decreases of \$2.6 million in hosting fees and \$1.4 million of product costs due to the sale of the hardware business. The increase in credit card processing fees and in-app purchase fees is due primarily to increases in subscriptions and video on-demand transactions. The decrease in hosting fees is due primarily to cost reduction initiatives and lower rates for storage and transcoding.

Gross profit

	Years Ended December 31,			
	2019	\$ Change	% Change	2020
	(Dollars in thousands)			
Gross profit	\$118,350	\$75,791	64%	\$194,141
Gross profit margin percentage	60%			69%

Gross margin percentage increased due to revenue growth as well as cost reduction initiatives and lower rates for hosting, primarily for storage and transcoding, and to a lesser degree, the sale of the lower gross margin hardware business. We expect gross margin percentage to increase further over time, though not at the same pace in 2020.

Research and development expense

	Years Ended December 31,			2020
	2019	\$ Change	% Change	
	(Dollars in thousands)			
Research and development expense	\$46,946	\$17,292	37%	\$64,238
As a percentage of revenue	24%			23%

Research and development expense increased \$17.3 million, or 37%, due primarily to increased investment in products, including Vimeo Create. The increased investment included \$13.9 million in compensation expense due to increased headcount due, in part, to the acquisition of Magisto, and an increase of \$1.5 million in stock-based compensation expense due primarily to the issuance of new equity awards since 2019. Research and development expense was also impacted by increases of \$1.8 million in software license and maintenance costs and \$1.8 million in consulting costs.

Sales and marketing expense

	Years Ended December 31,			2020
	2019	\$ Change	% Change	
	(Dollars in thousands)			
Sales and marketing expense	\$87,337	\$18,293	21%	\$105,630
As a percentage of revenue	45%			37%

Sales and marketing expense increased \$18.3 million, or 21%, due primarily to increases in compensation expense of \$11.2 million due, in part, to growth in the sales force for enterprise offerings and increased commission expense due to the increase in enterprise bookings, marketing costs of \$5.3 million and software license and maintenance costs of \$1.9 million.

General and administrative expense

	Years Ended December 31,			2020
	2019	\$ Change	% Change	
	(Dollars in thousands)			
General and administrative expense	\$34,189	\$15,657	46%	\$49,846
As a percentage of revenue	17%			18%

General and administrative expense increased \$15.7 million, or 46%, due primarily to increases of \$11.2 million in compensation expense and \$6.0 million in professional fees. The increase in compensation expense is due to increased headcount and an increase of \$4.8 million in stock-based compensation expense due primarily to the issuance of new equity awards since 2019. The increase in professional fees is due to \$5.3 million in costs associated with the Spin-off. General and administrative expense in 2019 and 2020 include lease impairment charges of \$2.1 million and lease termination costs of \$1.1 million, respectively.

Depreciation

	Years Ended December 31,			
	2019	\$ Change	% Change	2020
	(Dollars in thousands)			
Depreciation	\$ 478	\$(18)	(4)%	\$ 460
As a percentage of revenue	NM			NM

Depreciation decreased 4%, due primarily to certain fixed assets becoming fully depreciated.

Operating loss

	Years Ended December 31,			
	2019	\$ Change	% Change	2020
	(Dollars in thousands)			
Operating loss	\$(60,253)	\$19,476	32%	\$(40,777)
As a percentage of revenue	(31)%			(14)%

Operating loss decreased due to the decrease in Adjusted EBITDA loss of \$30.9 million described below, partially offset by increases of \$6.4 million in stock-based compensation expense and \$5.1 million in amortization of intangibles. The increase in stock-based compensation expense was due primarily to the issuance of new equity awards since 2019. The increase in amortization of intangibles was due to the acquisition of Magisto.

At December 31, 2020, there was \$12.4 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.7 years.

Adjusted EBITDA

	Years Ended December 31,			
	2019	\$ Change	% Change	2020
	(Dollars in thousands)			
Adjusted EBITDA	\$(44,831)	\$30,923	69%	\$(13,908)
As a percentage of revenue	(23)%			(5)%

For a reconciliation of net loss to operating loss to Adjusted EBITDA, see “Principles of Financial Reporting.”

Adjusted EBITDA loss decreased 69% to a loss of \$13.9 million due primarily to higher revenue and improved gross margin percentages (60% in 2019 compared to 69% in 2020) as described above, partially offset by higher compensation expense due primarily to increases in research and development, sales and marketing and general and administrative headcount, higher marketing costs and costs related to the Spin-off.

Interest expense — related party

	Years Ended December 31,			
	2019	\$ Change	% Change	2020
	(Dollars in thousands)			
Interest expense – related party	\$(8,538)	\$(578)	(7)%	\$(9,116)

Interest expense — related party relates to interest expense charged by IAC and its subsidiaries on the outstanding related party notes. The decline was due to lower average balances outstanding in the year ended December 31, 2020 versus the prior year.

Other (expense) income, net

	Years Ended December 31,			2020
	2019	\$ Change	% Change	
	(Dollars in thousands)			
Other (expense) income, net	\$(6,441)	\$6,534	NM	\$93

Other expense, net in 2019 includes a realized loss of \$8.2 million related to the sale of Vimeo OpCo's hardware business in 2019 and a \$2.0 million realized gain on the sale of an investment.

Other income, net in 2020 includes \$0.5 million of income related to funds released from escrow in the fourth quarter of 2020 related to the acquisition of Magisto and a \$0.3 million realized gain on the sale of an investment, partially offset by \$0.7 million in net foreign exchange losses.

Income tax provision

	Years Ended December 31,			2020
	2019	\$ Change	% Change	
	(Dollars in thousands)			
Income tax provision	\$(345)	\$(483)	(140)%	\$(828)

For further details of income tax matters, see "Note 3 — Income Taxes" to the audited consolidated financial statements included in Annex A.

Vimeo OpCo is in a net operating loss ("NOL") position for federal and state income tax purposes. The largest deferred tax assets are the federal and state NOLs. Vimeo OpCo has recorded a valuation allowance for its net deferred tax assets because it has concluded that it is more likely than not that the NOLs will not be utilized due to its history of pre-tax losses. The income tax provisions relate to international and state taxes for jurisdictions in which Vimeo OpCo conducts business. The increase in income tax provision is driven by an increase in international profits.

PRINCIPLES OF FINANCIAL REPORTING

Vimeo reports Adjusted EBITDA as a supplemental measure to U.S. generally accepted accounting principles (“GAAP”). This measure is one of the primary metrics by which Vimeo evaluates the performance of its businesses, on which its internal budgets are based and by which management is compensated. Vimeo believes that investors should have access to, and is obligated to provide, the same set of tools that it uses in analyzing its results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. Vimeo endeavors to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. Vimeo encourages investors to examine the reconciling adjustments between the GAAP and non-GAAP measure, which is discussed below.

Definition of Non-GAAP Measure

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable. Vimeo believes this measure is useful for analysts and investors as this measure allows a more meaningful comparison between Vimeo’s performance and that of its competitors. The above items are excluded from Vimeo’s Adjusted EBITDA measure because these items are non-cash in nature. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.

The following table reconciles net earnings (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders to operating loss to Adjusted EBITDA for the three months ended March 31, 2021 and 2020 and the years ended December 31, 2019 and 2020:

	Three Months Ended March 31,		Years Ended December 31,	
	2021	2020	2019	2020
	(In thousands)			
Net earnings (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders	\$ 3,313	\$(20,260)	\$(75,577)	\$(50,628)
Add back:				
Income tax provision	385	555	345	828
Other (income) expense, net	(10,086)	59	6,441	(93)
Interest expense – related party	726	2,453	8,538	9,116
Interest expense	64	—	—	—
Operating loss	(5,598)	(17,193)	(60,253)	(40,777)
Add back:				
Stock-based compensation expense	4,912	2,016	5,291	11,665
Depreciation	115	58	478	460
Amortization of intangibles	1,887	3,123	9,653	14,744
Adjusted EBITDA	\$ 1,316	\$(11,996)	\$(44,831)	\$(13,908)

Non-Cash Expenses That Are Excluded From Vimeo’s Non-GAAP Measure

Stock-based compensation expense consists of expense associated with the grants of Vimeo OpCo stock appreciation rights (“SARs”), including performance-based SARs, and restricted stock units and IAC stock options issued to employees of Vimeo OpCo and an allocation of expense from IAC related to awards issued to corporate employees of IAC that were granted under various IAC stock and annual incentive plans. These expenses are not paid in cash and Vimeo views the economic costs of stock-based awards to be the dilution to its share base; Vimeo also includes the related shares in its diluted shares outstanding for GAAP earnings per share using the treasury stock method. Performance-based SARs are included only to the

extent the applicable performance condition(s) have been met (assuming the end of the reporting period is the end of the contingency period). Upon exercise of SARs, the awards are settled on a net basis in shares of IAC common stock (for which Vimeo compensated IAC with additional shares of Vimeo OpCo common stock or cash), and Vimeo remits the required tax-withholding amounts from its current funds.

Depreciation is a non-cash expense relating to Vimeo OpCo's leasehold improvements and equipment and is computed using the straight-line method to allocate the cost of depreciable assets to operations over their estimated useful lives, or, in the case of leasehold improvements, the lease term, if shorter.

Amortization of intangible assets is a non-cash expense related primarily to acquisitions. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as customer relationships, technology and trade names, are valued and amortized over their estimated lives. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. Vimeo believes that intangible assets represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairments of intangible assets or goodwill, if applicable, are not ongoing costs of doing business.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	March 31,	December 31,	
	2021	2019	2020
(In thousands)			
Cash and cash equivalents:			
United States	\$313,433	\$ —	\$107,018
All other countries	2,872	1,939	2,993
Total cash and cash equivalents	<u>\$316,305</u>	<u>\$ 1,939</u>	<u>\$ 110,011</u>
Debt – related party:			
Promissory notes due on demand – related party:			
Promissory note due on demand – related party	\$ —	\$35,457	\$ —
Promissory note due on demand – related party	—	24,296	44,565
Total promissory notes due on demand – related party	—	59,753	44,565
Promissory note due May 2, 2023 – related party	—	37,706	50,000
Total debt – related party	<u>\$ —</u>	<u>\$97,459</u>	<u>\$ 94,565</u>

Vimeo OpCo’s international cash can be repatriated without significant tax consequences.

For a detailed description of Debt, see “Note 4 — Revolving Credit Facility” and “Note 10 — Related Party Transactions” to the unaudited consolidated financial statements and “Note 13 — Related Party Transactions” to the audited consolidated financial statements included in Annex A.

Cash Flow Information

In summary, Vimeo OpCo’s cash flows are as follows:

	Three Months Ended March 31,		Years Ended December 31,	
	2021	2020	2019	2020
(In thousands)				
Net cash (used in) provided by:				
Operating activities	\$ (22)	\$ (388)	\$ (27,178)	\$13,861
Investing activities	\$ 7,633	\$ 21	\$(172,196)	\$ 42
Financing activities	\$199,012	\$1,860	\$ 200,457	\$93,868

Net cash used in operating activities consists of earnings adjusted for non-cash items and the effect of changes in working capital. Non-cash adjustments include the gain related to the sale of Vimeo OpCo’s retained interest in its former hardware business, stock-based compensation expense, amortization of intangibles, provision for credit losses and depreciation.

Three months ended March 31, 2021

Adjustments to earnings consist primarily of a \$10.2 million gain related to the sale of Vimeo OpCo’s retained interest in its former hardware business, \$4.9 million of stock-based compensation expense, and \$1.9 million of amortization of intangibles. The decrease from changes in working capital primarily consists of a decrease in accounts payable and other liabilities of \$10.5 million, an increase in accounts receivable of \$2.3 million, and an increase in other assets of \$1.8 million, partially offset by an increase in deferred revenue of \$11.3 million. The decrease in accounts payable and other liabilities is primarily due to a decrease in accrued employee compensation mainly related to the payment of 2020 cash bonuses in 2021 and payment of related-party accrued interest. The increase in accounts receivable is primarily due to timing of

cash receipts. The increase in other assets is primarily due to an increase in prepaid software license and maintenance costs. The increase in deferred revenue is due primarily to growth in sales of annual subscriptions.

Net cash provided by investing activities includes proceeds of \$7.8 million related to the sale of Vimeo OpCo's retained interest in its former hardware business.

Net cash provided by financing activities includes \$299.8 million in net proceeds from the issuance of 9.0 million shares of Vimeo OpCo Class A Voting common stock, partially offset by the repayment of related-party debt of \$94.6 million, withholding taxes paid on behalf of Vimeo OpCo employees for the exercise of stock appreciation rights of \$4.7 million, and \$1.4 million of deferred financing costs related to the Credit Facility.

Three months ended March 31, 2020

Adjustments to earnings consist primarily of \$3.1 million of amortization of intangibles, \$2.0 million of stock-based compensation expense, and \$0.8 million of provision for credit losses. The increase from changes in working capital primarily consists of increases in deferred revenue of \$14.8 million and payable due to IAC of \$6.2 million, partially offset by a decrease in accounts payable and other liabilities of \$4.1 million and an increase in accounts receivable of \$3.2 million. The increase in deferred revenue was primarily due to growth in sales of annual subscriptions. The decrease in accounts payable and other liabilities was primarily due to a decrease in accrued hosting fees due to timing of payment and a decrease in accrued employee compensation mainly related to the payment of 2019 cash bonuses in 2020, partially offset by an increase in accrued interest on related-party debt. The increase in accounts receivable was primarily related to growth in customers due, in part, to the effects of COVID-19.

Net cash provided by financing activities includes proceeds from the issuance of related-party debt of \$2.4 million, partially offset by \$0.6 million of withholding taxes paid on behalf of Vimeo OpCo employees for the exercise of stock appreciation rights.

Year ended December 31, 2019

Adjustments to earnings consist primarily of \$9.7 million of amortization of intangibles, a loss of \$8.2 million on the sale of the hardware business, \$5.3 million of stock-based compensation expense, and \$1.2 million of bad debt expense, partially offset by a realized gain of \$2.0 million on the sale of an investment. The increase from changes in working capital primarily consists of increases in deferred revenue of \$17.3 million, accounts payable and other liabilities of \$5.1 million, and payable due to IAC of \$2.5 million. The increase in deferred revenue is due primarily to growth in subscription sales. The increase in accounts payable and other liabilities is due, in part, to accrued interest on related-party debt. The increase in the payable due to IAC is part of IAC's centrally managed U.S. treasury function.

Net cash used in investing activities includes cash of \$168.1 million used for the acquisition of Magisto, and \$2.8 million of capital expenditures, primarily related to leasehold improvements, partially offset by \$2.2 million in proceeds from the sale of an investment.

Net cash provided by financing activities includes \$168.5 million from the issuance of common stock of Vimeo OpCo to IAC in connection with the funding of the acquisition of Magisto and \$32.2 million of proceeds from the issuance of related-party debt.

Year ended December 31, 2020

Adjustments to earnings consist primarily of \$14.7 million of amortization of intangibles, \$11.7 million of stock-based compensation expense, and \$1.8 million of provision for credit losses. The increase from changes in working capital primarily consists of an increase in deferred revenue of \$56.3 million, partially offset by a decrease in the payable due to IAC of \$17.6 million and an increase in accounts receivable of \$7.4 million. The increase in deferred revenue is due primarily to growth in subscription sales. The payable due to IAC was repaid with a portion of the proceeds from the primary equity raise of \$150.0 million in November of 2020, which is described below. The increase in accounts receivable is primarily due to revenue growth.

Net cash provided by investing activities includes \$0.5 million in funds released from escrow related to the 2019 acquisition of Magisto and \$0.3 million in proceeds from the sale of an investment, partially offset by capital expenditures of \$0.8 million, primarily related to leasehold improvements.

Net cash provided by financing activities includes \$149.6 million in proceeds from the issuance of 8.7 million shares of Class A common stock and \$32.6 million of proceeds from the issuance of related-party debt, partially offset by \$35.5 million in principal payments on related-party debt, \$31.1 million of dividends paid to Class A and Class B common stock shareholders, \$11.6 million for cash reimbursed to IAC/InterActiveCorp for IAC common shares issued to settle Vimeo OpCo stock appreciation rights that were exercised in November and December of 2020, and \$10.1 million of cash reimbursed to IAC/InterActiveCorp for withholding taxes paid on behalf of Vimeo OpCo employees for the exercise of stock appreciation rights.

Liquidity and Capital Resources

Funding of Vimeo OpCo by IAC Prior to the Vimeo OpCo Primary Equity Raise in November 2020

Prior to the November 10, 2020 primary equity sale, described below, Vimeo OpCo's principal source of liquidity has been the funding received from IAC and its subsidiaries, which was provided, in part, through IAC's centrally managed U.S. treasury function. The funding by IAC has been sufficient to enable Vimeo OpCo to fund its normal operating requirements, including capital expenditures and acquisitions. In May 2019, Vimeo OpCo completed the acquisition of Magisto for \$168.0 million, which was funded by the sale of equity to IAC.

November 2020 Primary Equity Raise and Dividend

On November 10, 2020, Vimeo OpCo raised \$150 million of equity capital via the sale of approximately 8.7 million shares of Class A Voting common stock at a price of \$17.33 per share, based on a pre-money valuation of \$2.75 billion. During November 2020, Vimeo OpCo paid a cash dividend of \$0.22 per share of Class A Voting common stock and Class B non-voting common stock to holders of record on November 5, 2020, for approximately \$31 million in aggregate, of which \$30.7 million was paid to IAC.

January 2021 Primary Equity Raise and Repayment of Debt Payable to IAC

In January 2021, Vimeo OpCo raised \$300 million of equity capital via the sale of approximately 6.2 million shares of Vimeo OpCo Class A Voting common stock for \$200 million, or \$32.41 per share, at a \$5.2 billion pre-money valuation, and approximately 2.8 million shares of Vimeo OpCo Class A Voting common stock for \$100 million, or \$35.35 per share, at a \$5.7 billion pre-money valuation.

At December 31, 2020, Vimeo OpCo had \$94.6 million of debt payable to IAC and \$4.2 million of accrued interest, all of which were repaid to IAC in January 2021 from a portion of the proceeds from the January 2021 primary equity raise described above.

Revolving Credit Facility

On February 12, 2021, Vimeo OpCo entered into a \$100 million revolving credit facility, which expires on February 12, 2026. Any borrowings under the Credit Facility are guaranteed by Vimeo OpCo's wholly-owned material domestic subsidiaries, if any, and are secured by substantially all assets of Vimeo OpCo and any guarantors, subject to certain exceptions. The commitment fee, which is based on the consolidated net leverage ratio most recently reported and the average daily dollar amount of the available revolving commitment, was 20 basis points at March 31, 2021. Any borrowings under the Credit Facility would bear interest, at Vimeo OpCo's option, at either a base rate or LIBOR, in each case plus an applicable margin, which is determined by reference to a pricing grid based on Vimeo OpCo's consolidated net leverage ratio. The financial covenants require Vimeo OpCo to maintain a minimum liquidity of not less than \$50.0 million until December 31, 2022 and, thereafter, at the end of each quarterly test period, a consolidated net leverage ratio (as defined in the agreement) of not more than 5.5 to 1.0. The Credit Facility also contains customary affirmative and negative covenants, including covenants that would limit Vimeo OpCo's ability to pay dividends or make distributions on or repurchase certain equity interests in the event a default has

occurred or Vimeo OpCo's consolidated net leverage ratio exceeds 4.0 to 1.0. At March 31, 2021, there were no outstanding borrowings under the Credit Facility.

Outstanding Stock-based Awards

Historically, Vimeo OpCo has granted equity awards, primarily stock settled stock appreciation rights, to its employees and management that are denominated in the equity of Vimeo OpCo. Prior to the Spin-off, these equity awards have been settled on a net basis, with the award holder entitled to receive shares of IAC common stock with a value equal to the intrinsic value of the Vimeo OpCo award upon settlement less an amount equal to the required cash tax withholding payment, which has been paid by IAC on behalf of the employee. Vimeo OpCo has reimbursed IAC in cash for the withholding taxes remitted on behalf of the Vimeo OpCo employees and has generally reimbursed IAC for the IAC shares through the issuance of shares of Vimeo OpCo common stock.

After the Spin-off, these awards will be settled in shares of Vimeo common stock. See the section of this prospectus entitled "The Spin-off-Treatment of Vimeo Equity Awards." Vimeo management currently plans to require individual award holders to pay his or her share of the withholding tax obligation, which he or she will generally be able to do by selling Vimeo common shares (including a portion of the shares received in connection with the applicable exercise).

Upon completion of the Spin-off, each option to purchase shares of IAC common stock will convert into one option to purchase shares of IAC common stock and a number of options to purchase shares of Vimeo common stock equal to the spin-off ratio, with the option exercise prices based on (i) the value of IAC common stock prior to the Spin-off and (ii) the value of IAC common stock and the value of Vimeo common stock after giving effect to the Spin-off. In addition, IAC restricted stock awards will also convert into a number of IAC restricted stock awards and Vimeo restricted stock awards based upon the spin-off ratio.

Liquidity Assessment

As of March 31, 2021, Vimeo OpCo had approximately \$316.3 million in cash and cash equivalents and no debt. As of March 31, 2021, approximately 85% of Vimeo OpCo's subscribers were on annual subscription plans. As a result, Vimeo OpCo has a high degree of revenue predictability in future periods.

Vimeo believes its existing cash and cash equivalents and expected positive cash flows generated from operations will be sufficient to fund its normal operating requirements, including capital expenditures, and other commitments beyond the three-month period ending March 31, 2022. This assessment takes into account the effect of operating leases and purchase obligations described below in "Contractual Obligations." Vimeo does not currently expect to incur significant capital expenditures. The \$100 million of available borrowings under Vimeo OpCo's revolving credit facility will be a potential source of additional financial flexibility and liquidity, if needed.

Following the Spin-off, Vimeo's liquidity could be negatively affected by a decrease in demand for Vimeo's products and services, or the incurrence of unexpected expenses. Vimeo may need to raise additional capital through future debt or equity financing to make additional acquisitions and investments or to provide for greater financial flexibility. Additional financing may not be available on terms favorable to Vimeo or at all. For a discussion of the risks related to Vimeo that may impact Vimeo's liquidity, see the discussion under "Risk Factors," including in particular "Risk Factors — Risks Relating to Vimeo and the Vimeo Business Following the Spin-off — Vimeo has a history of losses," "Risk Factors — Risks Relating to Vimeo and the Vimeo Business Following the Spin-off — Vimeo's recent and rapid growth may not be indicative of future performance" and "Risk Factors — Risks Relating to Vimeo and the Vimeo Business Following the Spin-off — Vimeo's growth and profitability depend upon a wide variety of factors, some of which are out of Vimeo's control."

CONTRACTUAL OBLIGATIONS

AS OF MARCH 31, 2021

Contractual Obligations ^(a)	Payments Due by Period				Total
	Less Than 1 Year	1–3 Years	3–5 Years	More Than 5 Years	
	(In thousands)				
Operating leases ^(b)	\$ 1,048	\$ 1,717	\$930	\$ —	\$ 3,695
Purchase obligations ^(c)	50,643	45,321	—	—	95,964
Total contractual obligations	\$51,691	\$47,038	\$930	\$ —	\$99,659

- (a) Vimeo has excluded \$2.0 million in unrecognized tax benefits and related interest from the table above as we are unable to make a reasonably reliable estimate of the period in which these liabilities might be paid. For additional information on income taxes, see “Note 2 — Income Taxes” to the unaudited consolidated financial statements included in Annex A.
- (b) Vimeo leases office space used in connection with operations under various operating leases, the majority of which contain escalation clauses. Vimeo is also committed to pay a portion of the related operating expenses under certain lease agreements. These operating expenses are not included in the table above.
- (c) Purchase obligations principally consist of payments for various cloud computing contracts.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The following disclosure is provided to supplement the descriptions of Vimeo OpCo’s accounting policies contained in “Note 2 — Summary of Significant Accounting Policies” to the audited consolidated financial statements included in Annex A in regard to significant areas of judgment. Management of Vimeo OpCo is required to make certain estimates, judgments and assumptions during the preparation of its consolidated financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”). These estimates, judgments and assumptions impact the reported amount of assets, liabilities, revenue and expenses and the related disclosure of assets and liabilities. Actual results could differ from these estimates. Because of the size of the financial statement elements to which they relate, some of Vimeo OpCo’s accounting policies and estimates have a more significant impact on its consolidated financial statements than others. What follows is a discussion of some of Vimeo OpCo’s more significant accounting policies and estimates.

Business Combinations

Acquisitions, which are generally referred to in GAAP as business combinations, have been an important part of Vimeo OpCo’s growth strategy. Vimeo OpCo invested \$168.0 million for the acquisition of Magisto in 2019. Management makes a critical determination at the time of an acquisition related to the allocation of the purchase price of the business to the assets acquired and the liabilities assumed based upon their fair values.

The purchase price of each acquisition is attributed to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including identifiable intangible assets that either arise from a contractual or legal right or are separable from goodwill.

The allocation of purchase price to the assets acquired and liabilities assumed is based upon their fair values and is complex because of the judgments involved in determining these values. The determination of purchase price and the fair value of monetary assets acquired and liabilities assumed is typically the least complex aspect of Vimeo OpCo’s accounting for business combinations due to the inherent lower level of judgment required. Due to the higher degree of complexity associated with the valuation of intangible assets, Vimeo OpCo usually obtains the assistance of outside valuation experts in the allocation of purchase price to the identifiable intangible assets acquired, such as acquired technology, customer relationships, trade names and trademarks. While outside valuation experts may be used, management has ultimate responsibility for the valuation methods, models and inputs used and the resulting purchase price allocation. The excess purchase price over the value of net tangible and identifiable intangible assets acquired is recorded as goodwill.

Recoverability of Goodwill

Goodwill is Vimeo OpCo’s largest asset with a carrying value of \$219.4 million and \$219.3 million at December 31, 2019 and 2020, respectively.

Goodwill is assessed annually for impairment as of October 1 or more frequently if an event occurs or circumstances change that would indicate that it is more likely than not that the fair value of Vimeo OpCo has declined below its carrying value. In performing its annual goodwill impairment assessment, Vimeo OpCo has the option under GAAP to qualitatively assess whether it is more likely than not that its fair value is less than its carrying value; if the conclusion of the qualitative assessment is that there are no indicators of impairment, Vimeo OpCo does not perform a quantitative test, which would require a valuation, as of October 1. GAAP provides a not all-inclusive set of examples of macroeconomic, industry, market and company specific factors for entities to consider in performing the qualitative assessment described above; management considers the factors it deems relevant in making its more likely than not assessments.

For Vimeo OpCo’s annual goodwill test at October 1, 2020, a qualitative assessment of Vimeo OpCo’s goodwill was performed because Vimeo OpCo concluded it was more likely than not that its fair value was in excess of its carrying value based upon a valuation of Vimeo OpCo prepared by IAC primarily in connection with the issuance and/or settlement of equity awards that are denominated in the equity of Vimeo OpCo. The valuation was prepared in February 2020 and was reviewed each quarterly reporting period through September 30, 2020. The fair value of Vimeo OpCo in the valuation was significantly in excess of its October 1,

2020 carrying value. The methods used to determine the valuation of Vimeo OpCo is described below in “Stock-based Compensation — *Valuations of Vimeo OpCo and Description of the Assumptions Used in the Black-Scholes Option-Pricing Model.*”

Stock-based Compensation

Stock-based compensation is one of the ways Vimeo OpCo attracts, retains, inspires and rewards our management team and employees, including those employed by recently acquired companies, by allowing them to benefit directly from the value they help to create.

The stock-based compensation expense reflected in Vimeo OpCo’s consolidated statement of operations primarily consists of expense related to stock appreciation rights denominated in Vimeo OpCo equity. It also includes expense related to IAC stock options and restricted stock units issued to employees of Vimeo OpCo and an allocation of expense from IAC related to awards issued to corporate employees of IAC that were granted under various IAC stock and annual incentive plans. Vimeo OpCo recorded stock-based compensation expense of \$5.3 million and \$11.7 million for the years ended December 31, 2019 and 2020, respectively. Of these amounts \$4.1 million and \$7.5 million, respectively, relate to Vimeo OpCo denominated equity awards.

Prior to the Spin-off, the Vimeo OpCo denominated stock appreciation rights are settled on a net basis in shares of IAC common stock having a value equal to the difference between the exercise price and the fair value of the Class A Voting common stock of Vimeo OpCo. Upon completion of the Spin-off, the Vimeo OpCo denominated stock appreciation rights will be converted into awards that are exercisable for shares of Vimeo common stock. See the section of this prospectus entitled “The Spin-off-Treatment of Vimeo Equity Awards.”

Vimeo OpCo measures and recognizes compensation expense for all stock-based awards based on the grant date fair value of the awards. The fair value of stock appreciation rights and stock options is estimated using the Black-Scholes option-pricing model. Fair value is recognized as an expense on a straight-line basis, net of estimated forfeitures, over the requisite service period, which is the vesting period of the award.

The Black-Scholes option-pricing model requires the use of highly subjective and complex assumptions to determine the inputs to the model, which include estimating the fair value of the underlying shares, the expected term from grant date to exercise, the expected volatility of the underlying shares, the risk-free interest rates and the expected dividend yield. The determination of these assumptions is described immediately below.

Valuations of Vimeo OpCo and Description of the Assumptions Used in the Black-Scholes Option-Pricing Model

Vimeo OpCo estimates the fair value of its stock appreciation rights using the Black-Scholes option-pricing model. The fair value of the common stock of Vimeo OpCo was approved by the Compensation and Human Resources Committee of the IAC Board of Directors (the “IAC Committee”), after consultation with IAC management and based on valuations prepared by IAC management and, at certain times, a valuation prepared by an unrelated third party valuation advisory firm. All awards granted are exercisable at a price per share not less than the per share fair value of the Class A Voting common stock of Vimeo OpCo on the grant date. In the absence of a public trading market of the shares of Vimeo OpCo, the IAC Committee exercised its judgment and considered numerous objective and subjective factors to determine what it believed to be the best estimate of the fair value of the shares of Class A Voting common stock of Vimeo OpCo. These factors generally included the following:

- actual operating and financial performance;
- current business conditions and financial projections;
- the market performance of comparable publicly traded companies;
- a valuation performed at a periodic interval by an unrelated third-party valuation advisory firm;
- the U.S. capital market conditions; and

- equity transactions between Vimeo OpCo and unrelated third-parties.

Estimates will no longer be required to determine the fair value of Vimeo common stock once the underlying shares begin trading, which is expected to begin on the first business day following the completion of the Spin-off.

In valuing the shares of Vimeo OpCo, IAC determined its equity value by assessing a combination of value indicators using a market comparable approach and an income approach. While outside valuation experts may be used, IAC management has ultimate responsibility for the valuation methods, models and inputs used and the resulting valuation of Vimeo OpCo.

Market comparable approach

The market comparable approach considers multiples of financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined which is applied to financial metrics to estimate the equity value of Vimeo OpCo.

The peer group of companies was determined by considering companies relevant in terms of business function, monetization model, and margin and growth characteristics operating in these sectors: SaaS and branded consumer internet companies with strong revenue growth.

Income approach

For the income approach, a discounted cash flow method was utilized to estimate the enterprise value based on the estimated present value of future net cash flows Vimeo OpCo expected to generate over a forecasted period and an estimate of the present value of cash flows beyond that period. The present value was estimated using a discount rate, which accounts for the time value of money and the appropriate degree of risks inherent in the business. For these valuations, Vimeo OpCo prepared financial projections to be used in the income approach. The financial projections took into account the historical financial results of operations and future expectations of Vimeo OpCo. The risk associated with achieving these forecasts was used to select the appropriate exit multiple and discount rate. There is inherent uncertainty in these estimates, as the assumptions used were highly subjective and subject to change as a result of new operating data and economic and other conditions that impact the business.

Option-pricing model

The key assumptions and estimates used in the option-pricing model to value Vimeo OpCo's denominated stock appreciation rights are as follows:

- *Fair value of shares.* Because the shares of Vimeo OpCo have no publicly traded history, the grant date fair value of these shares must be estimated, as described above.
- *Expected term.* The stock appreciation rights of Vimeo OpCo have generally had one window each year during which a holder could exercise their awards and the expected term is based upon the mid-point of the first and last exercise windows specified in the award agreement.
- *Expected volatility.* In the absence of a trading history for the common stock of Vimeo OpCo, the expected price volatility of the underlying shares was estimated by making reference to the peer group of companies used in the preparation of valuations.
- *Risk-free interest rate.* The risk-free interest rate for all awards is based on U.S. Treasuries with a maturity date equal to the expected term of the award on the grant date.
- *Expected dividend yield.* The expected dividend assumption for the stock appreciation rights was zero at the time of grant based on the then-current expectation and still current expectation that Vimeo OpCo will not be paying dividends on a recurring basis in the foreseeable future.

The following table summarizes the weighted-average assumptions used in the option pricing model for grants made during 2019 and 2020 for the stock appreciation rights of Vimeo OpCo.

	Years Ended December 31,	
	2019	2020
Weighted average grant date fair value of shares ⁽¹⁾	\$2.14	\$2.16
Expected term	3.4 years	3.3 years
Expected volatility	41%	38%
Risk-free interest rate	1.8%	1.1%
Expected dividend yield	—%	—%

- (1) The weighted average grant date fair value per share for these awards does not give effect to the exchange ratio that will be applied in connection with the Vimeo merger.

In addition to the above assumptions, Vimeo OpCo also estimates a forfeiture rate to calculate stock-based compensation expense, which is based on an analysis of historical forfeitures.

Recoverability and Estimated Useful Lives of Long-Lived Assets

Vimeo OpCo reviews the carrying value of all long-lived assets, comprising right-of-use assets (“ROU assets”), leasehold improvements and equipment and intangible assets with definite lives, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value is deemed not to be recoverable, an impairment loss is recorded equal to the amount by which the carrying value of the long-lived asset exceeds its fair value. In addition, Vimeo OpCo reviews the useful lives of its long-lived assets whenever events or changes in circumstances indicate that these lives may be changed. The carrying value of these long-lived assets is \$31.2 million and \$15.8 million at December 31, 2019 and 2020, respectively.

Income Taxes

Vimeo OpCo is included within IAC’s tax group for purposes of federal and consolidated state income tax return filings. In the periods presented, current and deferred income tax provision has been computed for Vimeo OpCo on an as if standalone, separate tax return basis. Vimeo OpCo’s payments to IAC for its share of IAC’s consolidated state tax return liabilities have been reflected within cash flows from operating activities in Vimeo OpCo’s consolidated statements of cash flows included in Annex A.

Vimeo OpCo accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided if it is determined that it is more likely than not that the deferred tax asset will not be realized.

The ultimate amount of deferred income tax assets realized and the amounts paid for deferred income tax liabilities and unrecognized tax benefits may vary from Vimeo OpCo’s estimates due to future changes in income tax law, state income tax apportionment or the outcome of any review of Vimeo OpCo’s tax returns by the various tax authorities, as well as actual operating results of Vimeo OpCo that vary significantly from anticipated results.

Vimeo OpCo regularly assesses the realizability of deferred tax assets considering all available evidence including, to the extent applicable, the nature, frequency and severity of prior cumulative losses, forecasts of future taxable income, tax filing status, the duration of statutory carryforward periods, available tax planning and historical experience. As of December 31, 2019 and 2020, Vimeo OpCo is in a three-year cumulative loss position and has recorded a full valuation allowance against its domestic net deferred tax assets of \$35.7 million and \$51.7 million, respectively.

Vimeo OpCo evaluates and accounts for uncertain tax positions using a two-step approach. Recognition (step one) occurs when Vimeo OpCo concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustainable upon examination. Measurement (step two) determines the amount of

benefit that is greater than 50% likely to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. De-recognition of a tax position that was previously recognized would occur when Vimeo OpCo subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained. This measurement step is inherently difficult and requires subjective estimations of such amounts to determine the probability of various possible outcomes. At December 31, 2019 and 2020, Vimeo OpCo has unrecognized tax benefits of \$1.5 million and \$1.9 million, respectively. Vimeo OpCo considers many factors when evaluating and estimating its tax positions and unrecognized tax benefits, which may require periodic adjustment and which may not accurately anticipate actual outcomes. Although management currently believes changes to unrecognized tax benefits from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided will not have a material impact on the liquidity, results of operations, or financial condition of Vimeo OpCo, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see "Note 2 — Summary of Significant Accounting Policies" to the audited consolidated financial statements included in Annex A.

JOBS Act

As a company with less than \$1.1 billion in revenue during Vimeo's last fiscal year, Vimeo qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Vimeo will continue to be an emerging growth company until the earliest to occur of:

- the last day of the fiscal year ending after the fifth anniversary of the date of the first sale of Vimeo common equity securities;
- the last day of the fiscal year in which Vimeo has more than \$1.1 billion in annual revenues;
- the last day of the fiscal year in which Vimeo is deemed to be a large accelerated filer, which means the market value of its common shares which are held by non-affiliates exceeds \$700 million as of the prior June 30; or
- the date on which Vimeo has issued more than \$1.0 billion of nonconvertible debt during the prior three-year period.

Until Vimeo ceases to be an emerging growth company, it may take advantage of reduced reporting requirements generally unavailable to other public companies. Those provisions allow Vimeo to:

- provide less than five years of selected financial data in an initial public offering registration statement;
- provide reduced disclosure regarding its executive compensation arrangements pursuant to the rules applicable to smaller reporting companies, which means Vimeo does not have to include a compensation discussion and analysis and certain other disclosure regarding its executive compensation; and
- not provide an auditor attestation of Vimeo's internal control over financial reporting.

The JOBS Act also permits an emerging growth company such as Vimeo to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies, and exempts an emerging growth company from Sections 14A(a) and (b) of the Exchange Act, which require companies to hold shareholder advisory votes on executive compensation and golden parachute compensation.

Vimeo has elected to adopt the reduced disclosure requirements described above for purposes of the registration statement of which this prospectus forms a part. In addition, for so long as Vimeo qualifies as an emerging growth company, it expects to take advantage of certain of the reduced reporting and other requirements of the JOBS Act with respect to the periodic reports it will file with the SEC and proxy statements that it uses to solicit proxies from its stockholders.

Vimeo has elected to not take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies, which means that the financial statements included in this prospectus, as well as financial statements Vimeo files in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Vimeo's election not to take advantage of the extended transition period is irrevocable.

Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Exchange Risk

For the three months ended March 31, 2021 and 2020, international revenue accounted for 46% and 48%, respectively, of Vimeo OpCo's consolidated revenue. For the years ended December 31, 2019 and 2020, international revenue accounted for 49% and 51%, respectively, of Vimeo OpCo's consolidated revenue. This international revenue is based upon the location of the customer. Vimeo OpCo's self-serve subscription plans are priced in local currency for international customers and Vimeo OpCo's enterprise subscription plans are priced in U.S. dollars for international customers. Vimeo OpCo's investments in foreign subsidiaries that transact business in a functional currency other than the U.S. dollar are not material and, therefore, translation gains and losses are not material.

In addition, foreign currency exchange gains or losses historically have not been material to Vimeo OpCo. Vimeo OpCo recorded foreign exchange losses of \$0.2 million and \$0.1 million for the three months ended March 31, 2021 and 2020, respectively, and \$0.2 million and \$0.7 million for the years ended December 31, 2019 and 2020, respectively.

DESCRIPTION OF CAPITAL STOCK

The following is a description of the material terms of Vimeo capital stock from and after the time of the Spin-off and the Vimeo merger. The following description is not meant to be complete and is qualified by reference to Vimeo's amended and restated certificate of incorporation (as amended from time to time, the "Vimeo certificate of incorporation") and amended and restated by-laws (the "Vimeo by-laws") filed as Exhibits 3.1 and 3.2, respectively, to the registration statement of which this prospectus forms a part, and to the DGCL. The Vimeo certificate of incorporation and the Vimeo by-laws are incorporated by reference herein. For more information on how you can obtain copies of these documents, see "Where You Can Find More Information." We urge you to read the Vimeo certificate of incorporation and the Vimeo by-laws in their entirety.

Authorized Capital Stock

Vimeo's authorized capital stock consists of 1,600,000,000 shares of Vimeo common stock, par value \$0.01 per share, 400,000,000 shares of Vimeo Class B common stock, par value \$0.01 per share, and 100,000,000 shares of preferred stock, par value \$0.01 per share. The number of shares of Vimeo Holdings common stock outstanding immediately following the Spin-off and the Merger will depend on the results of the anti-dilution adjustment described in the section of this proxy statement/consent solicitation statement/consent solicitation statement/prospectus titled "The Vimeo Merger — Consideration to Vimeo OpCo Stockholders," but is expected to be approximately 154.8523 million (based on the spin-off exchange ratio of 1.6235, Vimeo merger exchange ratio of 1.0143, and outstanding IAC and Vimeo OpCo shares as of May 24, 2021). The number of shares of Vimeo Class B common stock outstanding immediately following the Spin-off and the consummation of the Vimeo merger is expected to be 9,399,252.

Common Stock

In general, the holders of Vimeo common stock vote together as a single class with the holders of Vimeo Class B common stock on all matters, including the election of directors; provided, however, that the holders of Vimeo common stock, acting as a single class, are entitled to elect twenty-five percent (25%) of the total number of Vimeo directors, rounded up to the next whole number in the event of a fraction. Each outstanding share of Vimeo common stock entitles the holder to one vote per share. The Vimeo certificate of incorporation does not provide for cumulative voting in the election of directors. Subject to any preferential rights of any outstanding series of Vimeo preferred stock created by the Vimeo board of directors from time to time, the holders of Vimeo common stock are entitled, share-for-share with the holders of the Vimeo Class B common stock, to such dividends as may be declared from time to time by the Vimeo board of directors from funds legally available for the payment of dividends, and, upon liquidation, dissolution or winding up, will be entitled to receive, pro rata, share-for-share with the holders of the Vimeo Class B common stock, all assets available for distribution after payment of a proper amount to the holders of any series of Vimeo preferred stock, including any series that may be issued in the future.

Class B Common Stock

In general, the holders of Vimeo Class B common stock vote together as a single class with the holders of Vimeo common stock on all matters, including the election of directors; provided, however, that the holders of Vimeo common stock, acting as a single class, are entitled to elect twenty-five percent (25%) of the total number of Vimeo directors, rounded up to the next whole number in the event of a fraction. The holders of Vimeo Class B common stock are entitled to ten votes per share. The Vimeo certificate of incorporation does not provide for cumulative voting in the election of directors. Subject to any preferential rights of any outstanding series of Vimeo preferred stock created by the Vimeo board of directors from time to time, the holders of Vimeo Class B common stock are entitled, share-for-share with the holders of the Vimeo common stock, to such dividends as may be declared from time to time by the Vimeo board of directors from funds legally available for the payment of dividends, and, upon liquidation, dissolution or winding up, will be entitled to receive pro rata, share-for-share with the holders of the Vimeo common stock, all assets available for distribution after payment of a proper amount to the holders of any series of Vimeo preferred stock that may be issued in the future. Shares of Vimeo Class B Common Stock are convertible into shares of Vimeo Common Stock at the option of the holder thereof at any time on a share for share basis.

Preferred Stock

Vimeo has the authority to issue shares of preferred stock from time to time in one or more series. The Vimeo board of directors has the authority, by resolution, to designate the powers, preferences, rights, qualifications, limitations and restrictions of preferred stock of Vimeo.

Effect of Delaware Anti-Takeover Statute

Vimeo is subject to Section 203 of the DGCL, which generally prevents Delaware corporations from engaging in a business combination with any interested stockholder for three years following the date that the stockholder became an interested stockholder, unless that business combination or the transaction which resulted in the stockholder becoming an interested stockholder has been approved in one of a number of specific ways. For purposes of Section 203, a “business combination” includes, among other things, a merger or consolidation involving Vimeo and the interested stockholder and a sale of more than 10% of Vimeo’s assets. In general, the anti-takeover law defines an “interested stockholder” as any entity or person beneficially owning 15% or more of a corporation’s outstanding voting stock and any entity or person affiliated or associated with such entity or person. A Delaware corporation may “opt out” of Section 203 with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or by-laws resulting from amendments approved by holders of at least a majority of a corporation’s outstanding voting stock. Vimeo has not “opted out” of the provisions of Section 203.

Limitations on Liability, Indemnification of Officers and Directors and Insurance

Section 145 of the DGCL provides that a corporation may indemnify directors and officers, as well as other employees and individuals, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent of the corporation. Section 145 of the DGCL also permits a corporation to pay expenses incurred by a director or officer in advance of the final disposition of a proceeding subject to receipt of an undertaking by such director or officer to repay such amount if it shall be ultimately determined that such person is not entitled to be indemnified by the corporation. The DGCL provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any by-laws, agreement and vote of stockholders or disinterested directors or otherwise.

The Vimeo certificate of incorporation and Vimeo by-laws provide for indemnification of Vimeo’s directors and officers (and their legal representatives), and of those serving at the request of the Vimeo board of directors or officers as an employee or agent of the corporation, or as a director, officer, employee or agent of another corporation, partnership, joint venture or other enterprise, to the fullest extent authorized by the DGCL, except that Vimeo will indemnify a person for a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the Vimeo board of directors. The Vimeo by-laws provide for mandatory advancement of expenses to persons entitled to indemnification in defending any action, suit or proceeding in advance of its final disposition, provided that, if the DGCL so requires, such persons provide an undertaking to repay such amounts advanced if it is ultimately determined that such person is not entitled to indemnification. From time to time, Vimeo’s directors and officers may be provided with indemnification agreements that are consistent with or greater than the foregoing provisions. In addition, to the extent that Vimeo’s officers and directors also serve as executive officers or directors of subsidiaries of Vimeo, such officers and directors will also be subject to indemnification consistent with the indemnification provisions of the charter documents of such subsidiaries. Vimeo will have policies of directors’ and officers’ liability insurance that insure directors and officers against the costs of defense, settlement and/or payment of judgment under certain circumstances. Vimeo believes that these agreements and arrangements are necessary to attract and retain qualified persons as directors and officers.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation is not personally liable to the corporation or its stockholders for monetary damages for breach of 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) for unlawful payments of dividends or unlawful stock repurchases or redemptions; or (iv) for any transaction from which the director derived an improper personal benefit. The Vimeo certificate of incorporation provides for such limitation of liability.

Action by Written Consent

Under Section 228 of the DGCL, unless a corporation's certificate of incorporation expressly prohibits action by the written consent of stockholders, any action required or permitted to be taken by its stockholders at a duly called annual or special meeting may be taken by a consent in writing executed by stockholders possessing not less than the minimum number of votes necessary to authorize or take such action at a meeting. The Vimeo certificate of incorporation does not expressly prohibit action by the written consent of stockholders.

Exclusive Forum Provision

Vimeo's by-laws include an exclusive forum provision. This provision provides that, unless Vimeo consents in writing to the selection of an alternative forum, the sole and exclusive forum is the Delaware Court of Chancery (or, if such court lacks jurisdiction, another state or federal court located within the State of Delaware) for: (1) any derivative action or proceeding brought on behalf of Vimeo, (2) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or agent or stockholder of Vimeo to Vimeo or its stockholders, including a claim alleging the aiding and abetting of such a breach of fiduciary duty, (3) any action asserting a claim against Vimeo or any current or former director, officer, other employee or agent or stockholder of Vimeo arising pursuant to any provision of the DGCL, the Vimeo certificate of incorporation or the Vimeo by-laws, (4) any action asserting a claim related to or involving Vimeo or any current or former director, officer, other employee or agent or stockholder that is governed by the internal affairs doctrine, or (5) any action asserting an "internal corporate claim," as that term is defined in Section 115 of the DGCL.

In addition, the Vimeo by-laws provide that, unless Vimeo consents in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for any action arising under the Securities Act against any person in connection with any offering of Vimeo securities.

The exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which United States federal courts have exclusive jurisdiction.

Stockholders may not waive compliance with federal securities laws or the rules or regulations thereunder. The enforceability of similar exclusive forum provisions in other companies' organizational documents has been challenged in legal proceedings, and it is possible that a court could find the exclusive forum provisions that are contained in the Vimeo by-laws to be inapplicable or unenforceable.

Listing

Vimeo common stock is listed on The Nasdaq Global Select Market under ticker symbol "VMEQ".

Transfer Agent

The transfer agent for the shares of Vimeo common stock and Vimeo Class B common stock is Computershare Trust Company, N.A.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Vimeo Capital Stock Immediately Following the Spin-off and the Merger

The following table presents, based on information available regarding beneficial ownership of IAC capital stock as of April 5, 2021 and Vimeo capital stock as of April 5, 2021, the most recent date for which information was available prior to the filing of this proxy statement/consent solicitation/prospectus, the spin-off exchange ratio of 1.6235 and an assumed illustrative Vimeo merger exchange ratio of 1.0152, information relating to the anticipated beneficial ownership of Vimeo common stock and Vimeo Class B common stock by: (1) each person anticipated by Vimeo to own beneficially more than 5% of the outstanding shares of Vimeo common stock and/or Vimeo Class B common stock immediately following the consummation of the Spin-off and Vimeo merger, (2) each person anticipated to be a member of the Vimeo board of directors following the completion of the Spin-off and Vimeo merger, (3) each person anticipated to be a named executive officer of Vimeo following the completion of the Spin-off and Vimeo merger and (4) all anticipated members of the Vimeo board of directors and executive officers of Vimeo as a group following the completion of the Spin-off and Vimeo merger.

Unless otherwise indicated, the beneficial owners listed below may be contacted at Vimeo corporate headquarters located at 555 West 18th Street, New York, New York 10011. For each listed person, the number of shares of Vimeo common stock and percent of such class listed assumes the conversion of shares of Vimeo Class B common stock beneficially owned by such person to the extent indicated in the table, and excludes all Vimeo equity awards expected to be issued in respect of outstanding equity awards of IAC and Vimeo, as the number of shares of Vimeo common stock underlying any such awards will depend on the outcome of an adjustment formula that is not known at this time. Certain of the beneficial owners listed below are expected to receive Vimeo equity awards in respect of IAC and/or Vimeo equity awards currently held by such individuals. Shares of Vimeo Class B common stock will be convertible, at the option of the holder, on a one-for-one basis into shares of Vimeo common stock. The percentage of votes for all classes of capital stock is based on one vote for each share of Vimeo common stock and ten votes for each share of Vimeo Class B common stock.

Name and Address of Beneficial Owner	Vimeo Common Stock		Vimeo Class B common stock		Percent of Votes (All Classes) %
	Number of Shares Owned	% of Class Owned	Number of Shares Owned	% of Class Owned	
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, MD 21202	13,092,970 ⁽¹⁾	8.5%	—	—	5.3%
The Vanguard Group 100 Vanguard Blvd Malvern, PA 19355	10,884,347 ⁽²⁾	7.0%	—	—	4.4%
Barry Diller c/o IAC/InterActiveCorp 555 West 18th Street New York, NY 10011	9,904,371 ⁽³⁾	6.0%	9,399,252 ⁽⁴⁾	100%	36.6%
Joseph Levin	5,839,783 ⁽⁵⁾	3.8%	9,399,252 ⁽⁶⁾	100%	2.3%
Alexander von Furstenberg c/o IAC/InterActiveCorp 555 West 18th Street New York, NY 10011	831,325 ⁽⁷⁾	*	724,167	7.7%	3.0%
Diane von Furstenberg c/o IAC/InterActiveCorp 555 West 18th Street New York, NY 10011	221,950 ⁽⁸⁾	*	5,994,652	63.8%	24.2%
Anjali Sud	—	—	—	—	—
Narayan Menon	341 ⁽⁹⁾	—	—	—	—

Name and Address of Beneficial Owner	Vimeo Common Stock		Vimeo Class B common stock		Percent of Votes
	Number of Shares Owned	% of Class Owned	Number of Shares Owned	% of Class Owned	(All Classes) %
Mark Kornfilt	—	—	—	—	—
Michael A. Cheah	38,599 ⁽¹⁰⁾	—	—	—	—
Adam Gross	—	—	—	—	—
Alesia J. Haas	—	—	—	—	—
Kendall Handler	2,414 ⁽¹¹⁾	*	—	—	*
Ida Kane	—	—	—	—	—
Mo Koyfman	373 ⁽¹²⁾	*	—	—	*
Spike Lee	—	—	—	—	—
Nabil Mallick	—	—	—	—	—
Glenn Schiffman	56,186 ⁽¹³⁾	*	—	—	*
George C. Wolfe	—	—	—	—	—
All executive officers and directors as a group (14 persons)	5,937,696	3.8%	9,399,252	100%	2.4%

* The percentage of shares beneficially owned does not exceed 1% of the class or voting power (of all classes).

- (1) Based upon information regarding IAC holdings reported by way of Amendment No. 5 to a Schedule 13G filed with the SEC on February 16, 2021 by Price Associates, and record ownership of Vimeo holdings. Price Associates' holdings listed above represent shares of Vimeo common stock expected to be received in the Spin-off in respect of shares of IAC common stock beneficially owned by Price Associates and shares of Vimeo common stock expected to be received in the Vimeo merger in respect of shares of Vimeo OpCo common stock beneficially owned by funds and accounts advised by Price Associates. Price Associates has sole voting and sole dispositive power over 2,110,999 and 5,170,570 shares of IAC common stock, respectively. Price Associates may be deemed to be the beneficial owner of these shares of IAC common stock; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. Funds and accounts advised by Price Associates beneficially own 4,628,201 shares of Vimeo OpCo common stock.
- (2) Based upon information regarding IAC holdings reported by way of a Schedule 13G filed with the SEC on February 8, 2021 by Vanguard in its capacity as an investment advisor. Vanguard's holdings listed above represent shares of Vimeo common stock expected to be received in the Spin-off in respect of shares of IAC common stock beneficially owned by Vanguard. Vanguard may be deemed to beneficially own 6,521,982 shares of IAC common stock beneficially owned and to have shared voting power, sole dispositive power and shared dispositive power over 81,694, 6,521,982 and 182,266 such shares, respectively.
- (3) Consists of shares of Vimeo common stock and Vimeo Class B common stock, as applicable, expected to be received in the Spin-off in respect of: (i) 172,708 shares of IAC common stock and 1,651,011 shares of IAC Class B common stock, which are convertible on a one-for-one basis into shares of IAC common stock, held directly by Mr. Diller and/or through the Arrow Trust, over which Mr. Diller has sole investment and voting power (and may be deemed to share voting power with Mr. Levin (see footnotes 5 and 6)), (ii) 136,711 shares of IAC common stock and 3,692,435 shares of IAC Class B common stock held by the Descendants Trusts, over which Mr. Diller has sole investment power and Ms. von Furstenberg, Mr. Diller's spouse, has sole voting power (and may be deemed to share voting power with Mr. Levin (see footnotes 8, 5, and 6)), (iii) 446,053 shares of IAC Class B common stock held by the TALT Trust, over which Mr. von Furstenberg, Mr. Diller's stepson, has sole investment and voting power (and may be deemed to share voting power with Mr. Levin (see footnote 6)), and over which Mr. Diller may be deemed to have the right to acquire investment power within 60 days as a result of his ability to designate a replacement for Mr. von Furstenberg as investment advisor (see footnotes 4 and 7) (provided, however, that Mr. Diller may not act as the replacement investment advisor with respect

- to voting control over such securities), and (iv) 1,711 shares of IAC common stock held by a family foundation, as to which Mr. Diller has shared voting and investment power and as to which Mr. Diller disclaims beneficial ownership.
- (4) The total number of shares of Vimeo Class B common stock outstanding includes shares of Vimeo Class B expected to be received in the Spin-off in respect of: (i) 1,651,011 shares of IAC Class B common stock, which are convertible on a one-for-one basis into shares of IAC common stock, held directly by Mr. Diller and/or through the Arrow Trust, over which Mr. Diller has sole investment and voting power (and may be deemed to share voting power with Mr. Levin (see footnote 6)), (ii) 3,692,435 shares of IAC Class B common stock held by the Descendants Trusts, over which Mr. Diller has sole investment power and Ms. von Furstenberg, Mr. Diller's spouse, has sole voting power (and may be deemed to share voting power with Mr. Levin (see footnotes 6 and 8)), and (iii) 446,053 shares of IAC Class B common stock held by the TALT Trust, over which Mr. von Furstenberg, Mr. Diller's stepson, has sole investment and voting power (and may be deemed to share voting power with Mr. Levin (see footnote 6)), and over which Mr. Diller may be deemed to have the right to acquire investment power within 60 days as a result of his ability to designate a replacement for Mr. von Furstenberg as investment advisor (see footnote 7) (provided, however, that Mr. Diller may not act as the replacement investment advisor with respect to voting control over such securities).
 - (5) Consists of shares of Vimeo common stock expected to be received in the Spin-off in respect of: (i) 3,088,181 shares of IAC common stock held directly by Mr. Levin, (ii) 199,433 shares of IAC common stock held through a grantor retained annuity trust, of which Mr. Levin serves as sole trustee and is the sole annuitant and (iii) by virtue of Mr. Levin's entry into the Voting Agreement, (x) 172,708 shares of IAC common stock held by Mr. Diller, over which Mr. Diller has sole investment power and Mr. Diller and Mr. Levin may be deemed to have shared voting power, and (y) 136,711 shares of IAC common stock held by the Descendants Trusts, over which Mr. Diller has sole investment power and Ms. von Furstenberg and Mr. Levin may be deemed to have shared voting power (see footnotes 3 and 12). In the case of the shares of IAC common stock referenced in (i) above, 3,000,000 of such shares consist of an IAC Restricted Stock award made to Mr. Levin in November 2020.
 - (6) Consists of shares of Vimeo Class B common stock expected to be received in the Spin-off in respect of: (i) 1,651,011 shares of IAC Class B common stock held by Mr. Diller directly or through the Arrow Trust, (ii) 3,692,435 shares of IAC Class B common stock held by the Descendant Trusts and (iii) 446,053 shares of IAC Class B common stock held by the TALT Trust, in each, case as to which Mr. Levin may be deemed to share voting power by virtue of his entry into the Voting Agreement.
 - (7) Consists of shares of Vimeo common stock expected to be received in the Spin-off in respect of: (i) 66,004 shares of IAC common stock held directly by Mr. von Furstenberg and (ii) 446,053 shares of IAC Class B common stock, which are convertible on a one-for-one basis into shares of IAC common stock, held by the TALT Trust, over which Mr. von Furstenberg has sole investment and voting power (and may be deemed to share voting power with Mr. Levin (see footnote 6)), and as to which Mr. von Furstenberg disclaims beneficial ownership except to the extent of his pecuniary interest therein.
 - (8) Consists of shares of Vimeo common stock expected to be received in the Spin-off in respect of shares of IAC common stock held by the Descendants Trusts, over which Ms. von Furstenberg has sole voting power (and may be deemed to share voting power with Mr. Levin (see footnote 5)) and Mr. Diller, Ms. von Furstenberg's spouse, has sole investment power (see footnote 3).
 - (9) Consists of shares of Vimeo common stock expected to be received in the Spin-off in respect of 210 shares of IAC common stock held directly by Mr. Menon.
 - (10) Consists of shares of Vimeo common stock expected to be received in the Spin-off in respect of 23,775 shares of IAC common stock held directly by Mr. Cheah.
 - (11) Consists of shares of Vimeo common stock expected to be received in the Spin-off in respect of 1,487 shares of IAC common stock held directly by Ms. Handler.
 - (12) Consists of shares of Vimeo common stock expected to be received in the Spin-off in respect of 230 shares of IAC common stock held directly by Mr. Koyfman.
 - (13) Consists of shares of Vimeo common stock expected to be received in the Spin-off in respect of 34,608 shares of IAC common stock held directly by Mr. Schiffman.

DIRECTORS AND EXECUTIVE OFFICERS

Directors

The following sets forth information regarding the individuals who serve as directors of Vimeo following the Spin-off.

Name	Age	Position
Adam Gross*	48	Director
Alesia J. Haas*	44	Director
Kendall Handler	36	Director
Ida Kane*	51	Director
Mo Koyfman*	43	Director
Spike Lee*	64	Director
Joseph Levin	41	Director and Chairman of the Board
Nabil Mallick*	37	Director
Glenn Schiffman	51	Director
Anjali Sud	37	Director and Chief Executive Officer
George C. Wolfe*	66	Director

* indicates an independent director

Adam Gross, age 49, has served as an advisor to (and has invested in) a variety of technology companies, including software companies such as Cypress.io (a provider of front-end testing tools built for use by developers and quality assurance engineers when testing modern applications), Pantheon (a hosting and WebOps platform through which teams can build, host and manage their websites) and Mattermost (a leading open source collaboration platform), since January 2011. From November 2013 to March 2018, Mr. Gross served in various capacities at Salesforce.com, a cloud-based software company, including most recently as Chief Executive Officer of Heroku, a Salesforce.com subsidiary that provides a platform as a service (PaaS) that enables developers to build, run and operate applications entirely in the cloud, and prior to that time, served in various executive marketing and product leadership roles at Salesforce.com. Prior to his time at Salesforce.com, Mr. Gross served as the Chief Executive Officer of Cloudconnect.com, a cloud platform that he co-founded, from January 2012 to November 2013. Prior to his time at Cloudconnect.com, Mr. Gross served in various executive marketing and product leadership roles at Dropbox, a file hosting service, as well as founded certain start-up companies in the technology sector. In addition to his for-profit affiliations, Mr. Gross currently serves as chairman of the board of directors of Democracy Works, Inc., a non-partisan organization dedicated to providing the tools, information and support needed to help Americans vote no matter what, and as a board member of Reboot, a non-profit arts and culture organization. Mr. Gross' extensive experience in the technology sector, as well as his leadership and product expertise, qualify him to serve as a director of Vimeo following the Spin-off.

Alesia J. Haas, age 44, has served as Chief Financial Officer of Coinbase Global Inc., a cryptocurrency exchange, since April 2018. Prior to joining Coinbase, Ms. Haas served as Chief Financial Officer of Och-Ziff Capital Management Group LLC (now known as Sculptor Capital Management), a publicly-traded, global institutional alternative asset manager, from December 2016 to April 2018. Prior to that time, Ms. Haas served in various leadership positions at OneWest Bank, N.A., a commercial bank, from March 2009 until shortly after its acquisition by CIT Group Inc. in December 2015, including most recently as its Chief Financial Officer from January 2013 until December 2015. Ms. Haas has served as a member of the board of directors of Angi Inc. (formerly known as ANGI Homeservices Inc.), a digital marketplace for home services, since September 2017, and previously served as a member of the board of directors of Sears Holding Corporation, a holding company that owns and operates certain retail businesses, from February 2016 to December 2016. Ms. Haas' extensive business experience, particularly with respect to finance and strategy, and including her experience as a chief financial officer of a publicly-traded company, as well

as her experience serving on audit committees and with the attendant risk oversight duties, qualify her to serve as a director of Vimeo following the Spin-off.

Kendall Handler, age 36, has served as Senior Vice President and General Counsel of IAC since January 2021. Ms. Handler previously served as M&A Counsel and VP, M&A Counsel of IAC from March 2017, during which time she had primary responsibility for all legal aspects of IAC's mergers and acquisitions and other transactional work. Before joining IAC in 2017, Ms. Handler was an associate at Wachtell, Lipton, Rosen & Katz, a New York City law firm, from 2010 to March 2017. Ms. Handler has served on the board of directors of Angi Inc. (formerly known as ANGI Homeservices Inc.) since December 2020. Ms. Handler's unique knowledge and experience regarding Vimeo, which she has gained through her various roles with IAC since 2017 (most recently in her role as Senior Vice President and General Counsel), as well as her experience advising public and private companies on corporate matters and expertise regarding mergers, acquisitions, investments and other strategic transactions, qualify her to serve as a director of Vimeo Holdings following the Spin-off. Ms. Handler does not currently expect to seek to stand for re-election to the Vimeo board of directors at Vimeo's 2022 annual meeting of stockholders unless, after discussion with the Vimeo nominating committee, circumstances warrant her continued service.

Ida Kane, age 51, has served as the Chief Financial Officer of AppFolio, Inc., a publicly-traded real estate technology company, since February 2015. From 2010 to 2015, Ms. Kane served as Chief Financial Officer of Rightscale, Inc., a cloud computing management provider. From 2005 to 2009, Ms. Kane served as Chief Financial Officer at thinkorswim Group Inc., a publicly-traded online option trading and investor education company. Prior to that, Ms. Kane held other financial leadership roles in public and private companies, including serving as Chief Financial Officer and Vice President of Operations of a business unit of Franklin Covey Co., a publicly-traded training and consulting company. In addition to her for-profit affiliations, Ms. Kane served as Treasurer and a member of the board of directors of The Howard School in Carpinteria, California from 2011 to 2020. Ms. Kane's significant financial expertise and knowledge, as well as her experience as Chief Financial Officer at several publicly-traded companies, qualify her to serve as a director of Vimeo following the Spin-off.

Mo Koyfman, age 43, has served as General Partner of Shine Capital, an early-stage venture capital firm that he founded, since September 2020, and as Managing Member of MOKO Brands, an investment company that he founded, since January 2017. Prior to that time, Mr. Koyfman served as a General Partner of Spark Capital, a venture capital firm, from September 2008 to May 2016, and as Chief Operating Officer of Connected Ventures, a former subsidiary of IAC that primarily operated *CollegeHumor.com* (a comedy content website), *BustedTees.com* (an eCommerce business) and Vimeo, from August 2007 to March 2008. Mr. Koyfman previously held various positions on IAC's mergers and acquisitions and business development teams from February 2002 to August 2007, during which time he led IAC's acquisition of a controlling stake in Connected Ventures (which then included Vimeo) in December 2006. Prior to joining IAC, Mr. Koyfman served as an investment banker at Bear Stearns from July 2000 to February 2002. In addition to his for-profit affiliations, Mr. Koyfman has served as a founding board member of Sefaria (an organization dedicated to building the future of Jewish learning in an open and participatory way) since January 2013, and also serves on the Future Leadership Council of the Whitney Museum of American Art. Mr. Koyfman's private equity experience and extensive corporate development, mergers and acquisitions and investment experience, as well as his experience working with Vimeo during his time at IAC, qualify him to serve as a director of Vimeo following the Spin-off.

Spike Lee, age 64, is a film director, producer, screenwriter, actor and professor. Mr. Lee's production company, 40 Acres and a Mule Filmworks, has produced more than 35 films since 1983. Most recently, Mr. Lee wrote, directed and produced *Da 5 Bloods* (released in 2020) and Mr. Lee has written and directed several films, including *She's Gotta Have It*, *Do the Right Thing*, *Mo' Better Blues*, *Jungle Fever*, *Malcolm X*, *Crooklyn*, *Clockers*, *25th Hour*, *Inside Man*, *Chi-Raq* and *BlacKkKlansman*, as well acted in ten of the films he has written, directed and/or produced. Mr. Lee has been a nominee and is the recipient of several awards throughout his career, including Academy, British Film Academy, Golden Globe, Emmy, Cesar, Peabody, Black Reel, American Black Film Festival, Berlin Film Festival and Cannes Film Festival awards. Among other awards, Mr. Lee won the Time Warner Innovator Award in 2004, the Ossie Davis Award in 2005 and the Dorothy and Lillian Gish Prize in 2013. Mr. Lee currently serves on the board of directors of his privately-held production company, 40 Acres and a Mule Filmworks. Mr. Lee's significant experience in

film and video, as well as his unique and specialized insight regarding the entertainment industry, qualify him to serve as a director of Vimeo following the Spin-off.

Joseph Levin, age 41, has served as Chief Executive Officer and a member of the board of directors of IAC since June 2015. From June 2016 to June 2017, Mr. Levin also served as the interim Chief Executive Officer of Vimeo. Prior to his service in these roles, Mr. Levin served as Chief Executive Officer of IAC Search & Applications, overseeing the desktop software, mobile applications and media properties that comprised IAC's former Search & Applications segment, from January 2012. From November 2009 to January 2012, Mr. Levin served as Chief Executive Officer of Mindspark Interactive Network, an IAC subsidiary that creates leading desktop applications, browser extensions and software, and previously served in various capacities at IAC in strategic planning, mergers and acquisitions and finance since joining IAC in 2003. Mr. Levin has served on the boards of directors of Match Group, Inc., Angi Inc. (formerly known as ANGI Homeservices Inc.) and MGM Resorts International since October 2015, September 2017 and August 2020, respectively, and currently serves as Executive Chairman of the board of Match Group, Inc. and Chairman of the board of Angi Inc. In April 2021, Mr. Levin notified Match Group, Inc. of his decision to resign as Executive Chairman, effective as of May 31, 2021 (he will continue to serve as a member of the Match Group, Inc. board of directors). Mr. Levin previously served on the boards of directors of LendingTree, Inc. (from August 2008 through November 2014), The Active Network (beginning prior to its 2011 initial public offering through its sale in December 2013) and Groupon, Inc. (from March 2017 to July 2019). In addition to his for-profit affiliations, Mr. Levin serves on the Undergraduate Executive Board of Wharton School. Mr. Levin's unique knowledge and experience regarding Vimeo and its businesses that he has gained through his various roles with IAC since 2003 (most recently his role as Chief Executive Officer of IAC), as well as his high level of financial literacy and expertise regarding mergers, acquisitions, investments and other strategic transactions, qualify him to serve as a director of Vimeo following the Spin-off.

Nabil Mallick, age 37, has served as a General Partner of Thrive Capital, a New York-based venture capital firm, since May 2015. Prior to joining Thrive Capital, Mr. Mallick served as a finance executive at the H.J. Heinz Company, a consumer food company. Prior to his tenure at H.J. Heinz Company, Mr. Mallick served as an investment banker at Perella Weinberg Partners and Citigroup, advising companies on a variety of transactions. Mr. Mallick currently serves on the boards of directors of certain privately-held companies, including Glossier (a D2C beauty business), Grailed (a curated marketplace for men's clothing), Guru (an enterprise-focused information-sharing platform), Studs (an omnichannel jewelry business) and Zola (a digital platform for weddings). Mr. Mallick previously served as a board observer of Github (devtool software) and Greenhouse (HR software). Mr. Mallick's finance experience and extensive private company board experience in the software and internet industries, which gives him particular insight into trends in these industries, as well as his extensive corporate development, finance and investment experience, qualify him to serve as a director of Vimeo following the Spin-off. Mr. Mallick was recommended for service on the Vimeo board of directors by Thrive Capital, pursuant to Thrive Capital's rights under the Vimeo OpCo shareholders agreement to recommend a candidate and to have such candidate's appointment considered in good faith.

Glenn H. Schiffman, age 51, has served as Executive Vice President and Chief Financial Officer of IAC since April 2016. Mr. Schiffman has also served as interim Chief Financial Officer of Angi Inc. (formerly known as ANGI Homeservices Inc.) since January 2021, a role he previously held from September 2017 to March 2019. Prior to joining IAC, Mr. Schiffman served as Senior Managing Director at Guggenheim Securities, the investment banking and capital markets business of Guggenheim Partners, from March 2013. Prior to his tenure at Guggenheim Securities, Mr. Schiffman was a partner at The Raine Group, a merchant bank focused on advising and investing in the technology, media and telecommunications industries, from September 2011 to March 2013. Prior to joining The Raine Group, Mr. Schiffman served as Co-Head of the Global Media group at Lehman Brothers from 2005 to 2007 and Head of Investment Banking Asia-Pacific at Lehman Brothers (and subsequently Nomura) from April 2007 to January 2010, as well as Head of Investment Banking, Americas from January 2010 to April 2011 for Nomura. Mr. Schiffman's roles at Nomura followed Nomura's acquisition of Lehman's Asia business in 2008. In his not-for-profit affiliations, Mr. Schiffman is a member of the National Committee on United States-China Relations and serves as a member of the Duke Children's National Leadership Council. He is also the Founder and Chairman of the Valerie Fund Endowment and a member of the Valerie Fund's Board of Advisors, the mission of both of

which is to provide individualized care to children at medical centers close to home. He previously served on the Duke Health Board of Visitors from May 2008 until June 2019 and the Duke School of Medicine Board of Visitors from July 2019 until June 2020. Mr. Schiffman has served on the boards of directors of Match Group, Inc. and Angi Inc. since September 2016 and June 2017, respectively. Mr. Schiffman's extensive knowledge of Vimeo's business and history through his experience as Chief Financial Officer of IAC (in which capacity he also has certain risk oversight duties that give him particular insight into risk management) and his high level of financial literacy and expertise regarding mergers, acquisitions, investments and other strategic transactions, as well as his investment banking experience, which gives him particular insight into trends in capital markets and the technology and media industries, qualify him to serve as a director of Vimeo following the Spin-off. Mr. Schiffman does not currently expect to seek to stand for re-election to the Vimeo board of directors at Vimeo's 2022 annual meeting of stockholders unless, after discussion with the Vimeo nominating committee, circumstances warrant his continued service.

Anjali Sud, age 37, has served as Chief Executive Officer of Vimeo since July 2017. Prior to that time, Ms. Sud previously served as Vimeo's Senior Vice President and General Manager, Creator Platform from September 2016 to June 2017, Vice President and Head of Global Marketing from July 2015 to August 2016, and Director of Marketing from July 2014 to June 2015. Prior to joining Vimeo in July 2014, Ms. Sud held various management positions at Amazon and was a member of the mergers and acquisitions team at Time Warner, a cable television company. Ms. Sud has served on the board of directors of Dolby Laboratories (a creator of audio and imaging technologies that transform entertainment and communications at the cinema, at home, at work and on mobile devices) since May 2019. In her not-for-profit affiliations, Ms. Sud serves as a Young Global Leader at the World Economic Forum. Ms. Sud holds a B.Sc. from The Wharton School of the University of Pennsylvania and an MBA from Harvard Business School. Ms. Sud's extensive knowledge and experience regarding Vimeo that she has gained in her various roles with Vimeo since 2014 (most recently her role as Chief Executive Officer), as well as her expertise in marketing and mergers and acquisitions, qualify her to serve as a director of Vimeo following the Spin-off.

George C. Wolfe, age 66, is a director and writer of theatre and film. He has won five Tony Awards and directed seventeen Broadway productions, including *Angels in America, Parts One and Two*, *Bring in 'da Noise, Bring in 'da Funk*, *Jelly's Last Jam*, *The Normal Heart*, *Caroline, or Change*, *Shuffle Along*, or, *the Making of the Musical Sensation of 1921*, and *All That Followed*, and most recently *The Iceman Cometh*, with Denzel Washington. For film, he recently directed *Ma Rainey's Black Bottom* for Netflix, *The Immortal Life of Henrietta Lacks* for HBO, and *Lackawanna Blues*, for which he was named Best Director by the National Board of Review and the Director's Guild of America. From 1993 to 2004 he was the Producer of the Public Theatre/New York Shakespeare Festival, and served on the President's Committee for the Arts and Humanities under President Obama from 2009 to 2017. Mr. Wolfe's awards and distinctions include the Lambda Liberty Award, a New York Public Library Literary Lion, Obie, Outer Critics and Drama Desk Awards, the Society of Directors and Choreographers Calloway and Abbott Awards, the Distinguished NYU Alumni Award, the Dramatists Guild's Hull-Warner Award, and the Brendan Gill Prize. He was declared a Living Landmark by the New York Landmark Conservancy. Mr. Wolfe's significant experience in the film and theatre industry, as well as his seasoned insight into film and theatre production and development, qualify him to serve as a director of Vimeo following the Spin-off.

Executive Officers Who Are Not Directors

The following sets forth information regarding the individuals who serve as executive officers of Vimeo following the Spin-off.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Narayan Menon	51	Chief Financial Officer
Mark Kornfilt	38	President & Chief Product Officer
Michael A. Cheah	45	General Counsel and Secretary

Narayan Menon, age 51, has served as Chief Financial Officer of Vimeo since January 2020. Prior to joining Vimeo, Mr. Menon served as Chief Financial Officer, Treasurer and Corporate Secretary at Prezi, a cloud-based presentation software provider, from February 2018 to December 2019, and, before that time, served as Vice President of Finance at Intuit from October 2013 to January 2018. Earlier in his career,

Mr Menon held a variety of senior finance and operational roles at Microsoft, Skype and Cisco. Mr. Menon holds a B.Tech. in Engineering from the University of Calicut, a M.Tech. in Engineering from the Manipal Institute of Technology, and an MBA from the Kelley School of Business at Indiana University. In his not-for-profit affiliations, Mr. Menon has served on the board of the Food Bank for Contra Costa and Solano counties in California and served as an Advisory Board Member for the Rutgers University Big Data Program.

Mark Kornfilt, age 38, has served as President & Chief Product Officer of Vimeo since March 2021. He previously served as Vimeo's Chief Product & Technology Officer from May 2018 to March 2021. Prior to that time, Mr. Kornfilt served as General Manager, Live of Vimeo following Vimeo's acquisition of Livestream from October 2017 to May 2018. Prior to joining Vimeo, Mr. Kornfilt served as Chief Executive Officer of Livestream, which he co-founded in 2007. Mr. Kornfilt held a variety of senior operational and engineering roles at Livestream before becoming Chief Executive Officer in May 2017. Mr. Kornfilt holds a M.Sc. from the Ecole Polytechnique Federale de Lausanne and an Executive MBA from the London Business School. Mr. Kornfilt also serves on the board of directors of Korab International, a global pulp and paper trading company, and as an advisor to humbition, a private investment firm that provides venture capital to early stage, founder-led companies in New York.

Michael A. Cheah, age 45, has served as General Counsel and Secretary of Vimeo in a full-time capacity since March 2014. Mr. Cheah joined IAC in June 2006 as Litigation Counsel and served as Senior Litigation Counsel from 2008 through 2014, during which time he also served as General Counsel to Vimeo and certain other IAC businesses. Prior to joining IAC, Mr. Cheah was an associate at Sullivan & Cromwell, a global law firm. Mr. Cheah holds a B.Comm. from Dalhousie University and a J.D. from the University of Toronto Faculty of Law and also serves as a member of the adjunct faculty at the University of Miami School of Law. He is admitted to the Bar of the State of New York.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Overview

The Vimeo Executive Compensation section of this prospectus sets forth certain information regarding total compensation earned by certain Vimeo OpCo executives in 2020, as well as equity awards held by them on December 31, 2020. These executives serve in these roles at Vimeo following the Spin-off. Compensation packages for such executives primarily consist of salary, annual bonuses, equity awards and certain other benefits.

Summary Compensation Table

Name and Principal Positions	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$)	Option Awards (\$)	All Other Compensation (\$) ⁽²⁾	Total (\$)
Anjali Sud Chief Executive Officer	2020	\$400,000	\$750,000	—	\$ 49,726 ⁽³⁾	\$10,000	\$1,209,726
Narayan Menon Chief Financial Officer (since January 2020)	2020	\$350,000	\$725,000	—	\$3,425,400 ⁽⁴⁾	\$10,000	\$4,510,000
Mark Kornfilt President & Chief Product Officer	2020	\$350,000	\$500,000	—	—	\$10,000	\$ 860,000

- (1) For Ms. Sud and Mr. Kornfilt, the amounts in the table above reflect annual cash bonuses. For Mr. Menon, the amount in the table above reflects an annual cash bonus in the amount of \$350,000 and a one-time signing bonus intended to cover costs related to the relocation of Mr. Menon and his family to the New York City metropolitan area in the amount of \$375,000.

Annual cash bonuses are discretionary. The determination of bonus amounts is based on a non-formulaic assessment of factors that vary from year to year. In determining individual annual bonus amounts, a variety of factors regarding Vimeo's overall performance are considered, such as growth in profitability or achievement of strategic objectives, an individual executive's performance and contribution to Vimeo, and general bonus expectations previously established between Vimeo and the executive, without quantifying the weight given to any specific element or otherwise following a formulaic calculation; however, Vimeo performance tends to be the dominant driver of the ultimate bonus amount.

- (2) For each named executive, reflects 401(k) plan match amounts.
- (3) The amount in the table above for Ms. Sud under the column header "Option Awards" represents a non-cash modification charge under generally accepted accounting principles relating to the conversion of each IAC stock option (all of which were vested) outstanding at the time of the Match Separation into an IAC stock option and a Match Group stock option in connection with the Match Separation. The adjustments were designed to preserve the intrinsic or "spread" value of the stock options immediately before and immediately after the adjustment (with the allocation between IAC stock options and Match Group stock options determined pursuant to the terms of the Match Separation), and were made pursuant to and in accordance with the terms of the applicable plan pursuant to which the IAC stock options were initially granted based on the relative values of IAC common stock and Match Group common stock at the time of the Match Separation. Because the adjustments were intended to preserve the value of the options, Vimeo does not believe that the related modification charge is reflective of any additional cost to IAC or Vimeo or the receipt of any additional benefit by Ms. Sud. This amount does not represent the value of new equity compensation awarded, as Ms. Sud did not receive any option awards in 2020.
- (4) Reflects the grant date fair value of stock appreciation rights granted to Mr. Menon denominated in the equity of Vimeo OpCo ("Vimeo OpCo SARs") using the Black-Scholes option pricing model, net of estimated forfeitures. The Black-Scholes option pricing model incorporates various assumptions, including expected volatility (based on historical stock prices of peer companies that were used in the preparation of internal valuations used in valuing shares of Vimeo OpCo), risk-free interest rates (based

on U.S. Treasury yields for notes with terms comparable to those of the Vimeo OpCo SARs, in effect at the grant date), expected term (based on the mid-point of the first and last windows of exercise) and dividend yield. The assumptions used to calculate the amount in the table above are as follows: expected volatility (38%), risk-free interest rate (1.1), expected term (3.3 years) and dividend yield (none). The Vimeo OpCoSARs awarded to Mr. Menon in 2020 vest in four equal annual installments on the anniversary of the commencement of Mr. Menon's employment with Vimeo OpCo (January 6, 2020) and expire on the tenth anniversary of the grant date (February 24, 2020).

Outstanding Equity Awards at 2020 Fiscal Year-End

The table below provides information regarding Vimeo OpCo SARs and IAC stock options held by Vimeo's named executives on December 31, 2020.

	Option Awards				Stock Awards	
	Number of securities underlying unexercised SARs/options (#) ⁽¹⁾	Number of securities underlying unexercised SARs/options (#) ⁽¹⁾	Option/SAR exercise price (\$) ⁽¹⁾	Option/SAR expiration date ⁽¹⁾	Equity Incentive Plan Awards: Number of unearned shares, units or other rights that have not vested (#)	Equity Incentive Plan Awards: Market or payout value of unearned shares, units or other rights that have not vested (\$)
	(Exercisable)	(Unexercisable)				
Anjali Sud						
Vimeo OpCo SARs	50,000	—	\$ 4.80	2/10/2026	—	—
Vimeo OpCo SARs	100,000	—	\$ 4.80	8/9/2026	—	—
Vimeo OpCo SARs	37,500 ⁽²⁾	12,500 ⁽²⁾	\$ 4.80	2/14/2027	—	—
Vimeo OpCo SARs	787,500 ⁽³⁾	262,500 ⁽³⁾	\$ 4.80	8/24/2027	—	—
Vimeo OpCo SARs	375,000 ⁽³⁾	125,000 ⁽³⁾	\$ 7.09	8/24/2027	—	—
Vimeo OpCo SARs	—	250,000 ⁽⁴⁾	\$ 6.04	3/2/2028	—	—
Vimeo OpCo SARs	—	700,000 ⁽⁵⁾	\$ 6.83	7/17/2029	—	—
IAC stock options	5,000 ⁽⁶⁾	—	\$19.93	12/1/2026	—	—
Narayan Menon						
Vimeo OpCo SARs	—	1,800,000 ⁽⁷⁾	\$ 6.82	2/24/2030	—	—
Mark Kornfilt						
Vimeo OpCo SARs	—	125,000 ⁽⁸⁾	\$ 4.97	11/1/2027	—	—
Vimeo OpCo SARs	—	250,000 ⁽⁴⁾	\$ 6.04	6/28/2028	—	—
Vimeo OpCo SARs	—	125,000 ⁽⁹⁾	\$ 6.04	6/28/2028	—	—
Vimeo OpCo SARs	—	700,000 ⁽⁵⁾	\$ 6.83	7/17/2029	—	—

(1) The number and exercise price of the Vimeo OpCo SARs in the table above have not yet been adjusted to reflect Vimeo's post-Spin-off capital structure.

(2) Represents Vimeo OpCo SARs that vested/vest in four equal annual installments on the anniversary of the grant date (February 14, 2017).

(3) Represents Vimeo OpCo SARs that vested/vest in four equal annual installments on the anniversary of the grant date (August 24, 2017).

(4) Represents Vimeo OpCo SARs that vest in one lump sum installment on or before March 1, 2022, subject to continued service and the achievement of a specified level of revenue during any consecutive twelve (12) month period following the grant date.

- (5) Represents Vimeo OpCo SARs that vest in one lump sum installment on or before September 30, 2023, subject to continued service and the achievement of specified levels of revenue, gross margin and a certain marketing metric during any consecutive twelve (12) month period following the grant date.
- (6) As discussed in footnote 4 to the Summary Compensation Table, in connection with the Match Separation, each IAC stock option (all of which were vested) outstanding at the time of the Match Separation was split into an IAC stock option and a Match Group stock option. These IAC and Match Group stock options otherwise have the same terms and conditions, including exercise periods, as the corresponding vested IAC stock options outstanding immediately prior to the Match Separation. For Ms. Sud, any value realized upon the exercise of Match Group stock options is treated for tax purposes as compensation payable to her in her capacity as an executive officer of Vimeo Holdings. Accordingly, information regarding Match Group stock options held by Ms. Sud as of December 31, 2020 is as follows: 10,792 Match Group stock options, all of which have an exercise price of \$20.98 and expire on December 1, 2026.
- (7) Represents Vimeo OpCo SARs that vest in four equal annual installments on the anniversary of the grant date (January 6, 2020).
- (8) Represents Vimeo OpCo SARs that vested/vest in four equal annual installments on the anniversary of the grant date (November 1, 2017). All previously vested Vimeo OpCo SARs were exercised by Mr. Kornfilt prior to December 31, 2020.
- (9) Represents Vimeo OpCo SARs that vested/vest in four equal annual installments on the anniversary of the grant date (June 28, 2018). All previously vested Vimeo OpCo SARs were exercised by Mr. Kornfilt prior to December 31, 2020.

Severance Arrangements

Pursuant to letter agreements with Ms. Sud and Messrs. Menon and Kornfilt, Vimeo has agreed to provide these named executive officers with six, three and six months, respectively, of continued salary upon the termination of their employment without cause or resignation for good reason.

Stock and Annual Incentive Plan

In connection with the completion of the Spin-off, Vimeo adopted a stock and annual incentive plan, which was effective upon the completion of the Spin-off and has terms substantially as set forth below.

Overview. The purpose of the Vimeo 2021 Stock and Annual Incentive Plan (the “2021 Plan”) is to give Vimeo a competitive advantage in attracting, retaining and motivating officers and employees and to provide them with incentives that are directly linked to the future growth and profitability of Vimeo and its businesses. The 2021 Plan will replace the Vimeo, LLC 2012 Incentive Plan, the Vimeo, Inc. 2017 Incentive Plan and the Vimeo, Inc. 2019 Incentive Plan (including the Israeli Appendix), which we collectively refer to as the “Prior Plans.” The Prior Plans were automatically terminated and replaced and superseded by the 2021 Plan upon the completion of the Spin-off. Any and all awards granted under the Prior Plans, which we refer to as the “Prior Plan Awards,” remain in effect on their pre-Spin-off terms pursuant to the 2021 Plan, subject to adjustment in connection with the Spin-off and the Vimeo merger. The 2021 Plan also will cover any awards relating to IAC common stock that are converted into awards relating to Vimeo common stock in connection with the Spin-off. For purposes of this summary, we refer to these awards as “Adjusted Awards.”

Summary of Terms of the 2021 Plan. The principal features of the 2021 Plan are described below. This summary is qualified in its entirety by reference to the full text of the 2021 Plan, a copy of which is filed as Exhibit 10.4 to the registration statement of which this prospectus forms a part.

Administration. The 2021 Plan will be administered by the Compensation Committee of the Vimeo board of directors (or such other committee of the Vimeo board of directors as the Vimeo board of directors may from time to time designate), which we refer to as the “Committee” for purposes of this description. Among other things, the Committee will have the authority to select individuals to whom awards may be granted, determine the types of awards (as well as the number of shares of Vimeo common stock to be covered by each such award) granted and determine and modify the terms and conditions of any such awards.

Eligibility. In addition to any individuals who hold Prior Plan Awards and/or Adjusted Awards at any time, current or prospective officers, employees, directors and consultants of Vimeo and its subsidiaries and affiliates will be eligible to be granted awards under the 2021 Plan.

Shares Subject to the 2021 Plan. The aggregate number of shares of Vimeo common stock that may be delivered to satisfy awards under the 2021 Plan cannot exceed 10,000,000 shares, plus the number of shares delivered to satisfy Prior Plans Awards and Adjusted Awards. No individual award holder may be granted, in each case, during any calendar year: (i) restricted stock units, restricted stock and other share-based awards covering in excess of 2,000,000 shares; or (ii) stock options and SARs covering in excess of 3,000,000 shares. The maximum number of shares that may be granted pursuant to incentive stock options is 10,000,000. The foregoing share limits are subject to adjustment in certain circumstances by the Committee to prevent dilution or enlargement.

Shares of Vimeo common stock subject to grant under the 2021 Plan will be made available from authorized but unissued shares or from treasury shares, as determined from time to time by the Vimeo board of directors. Other than with respect to Prior Plan Awards and Adjusted Awards, to the extent that any award is forfeited or any stock option or stock appreciation right terminates, expires or lapses without being exercised or any award is settled for cash, the shares underlying such awards will again be available for awards under the 2021 Plan. If the exercise price of any stock option and/or the tax withholding obligations relating to any award are satisfied by delivering shares (by either actual delivery or by attestation), only the number of shares issued net of the shares delivered or attested to will be deemed delivered for purposes of the limits in the 2021 Plan, other than with respect to Prior Plan Awards and Adjusted Awards. To the extent any shares subject to an award are withheld to satisfy the exercise price (in the case of a stock option) and/or the tax withholding obligations relating to such award, such shares will not be deemed to have been delivered for purposes of the limits set forth in the plan, other than with respect to Prior Plan Awards and Adjusted Awards.

Stock Options and SARs. The 2021 Plan provides for the award of stock options and stock appreciation rights (“SARs”). Stock options can either be incentive stock options (“ISOs”) or non-qualified stock options and SARs can be granted either alone or in tandem with stock options. The exercise price of stock options and SARs cannot be less than 100% of the Fair Market Value (defined below) of Vimeo common stock on the grant date. The 2021 Plan defines Fair Market Value as the closing price of Vimeo common stock on the grant date, unless otherwise determined by the Committee. Holders of stock options may pay the exercise price: (i) in cash, (ii) if approved by the Committee, in shares of Vimeo common stock (valued at Fair Market Value), (iii) with a combination of cash and shares of Vimeo common stock, (iv) by way of a cashless exercise through a broker approved by Vimeo or (v) by withholding shares of Vimeo common stock that are otherwise receivable on exercise. The Committee will determine the term of stock options and SARs, which term may not exceed ten years from the grant date. The Committee will also determine the vesting and exercise schedules for stock options and SARs, which the Committee may waive or accelerate at any time, and the extent to which any awards will be exercisable after a termination of employment. Generally, unvested stock options and SARs will terminate upon a termination of employment and vested stock options and SARs will remain exercisable for one (1) year after death, disability or retirement and for ninety (90) days after a termination of employment for any other reason. Vested stock options and SARs will also terminate upon a termination of employment for cause. Stock options and SARs will be transferable only by will or the laws of descent and distribution or pursuant to a qualified domestic relations order or, in the case of non-qualified stock options or SARs, as otherwise expressly permitted by the Committee (including, if so permitted, pursuant to a transfer to family members or a charitable organization, whether directly or indirectly or by means of a trust or partnership or otherwise).

Restricted Stock. The 2021 Plan provides for the award of shares of Vimeo common stock that are subject to forfeiture and restrictions on transferability as set forth in the 2021 Plan and as may be otherwise determined by the Committee (“Restricted Stock”). Except for these restrictions and any others imposed by the Committee, upon the grant of an award of Restricted Stock, holders will have rights of a holder of Vimeo common stock with respect to the shares of Restricted Stock, including the right to vote such shares and to receive all dividends and other distributions paid or made with respect to such shares, on such terms as will be approved by the Committee and set forth in the applicable award agreement. Unless otherwise determined by the Committee and/or otherwise provided in an individual award agreement: (i) cash

dividends on shares of Restricted Stock shall be automatically reinvested in additional shares of Restricted Stock and (ii) dividends payable in shares of Vimeo common stock shall be paid in the form of additional shares of Restricted Stock, which in both cases, shall vest in accordance with the vesting schedule of the initial award. Grants of Restricted Stock awards under the 2021 Plan may or may not be subject to performance conditions. Shares of Restricted Stock may not be sold, transferred, pledged, exchanged or otherwise encumbered prior to vesting.

RSUs. The 2021 Plan provides for the award of restricted stock units (“RSUs”) denominated in shares of Vimeo common stock that will be settled, subject to the terms and conditions of the RSUs, in cash, shares of Vimeo common stock or a combination thereof, based upon the Fair Market Value of the number of shares of common stock vesting. RSUs are not shares of common stock and as a result, holders of RSUs do not have rights of a holder of Vimeo common stock. RSU award agreements will specify whether, to what extent and on what terms and conditions the shares of common stock underlying such awards will be credited for dividends (if at all). RSUs granted under the 2021 Plan may or may not be subject to performance conditions. RSUs may not be sold, transferred, pledged, exchanged or otherwise encumbered prior to vesting.

Other Stock-Based Awards. The 2021 Plan also provides for the award of other awards denominated in shares of Vimeo common stock and awards that are valued in whole or in part by reference to (or are otherwise based on) shares of Vimeo common stock (including unrestricted stock, dividend equivalents and convertible debentures).

Cash-Based Awards. Lastly, the 2021 Plan provides for cash-based awards that may be settled in cash, shares of Vimeo common stock or a combination thereof.

Performance Goals. The 2021 Plan provides that performance goals may be established by the Committee in connection with the grant of any award under the 2021 Plan.

Clawback Provisions. If a participant in the 2021 Plan incurs a termination of employment for “Cause” (as defined in the 2021 Plan), a participant resigns in anticipation of being terminated by Vimeo for Cause or following any termination of a participant’s employment with Vimeo for any reason, Vimeo becomes aware that during the two (2) years prior to such termination of employment there was an event or circumstance that would have been grounds for termination of employment for Cause, and the basis of any such termination (x) causes, caused or is reasonable likely to cause significant business or reputational harm to Vimeo or (y) involves or involved fraudulent misconduct that relates to or harms Vimeo (the circumstances of either (x) or (y), the “Underlying Event”), then all Options and SARs, whether or not vested, and all other unvested awards under the 2021 Plan that are held by such participant will be forfeited by the participant and if any portion of the participant’s awards were exercised and/or settled after the Underlying Event, Vimeo will be entitled to recover from the participant at any time within two (2) years after such exercise or settlement, and the participant will be required to pay over to Vimeo, any amounts realized as a result of the exercise or settlement.

Change in Control. Unless otherwise provided by the Committee, in the event that, upon a termination of employment (other than for cause or disability) or resignation for good reason during the two (2) year period following a “Change in Control” (as such term is defined in the 2021 Plan):

- all unvested stock options and SARs outstanding as of the date of termination or resignation that were outstanding as of the date of the change in control will become fully vested and exercisable and will remain exercisable for the greater of: (i) the period that they would have remained exercisable absent the change in control provision and (ii) the lesser of the original term or one (1) year following such termination or resignation;
- all restrictions applicable to all Restricted Stock awards outstanding as of the date of termination or resignation that were outstanding as of the date of the change in control will lapse and such Restricted Stock awards will become fully vested and transferable; and
- all RSUs outstanding as of the date of termination or resignation that were outstanding as of the date of the change in control will become fully vested and such RSUs will be settled in cash or shares of Vimeo common stock as promptly as practicable.

Amendment, Discontinuance and Term. The 2021 Plan may be amended, altered or discontinued by the Vimeo board of directors at any time, but no amendment, alteration or discontinuance may impair the rights of award holders without their consent. Amendments to the 2021 Plan will require stockholder approval to the extent such approval is required by applicable law or the listing standards of the applicable exchange. The 2021 Plan will terminate on the ten-year anniversary of the completion of the Spin-off.

U.S. Federal Income Tax Consequences. The following is a summary of certain federal income tax consequences of awards to be made under the 2021 Plan based upon the laws in effect as of the date of this prospectus. The discussion is general in nature and does not take into account a number of considerations that may apply in light of individual circumstances under the 2021 Plan. In addition, income tax consequences under applicable state and local tax laws may not be the same as under federal income tax laws.

Non-Qualified Stock Options. A holder of non-qualified stock options will not recognize taxable income when the award is granted and Vimeo will not be entitled to a tax deduction at such time. Such holder will recognize compensation taxable as ordinary income (and subject to income tax withholding in the case of employees) upon the exercise of non-qualified stock options equal to the excess of the Fair Market Value of the shares of Vimeo common stock purchased over the exercise price and Vimeo will generally be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), apply.

ISOs. A holder of ISOs will not recognize taxable income when the award is granted. Such holder will not recognize taxable income (except for purposes of the alternative minimum tax) upon the exercise of an ISO. If such holder does not sell or otherwise dispose of the shares of Vimeo common stock acquired upon the exercise of an ISO within two (2) years from the date the ISO was granted or within one (1) year from the date the holder acquired such shares, any gain or loss arising from a subsequent disposition of such shares will be taxed as long-term capital gain or loss and Vimeo will not be entitled to any deduction. If, however, such shares are disposed of within such two (2) or one (1) year periods, then in the year of such disposition the holder will recognize compensation taxable as ordinary income equal to the excess of the lesser of the amount realized upon such disposition and the Fair Market Value of such shares on the date of exercise over the exercise price and Vimeo generally will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Code apply. The excess of the amount realized through the disposition date over the Fair Market Value of the shares of Vimeo common stock acquired on the exercise date will be treated as capital gain.

SARs. A holder of SARs will not recognize taxable income when the award is granted and Vimeo will not be entitled to a tax deduction at such time. Upon the exercise of a SAR, such holder will recognize compensation taxable as ordinary income (and subject to income tax withholding in the case of employees) equal to the Fair Market Value of any shares of Vimeo common stock delivered (and the amount of cash paid by Vimeo (if any)) and Vimeo will generally be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Code apply.

Restricted Stock. A holder of a Restricted Stock award will not recognize taxable income when the award is granted and Vimeo will not be entitled to a tax deduction at such time, unless such holder makes an election under Section 83(b) of the Code to be taxed at grant. If such an election is made, the holder will recognize compensation taxable as ordinary income (and subject to income tax withholding in the case of employees) at the time of grant equal to the Fair Market Value of the shares of Restricted Stock at such time. If such an election is not made, the holder will recognize compensation taxable as ordinary income (and subject to income tax withholding in the case of employees) at vesting in an amount equal to the Fair Market Value of the shares of Restricted Stock at such time. Vimeo will be entitled to a corresponding deduction at the time ordinary income is recognized by the holder, except to the extent the deduction limits of Section 162(m) of the Code apply. In addition, dividends credited prior to the vesting of shares of Restricted Stock for which the above-described election has not been made will be compensation taxable as ordinary income (and subject to income tax withholding in the case of employees), rather than as dividend income, and Vimeo will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Code apply.

RSUs. A holder of RSUs will not recognize taxable income when the award is granted and Vimeo will not be entitled to a tax deduction at such time. Such holder will recognize compensation taxable as

ordinary income (and subject to income tax withholding in the case of employees) at vesting in an amount equal to the Fair Market Value of any shares of Vimeo common stock delivered (and the amount of cash paid by Vimeo (if any)) and Vimeo will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Code apply.

Section 162(m). Under Section 162(m) of the Code, compensation (including compensation under the 2021 Plan) in any calendar year in excess of \$1 million for any individual who serves as a named executive in 2021 or thereafter will not be deductible.

The foregoing general tax discussion is intended for the information of Vimeo stockholders and not as tax guidance for holder of award under the 2021 Plan. Holders of awards under the 2021 Plan are strongly urged to consult their own tax advisors regarding the federal, state, local, foreign and other tax consequences to them of participating in the 2021 Plan.

Compensation of Directors

Non-Employee Director Compensation Arrangements. IAC's Board of Directors, or a committee thereof, established the initial Vimeo non-employee director compensation arrangements prior to the closing of the Spin-off. After the closing of the Spin-off, the Vimeo board of directors, or a committee thereof, will have the authority to review and change its non-employee director compensation arrangements. In setting compensation for the members of the Vimeo board of directors, it is expected that the Vimeo board of directors will consider the significant time commitment and the skills and experience level necessary for directors to fulfill their duties.

The initial Vimeo non-employee director compensation arrangements are expected to be designed to provide competitive compensation necessary to attract and retain high-quality non-employee directors and to encourage ownership of Vimeo common stock to further align the interests of Vimeo's non-employee directors with those of Vimeo's stockholders.

Vimeo's initial non-employee director compensation arrangements are expected to include both cash and stock-based compensation. It is expected that each non-employee director will receive an annual cash retainer of \$50,000 and a grant of Vimeo RSUs with a dollar value of \$200,000 upon his or her initial election to the Vimeo board of directors and annually thereafter upon re-election on the date of Vimeo's annual meeting of stockholders, the terms of which are expected to provide for: (i) vesting in two equal installments commencing on the anniversary of the grant date, (ii) cancellation and forfeiture of unvested RSUs in their entirety upon termination of service for Vimeo and its subsidiaries and (iii) full acceleration of the vesting of RSUs upon a change in control of Vimeo. Non-employee directors who are members of the Audit Committee are expected to receive an additional annual fee of \$10,000 and non-employee directors who are members of the Compensation and Human Resources Committee are expected to receive an additional annual fee of \$5,000. The Chairpersons of the Audit Committee and the Compensation and Human Resources Committee are expected to receive this additional fee. In addition, such Chairpersons are expected to receive a supplemental annual fee of \$20,000. All amounts are expected to be paid quarterly, in arrears.

Additionally, it is also expected that Vimeo will reimburse non-employee directors for all reasonable expenses incurred in connection with attendance at Vimeo board of directors meetings and board committee meetings. It is further expected that Joseph Levin, a member of the Vimeo board of directors, will not participate in Vimeo's initial non-employee director compensation arrangement.

Deferred Compensation Plan for Non-Employee Directors. After the closing of the Spin-off, it is expected that the Vimeo board of directors, or a committee thereof, will adopt a deferred compensation plan for non-employee directors (the "Vimeo Deferred Compensation Plan For Non-Employee Directors"). It is expected that, under the Vimeo Deferred Compensation Plan For Non-Employee Directors, non-employee directors will be able to defer all or a portion of their board of directors and board committee fees. It is expected that eligible directors who defer all or any portion of these fees will be able to elect to have such deferred fees applied to the purchase of share units, representing the number of shares of Vimeo common stock that could have been purchased on the relevant date, or credited to a cash fund. It is expected that (i) if any dividends are paid on Vimeo common stock, dividend equivalents will be credited on the share units and (ii) the cash fund will be credited with deemed interest at an annual rate equal to the weighted

average prime lending rate of JPMorgan Chase & Co. After a director leaves the Vimeo board of directors, it is anticipated that he or she will receive: (i) with respect to share units, the number of shares of Vimeo common stock represented by such share units, and (ii) with respect to the cash fund, a cash payment in an amount equal to deferred amounts, plus accrued interest. It is expected that these payments may be made in one lump-sum installment after the relevant director leaves the Vimeo board of directors and otherwise in accordance with the Vimeo Deferred Compensation Plan for Non-Employee Directors.

VIMEO COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

It is expected that the Compensation and Human Resources Committee will initially be comprised of Nabil Mallick, Mo Koyfman and George C. Wolfe following the Spin-off. Vimeo does not presently expect that any member of the Compensation and Human Resources Committee will be an officer or employee of Vimeo at any time during his or her respective service on such committee.

PLAN OF DISTRIBUTION

In connection with the Spin-off, outstanding awards granted under IAC's and Vimeo Opco's equity compensation programs will convert into adjusted awards composed, in part, of Vimeo common stock, as described under the heading "*The Spin-off — Treatment of IAC Equity Awards.*" The portion of the adjusted awards that are based on Vimeo common stock will be granted by Vimeo under the Plans, in accordance with the terms of the employee matters agreement that Vimeo entered into with IAC in connection with the Spin-off. The registration statement of which this prospectus forms a part only covers shares of Vimeo common stock that may be acquired upon exercise of options or stock appreciation rights to purchase shares of Vimeo common stock that were granted under the Plans to (1) former employees of IAC and its subsidiaries (excluding Vimeo and its subsidiaries), (2) current employees of IAC's subsidiaries, (3) former employees of Vimeo, Inc. and its subsidiaries and (4) current and former employees of Match Group, Inc., who, in each case, are not current employees of Vimeo or a subsidiary of Vimeo, and any such individuals' donees, pledgees, permitted transferees, assignees, successors and others who come to hold any such equity award. The registration statement does not cover any shares of Vimeo common stock issued pursuant to the awards to be granted to any individual who, upon completion of the Spin-off, will be employed by or serve on the board of directors of Vimeo or any other awards that Vimeo may grant under its equity compensation plans in the future.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The material agreements described below are filed as exhibits 2.1, 10.1, 10.2 and 10.3 to the registration statement of which this prospectus forms a part and are hereby incorporated by reference into this prospectus.

Review of Related Person Transactions for Vimeo

The Vimeo Audit Committee has a formal, written policy that requires an appropriate review of all related person transactions by the Vimeo Audit Committee, as required by Marketplace Rules governing conflict of interest transactions. For purposes of this policy, consistent with the Marketplace Rules, the terms “related person” and “transaction” are determined by reference to Item 404(a) of Regulation S-K under the Securities Act of 1933, as amended (“Item 404”). In accordance with this policy, Vimeo management will be required to determine whether any proposed transaction, arrangement or relationship with a related person falls within the Item 404 definition of “transaction,” and if so, review such transaction with the Vimeo Audit Committee. In connection with such determinations, Vimeo management and the Vimeo Audit Committee will consider: (i) the parties to the transaction and the nature of their affiliation with Vimeo and the related person, (ii) the dollar amount involved in the transaction, (iii) the material terms of the transaction, including whether the terms of the transaction are ordinary course and/or otherwise negotiated at arms’ length, (iv) whether the transaction is material, on a quantitative and/or qualitative basis, to Vimeo and/or the related person and (v) any other facts and circumstances that Vimeo management or the Vimeo Audit Committee deems appropriate.

Relationship Between IAC and Vimeo After the Spin-off

Following the Spin-off, the relationship between IAC and Vimeo will be governed by a number of agreements. These agreements include:

- a separation agreement;
- a tax matters agreement;
- an employee matters agreement; and
- a transition services agreement.

These agreements were entered into as of May 24, 2021 and are filed as exhibits to the registration statement of which this prospectus forms a part, and the summaries of these documents that follow are qualified in their entirety by reference to the full text of those documents. Vimeo will also lease office space from IAC pursuant to an office lease agreement.

Separation Agreement

The separation agreement provides for restructuring transactions including, among other things, the transfer to Vimeo of IAC’s equity interests in Vimeo OpCo and the repayment by Vimeo OpCo of all outstanding intercompany debt owed to IAC and its subsidiaries (other than Vimeo OpCo’s subsidiaries). The separation agreement also provides for the pre-Spin-off adoption of the certificate of incorporation and by-laws of Vimeo to be in effect at the time of the Spin-off.

Additional matters governed by the separation agreement include:

Releases:

- the release and discharge by Vimeo and its affiliates of IAC and its affiliates from all liabilities allocated to Vimeo under the separation agreement, all liabilities arising from or in connection with the activities to implement the Spin-off, and all liabilities arising from or in connection with all actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing before the effective time of the Spin-off to the extent relating to, arising out of or resulting from the Vimeo business or the assets and liabilities allocated to Vimeo under the separation agreement or IAC’s or any of its subsidiaries’ direct or indirect beneficial ownership of the capital stock of Vimeo or any of its subsidiaries or IAC’s or any of its subsidiaries’ management, oversight, supervision or operation

of the Vimeo business, Vimeo assets or the Vimeo liabilities, in each case except as expressly set forth in the separation agreement; and

- the release and discharge by IAC and its affiliates of Vimeo and its affiliates from all liabilities allocated to IAC under the separation agreement, all liabilities arising from or in connection with the activities to implement the Spin-off, and all liabilities arising from or in connection with all actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing before the effective time of the Spin-off to the extent relating to, arising out of or resulting from the IAC businesses or the assets and liabilities allocated to IAC under the separation agreement, in each case except as expressly set forth in the separation agreement.

These releases do not extend to obligations or liabilities under any agreements among the parties that remain in effect following the Spin-off, which agreements include the separation agreement and the other agreements described below, to any obligations or liabilities for the sale, lease, construction or receipt of goods, property or services in the ordinary course of business prior to the date of the Spin-off or to any liability arising from the rights of any person who is an employee to any earned but unpaid salary, wages or bonus opportunity, or any rights to vested benefits under employee benefit plans or any other claims that may not be released under applicable law.

Indemnification Arrangements:

- the indemnification by Vimeo and its subsidiaries of IAC, its affiliates (other than Vimeo and its subsidiaries) and their respective past, present and future directors, officers, employees and agents for any and all liabilities:
 - of the Vimeo business allocated to Vimeo pursuant to the separation agreement;
 - arising out of any failure by Vimeo to pay, perform or otherwise promptly discharge any liabilities allocated to Vimeo;
 - arising out of any breach by Vimeo of the separation agreement, the tax matters agreement, the employee matters agreement, the transition services agreement or the office lease agreement;
 - except to the extent it relates to a liability allocated to IAC, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of Vimeo or any of its subsidiaries by IAC or any of its subsidiaries that survives following the Spin-off; or
 - arising out of any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in this prospectus (other than any information to the extent relating solely to IAC);
- the indemnification by IAC and its subsidiaries of Vimeo, its subsidiaries and their respective past, present and future directors, officers, employees and agents for any and all liabilities:
 - of the IAC business allocated to IAC pursuant to the separation agreement;
 - arising out of any failure by IAC to pay, perform or otherwise promptly discharge any liabilities allocated to IAC;
 - arising out of any breach by IAC of the separation agreement, the tax matters agreement, the employee matters agreement or, the transition services agreement or the office lease agreement;
 - except to the extent it relates to a liability allocated to Vimeo, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of IAC or any of its subsidiaries by Vimeo or any of its subsidiaries that survives following the Spin-off; or
 - arising out of any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in this prospectus to the extent relating solely to IAC;

Indemnification with respect to taxes will be governed by the tax matters agreement.

Cooperation on Governmental Filings and Third Party Consents: the parties' use of their respective reasonable best efforts to assist and cooperate with the other party to obtain any necessary or advisable governmental approvals and third-party consents in connection with the Spin-off.

Release of Guarantees: the parties' use of their respective commercially reasonable efforts to obtain prior to the Spin-off the release or termination of any existing guarantees by IAC or any of its subsidiaries (other than Vimeo and its subsidiaries) for the benefit of Vimeo and its subsidiaries, and by Vimeo and its subsidiaries for the benefit of IAC or any of its subsidiaries (other than Vimeo and its subsidiaries).

Control of Ongoing Litigation: IAC's and Vimeo's rights to control, settle and compromise, and obligation to cooperate and assist with respect to, certain types of litigation following the completion of the Spin-off and to control privilege with respect to privileged information.

Expenses: Except as expressly set forth in the separation agreement or in any ancillary agreement, the party incurring the expense will be responsible for all costs and expenses incurred prior to the Spin-off date in connection with the Spin-off, including costs and expenses relating to legal and tax counsel, financial advisors and accounting advisory work related to the separation. Except as expressly set forth in the separation agreement or in any ancillary agreement, or as otherwise agreed in writing by IAC and Vimeo, all costs and expenses incurred in connection with the Spin-off after the effective time of the Spin-off will also be paid by the party incurring such cost and expense.

Section 16 Approvals: the parties' agreement to cause any acquisitions or dispositions of securities of any of the parties resulting from the Spin-off by each individual who is subject to Section 16 of the Exchange Act to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Transitional Use of Names: IAC's and Vimeo's agreement to grant to the other party, for an agreed period following the Spin-off, a non-exclusive license to use certain names and marks of IAC and Vimeo, respectively, for limited purposes.

Dispute Resolution: The separation agreement contains provisions that govern, except as otherwise provided in any ancillary agreement, the resolution of disputes, controversies or claims that may arise between IAC and Vimeo related to the Spin-off.

Other Matters. Other matters governed by the separation agreement include, among others, termination of intercompany agreements, shared contracts, insurance, financial information certifications, confidentiality, access to and provision and retention of records, privacy and data protection, production of witnesses and privileged matters. The separation agreement does not provide for either of IAC or Vimeo to be subject to restrictions on competition.

The parties have also agreed that certain covenants under the separation agreement and ancillary agreements that apply to IAC and its subsidiaries will not apply to Angi Inc. (formerly known as ANGI Homeservices Inc.), subject to limited exceptions.

Except as expressly set forth in the separation agreement or any ancillary agreement, neither IAC nor Vimeo make any representation or warranty as to the assets, business or liabilities transferred or assumed as part of the separation, as to any consents or approvals required in connection with the transfers, as to the value of or the freedom from any security interests of any of the assets transferred, as to the absence or presence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other asset of either of IAC or Vimeo or as to the legal sufficiency of any document or instrument delivered to convey title to any asset to be transferred in connection with the separation. All assets were transferred on an "as is," "where is" basis, and the transferee bears the economic and legal risks that any conveyance will prove to be insufficient to vest in the transferee good and marketable title, free and clear of all security interests, that any necessary consents or governmental approvals or notifications are not obtained or made, or that any requirements of laws or judgments are not complied with.

Tax Matters Agreement

In connection with the Spin-off, IAC and Vimeo entered into a 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 any failure of the Distribution to qualify as tax-free for U.S. federal income tax purposes), entitlement to refunds, allocation of tax attributes, preparation of tax returns, control of tax contests and other tax matters.

In addition, the tax matters agreement imposes certain restrictions on Vimeo and its subsidiaries (including restrictions on share issuances, business combinations, sales of assets and similar transactions) designed to preserve the tax-free status of the Distribution. The tax matters agreement provides special rules that allocate tax liabilities in the event the Distribution fails to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355(a) and 368(a)(1)(D) of the Code. Under the tax matters agreement, IAC and Vimeo generally are responsible for any taxes and related amounts imposed on either of the parties as a result of a failure to so qualify to the extent that the failure to so qualify is attributable to a breach of the relevant representations or covenants made by that party in the tax matters agreement or an acquisition of such party's equity securities or assets.

Employee Matters Agreement

The employee matters agreement covers a range of compensation and benefit matters related to the Spin-off. In general, under the employee matters agreement IAC assumed or retained (i) all liabilities with respect to IAC employees, former IAC employees and their dependents and beneficiaries under all IAC employee benefit plans, and (ii) all liabilities with respect to the employment or termination of employment of all IAC employees, former IAC employees and other service providers. Vimeo assumed or retained (i) all liabilities under its employee benefit plans, and (ii) all liabilities with respect to the employment or termination of employment of all Vimeo Holdings employees, former employees and other service providers.

Subject to a transition period through December 31, 2021, after the Spin-off, Vimeo will no longer participate in IAC employee benefit plans, but has established its own employee benefit plans that are substantially similar to the plans sponsored by IAC prior to the Spin-off. Through the end of 2021, IAC will continue to provide benefits under the IAC health and welfare plans and flexible benefits plan to Vimeo employees and Vimeo will bear the cost of this coverage with respect to its employees. Assets and liabilities from the IAC Retirement Savings Plan relating to the accounts of Vimeo employees will be transferred to the comparable Vimeo plan as soon as practicable following the Spin-off.

For a description of the treatment of outstanding IAC equity awards pursuant to the employee matters agreement, see "The Spin-off — Treatment of IAC Equity Awards."

Transition Services Agreement

Under the transition services agreement, each of IAC and Vimeo will provide to the other party on an interim, transitional basis, various support services, which the parties currently expect may include support with governmental affairs, finance and accounting services, corporate sourcing, legal affairs, systems support, and any such other support services as to which IAC and Vimeo mutually agree. The charges for these services will generally be on an actual cost basis (without markup), except as otherwise agreed upon prior to the completion of the Spin-off.

In general, the services began on the date of the completion of the Spin-off and will cover a period generally not expected to exceed 12 months following the Spin-off. Each of IAC and Vimeo, as recipient of services, has the right to terminate the transition services agreement with respect to one or more particular services upon 90 days' prior written notice.

EXPERTS**Vimeo OpCo (formerly Vimeo, Inc.)**

The consolidated financial statements of Vimeo OpCo (formerly known as Vimeo, Inc.) at December 31, 2020 and 2019, and for each of the two years in the period ended December 31, 2020, appearing in this Registration Statement and related prospectus have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Vimeo, Inc. (formerly Vimeo Holdings, Inc.)

The consolidated financial statement of Vimeo, Inc. (formerly known as Vimeo Holdings, Inc.) at December 31, 2020, appearing in this Registration Statement and related prospectus have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

The validity of the shares of Vimeo common stock will be passed upon for Vimeo by Michael A. Cheah, General Counsel and Secretary of Vimeo.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 with the SEC under the Securities Act with respect to the shares of Vimeo common stock being offered as contemplated by this prospectus. This prospectus is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to Vimeo and Vimeo common stock, please refer to the registration statement, including its exhibits and schedules. Statements made in this prospectus relating to any contract or other document filed as an exhibit to the registration statement include the material terms of such contract or other document. However, such statements are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules, on the Internet website maintained by the SEC at www.sec.gov. Copies of documents filed with the SEC by Vimeo may be obtained free of charge on Vimeo's website at www.vimeo.com. Information contained on or connected to any website referenced in this prospectus is not incorporated into this prospectus or the registration statement of which this prospectus forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

Vimeo is subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, files periodic reports, proxy statements and other information with the SEC.

We intend to furnish holders of Vimeo common stock with annual reports containing consolidated financial statements prepared in accordance with GAAP and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

You should rely only on the information contained in this prospectus or to which this prospectus has referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this prospectus.

**CONSOLIDATED FINANCIAL STATEMENTS OF VIMEO OPCO
(FORMERLY VIMEO, INC.)**

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VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
	(In thousands, except par value amounts)	
ASSETS		
Cash and cash equivalents	\$ 316,305	\$ 110,011
Accounts receivable, net	14,121	12,785
Other current assets	11,335	7,932
Total current assets	341,761	130,728
Leasehold improvements and equipment, net	3,320	3,321
Goodwill	219,337	219,337
Intangible assets with definite lives, net	8,967	10,854
Other non-current assets	11,124	6,839
TOTAL ASSETS	<u>\$ 584,509</u>	<u>\$ 371,079</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 2,797	\$ 3,324
Promissory note due on demand – related party	—	44,565
Deferred revenue	147,766	137,436
Accrued expenses and other current liabilities	40,102	47,432
Total current liabilities	190,665	232,757
Long-term debt – related party	—	50,000
Other long-term liabilities	4,710	3,242
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Class A Voting common stock, \$0.01 par value; 150,000 shares authorized; 92,789 and 83,656 shares issued and outstanding, respectively	928	837
Class B Non-Voting common stock, \$0.01 par value; 150,000 shares authorized; 66,285 shares issued and outstanding	663	663
Preferred stock \$0.01 par value; 50,000 shares authorized; no shares issued and outstanding	—	—
Additional paid-in-capital	667,348	366,676
Accumulated deficit	(279,696)	(283,009)
Accumulated other comprehensive loss	(109)	(87)
Total shareholders' equity	389,134	85,080
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 584,509</u>	<u>\$ 371,079</u>

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

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(In thousands, except per share data)	
Revenue	\$89,422	\$ 56,968
Cost of revenue (exclusive of depreciation shown separately below)	24,956	18,358
Gross profit	64,466	38,610
Operating expenses:		
Research and development expense	21,475	15,293
Sales and marketing expense	32,069	25,125
General and administrative expense	14,518	12,204
Depreciation	115	58
Amortization of intangibles	1,887	3,123
Total operating expenses	70,064	55,803
Operating loss	(5,598)	(17,193)
Interest expense	(64)	—
Interest expense – related party	(726)	(2,453)
Other income (expense), net	10,086	(59)
Earnings (loss) before income taxes	3,698	(19,705)
Income tax provision	(385)	(555)
Net earnings (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders	\$ 3,313	\$(20,260)
Per share information attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders:		
Basic and diluted earnings (loss) per share	\$ 0.02	\$ (0.14)
Stock-based compensation expense by function:		
Cost of revenue	\$ 20	\$ 4
Research and development expense	1,720	460
Sales and marketing expense	322	157
General and administrative expense	2,850	1,395
Total stock-based compensation expense	\$ 4,912	\$ 2,016

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

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(In thousands)	
Net earnings (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders	\$3,313	\$(20,260)
Other comprehensive loss:		
Change in foreign currency translation	(22)	(120)
Total other comprehensive loss	(22)	(120)
Comprehensive income (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock	\$3,291	\$(20,380)

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

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Three Months Ended March 31, 2021 and 2020
(Unaudited)

	Class A Voting common stock, \$0.01 par value		Class B Non-Voting common stock, \$0.01 par value		Additional Paid-in-Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	\$	Shares	\$	Shares				
(In thousands)								
Balance as of December 31, 2020	\$837	83,656	\$663	66,285	\$366,676	\$(283,009)	\$ (87)	\$ 85,080
Net earnings attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders	—	—	—	—	—	3,313	—	3,313
Other comprehensive loss	—	—	—	—	—	—(22)	(22)	—
Stock-based compensation expense	—	—	—	—	4,912	—	—	4,912
Issuance of common stock to IAC/InterActiveCorp as reimbursement for settlement of Vimeo, Inc. stock appreciation rights	1	133	—	—	(4,402)	—	—	(4,401)
Issuance of common stock, net of fees	90	9,000	—	—	299,660	—	—	299,750
Other	—	—	—	—	502	—	—	502
Balance as of March 31, 2021	<u>\$928</u>	<u>92,789</u>	<u>\$663</u>	<u>66,285</u>	<u>\$667,348</u>	<u>\$(279,696)</u>	<u>\$(109)</u>	<u>\$389,134</u>
Balance as of December 31, 2019	\$750	75,000	\$660	66,021	\$223,754	\$(201,299)	\$(232)	\$ 23,633
Net loss attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders	—	—	—	—	—	(20,260)	—	(20,260)
Other comprehensive loss	—	—	—	—	—	—	(120)	(120)
Stock-based compensation expense	—	—	—	—	2,016	—	—	2,016
Issuance of common stock to IAC/InterActiveCorp as reimbursement for settlement of Vimeo, Inc. stock appreciation rights	—	—	1	130	—	—	—	1
Other	—	—	—	—	566	—	—	566
Balance as of March 31, 2020	<u>\$750</u>	<u>75,000</u>	<u>\$661</u>	<u>66,151</u>	<u>\$226,336</u>	<u>\$(221,559)</u>	<u>\$(352)</u>	<u>\$ 5,836</u>

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

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
(In thousands)		
Cash flows from operating activities:		
Net earnings (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders	\$ 3,313	\$(20,260)
Adjustments to reconcile net earnings (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders to net cash used in operating activities:		
Stock-based compensation expense	4,912	2,016
Amortization of intangibles	1,887	3,123
Depreciation	115	58
Provision for credit losses	82	824
Gain on the sale of an asset	(10,217)	—
Other adjustments, net	231	1,371
Changes in assets and liabilities:		
Accounts receivable	(2,278)	(3,220)
Other assets	(1,829)	(1,222)
Due to IAC/InterActiveCorp	2,974	6,239
Accounts payable and other liabilities	(10,493)	(4,136)
Deferred revenue	11,281	14,819
Net cash used in operating activities	(22)	(388)
Cash flows from investing activities:		
Capital expenditures	(135)	(77)
Proceeds from the sale of an asset	7,768	—
Other, net	—	98
Net cash provided by investing activities	7,633	21
Cash flows from financing activities:		
Proceeds from sale of common stock, net of fees	299,750	—
Principal payments on related-party debt	(94,565)	—
Proceeds from issuance of related-party debt	—	2,442
Deferred financing costs	(1,440)	—
Withholding taxes paid on behalf of Vimeo employees for the exercise of stock appreciation rights	(4,733)	(582)
Net cash provided by financing activities	199,012	1,860
Total cash provided	206,623	1,493
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(132)	(189)
Net increase in cash and cash equivalents and restricted cash	206,491	1,304
Cash and cash equivalents and restricted cash at beginning of period	110,037	1,963
Cash and cash equivalents and restricted cash at end of period	\$316,528	\$ 3,267

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

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 — THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Spin-off

On December 22, 2020, IAC/InterActiveCorp (“IAC”) announced that its Board of Directors approved a plan to spin-off its full stake in Vimeo, Inc. (“Vimeo”) to IAC shareholders. IAC’s Vimeo business will be separated from the remaining businesses of IAC through a series of transactions (which we refer to as the “Spin-off”) that, if completed in their entirety, will result in the transfer of IAC’s Vimeo business to Vimeo Holdings, Inc. (“SpinCo”), a wholly-owned subsidiary of IAC, with SpinCo becoming an independent, separately traded public company through a spin-off from IAC, and Vimeo, Inc., the IAC subsidiary that currently holds the Vimeo business, becoming a wholly-owned subsidiary of SpinCo. In connection with the foregoing, SpinCo will be renamed as Vimeo, Inc. and Vimeo will be renamed as Vimeo.com, Inc. The proposed transaction is subject to a number of conditions including final approval by IAC’s Board of Directors, approval of the separation proposal by IAC stockholders, and other customary conditions and approvals and is expected to close pre-market on May 25, 2021.

IAC does not currently own 100% of Vimeo. As a result, Vimeo sought and received approval from holders of Vimeo’s voting stock to merge Vimeo with a subsidiary of SpinCo that would result in Vimeo being wholly-owned by SpinCo in connection with the Spin-off. The merger remains subject to a number of conditions. If the Spin-off is effected and the Vimeo merger is completed, the holders of shares of IAC capital stock outstanding immediately prior to the Spin-off will continue to own all of the outstanding shares of IAC capital stock, and will become the direct owners of a percentage of the outstanding shares of SpinCo capital stock approximately equal, in the aggregate, to IAC’s indirect ownership interest in Vimeo prior to the Spin-off. The remaining shares of SpinCo’s outstanding capital stock will, if the Vimeo merger is completed, be owned by Vimeo’s pre-separation third-party stockholders. If the Spin-off is completed but the Vimeo merger is not completed, the shares of SpinCo capital stock issued to IAC stockholders in the Spin-off will initially constitute all of the outstanding shares of SpinCo capital stock immediately following the consummation of the Spin-off, Vimeo’s pre-separation third-party stockholders will initially remain stockholders of Vimeo, and SpinCo will own approximately 88% of Vimeo’s outstanding shares. SpinCo anticipates that it would subsequently seek to implement an alternative transaction to cause or permit the stockholders of Vimeo to exchange their ownership interests in Vimeo for an interest in SpinCo.

Nature of Operations

Vimeo is the world’s leading all-in-one video software solution, providing the full breadth of video tools through a software-as-a-service model. Vimeo’s comprehensive and cloud-based tools empower its users to create, collaborate and communicate with video on a single, turnkey platform.

Basis of Presentation and Consolidation

The historical consolidated financial statements of Vimeo and subsidiaries have been prepared on a standalone basis and are derived from the historical accounting records of Vimeo and IAC. The consolidated financial statements reflect the historical financial position, results of operations and cash flows of Vimeo and its consolidated subsidiaries since their respective dates of acquisition by Vimeo and the allocation to Vimeo of certain IAC corporate expenses relating to Vimeo based on the historical accounting records of IAC. The allocation of certain IAC corporate expenses is reflected in the consolidated balance sheet within “Additional paid-in capital.” For the purpose of these consolidated financial statements, income taxes have been computed for Vimeo on an as if standalone, separate tax return basis and payments to and refunds from IAC for Vimeo’s share of IAC’s consolidated state tax return liabilities have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows.

As used herein, “Vimeo,” “we,” “our” or “us” and similar terms in these historical consolidated financial statements refer to Vimeo, Inc. and its subsidiaries (unless the context requires otherwise).

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Vimeo prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”).

All intercompany transactions and balances between and among Vimeo and its subsidiaries have been eliminated. All intercompany transactions between (i) Vimeo and (ii) IAC and its subsidiaries (other than subsidiaries of Vimeo), other than borrowings from and principal payments to certain IAC subsidiaries, which were not Vimeo subsidiaries, related to amounts evidenced by notes, are reflected in the consolidated statement of cash flows as “Due to IAC/InterActiveCorp” as an operating activity and in the consolidated balance sheet within “Accrued expenses and other current liabilities.” Borrowings from and principal payments to certain IAC subsidiaries, in each case other than Vimeo subsidiaries, related to amounts evidenced by notes are reflected in the consolidated statement of cash flows as financing activities and in the consolidated balance sheet as “Promissory notes due on demand — related party” and “Long-term debt — related party.”

In management’s opinion, the assumptions underlying the historical consolidated financial statements of Vimeo, including the basis on which the expenses have been allocated from IAC, are reasonable. However, these allocations may not reflect the expenses that Vimeo would have incurred as an independent, stand-alone company for the periods presented.

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial information and with the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and notes required by GAAP for complete annual financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. Interim results are not necessarily indicative of the results that may be expected for the full year. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements of Vimeo for the year ended December 31, 2020 and notes thereto included in the joint proxy statement/consent solicitation statement/prospectus of IAC and SpinCo filed with the Securities and Exchange Commission on April 8, 2021.

Accounting Estimates

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

On an ongoing basis, Vimeo evaluates its estimates, judgments and assumptions, including those related to: the fair values of cash equivalents; the carrying value of accounts receivable, including the determination of the allowance for credit losses; the determination of customer relationship period for certain costs to obtain a contract with a customer; the carrying value of right-of-use assets (“ROU assets”); the useful lives and recoverability of leasehold improvements and equipment and intangible assets with definite lives; the recoverability of goodwill; contingencies; unrecognized tax benefits; the valuation allowance for deferred income tax assets; and the fair value of and forfeiture rates for stock-based awards, among others. Vimeo bases its estimates, judgments and assumptions on historical experience, its forecasts and budgets and other factors that Vimeo considers relevant.

General Revenue Recognition

Revenue is recognized when control of the promised services or goods is transferred to Vimeo’s customers and in the amount that reflects the consideration Vimeo expects to be entitled to in exchange for those services or goods.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Deferred Revenue

Deferred revenue consists of payments that are received or are contractually due in advance of Vimeo's performance. Vimeo's deferred revenue is reported on a contract-by-contract basis at the end of each reporting period. Vimeo classifies deferred revenue as current when the remaining term of the applicable subscription period or expected completion of Vimeo's performance obligation is one year or less. The current and non-current deferred revenue balances at December 31, 2020 are \$137.4 million and \$0.8 million, respectively. During the three months ended March 31, 2021, Vimeo recognized \$65.6 million of revenue that was included in the deferred revenue balance as of December 31, 2020. During the three months ended March 31, 2020, Vimeo recognized \$38.9 million of revenue that was included in the deferred revenue balance as of December 31, 2019. The current and non-current deferred revenue balances at March 31, 2021 are \$147.8 million and \$0.9 million, respectively. Non-current deferred revenue is included in "Other long-term liabilities" in the accompanying consolidated balance sheet.

Practical Expedients and Exemptions

As permitted under the practical expedient available under ASU No. 2014-09, *Revenue from Contracts with Customers*, Vimeo does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is allocated entirely to unsatisfied performance obligations or to a wholly unsatisfied promise accounted for under the series guidance, and (iii) contracts for which Vimeo recognizes revenue at the amount which Vimeo has the right to invoice for services performed.

Assets Recognized from the Costs to Obtain a Contract with a Customer

Vimeo has determined that certain costs, primarily commissions, paid to employees pursuant to certain sales incentive programs and mobile app store fees meet the requirements to be capitalized as a cost of obtaining a contract. Commissions paid to employees pursuant to certain sales incentive programs are amortized over the estimated customer relationship period. Vimeo calculates the estimated customer relationship period as the average customer life, which is based on historical data. When customer renewals are expected and the renewal commission is not commensurate with the initial commission, the average customer life includes renewal periods. For sales incentive programs where the customer relationship period is one year or less, Vimeo has elected the practical expedient to expense the costs as incurred. Vimeo generally capitalizes and amortizes mobile app store fees over the term of the applicable subscription.

The current and non-current capitalized costs to obtain a contract with a customer are included in "Other current assets" and "Other non-current assets" in the accompanying consolidated balance sheet and are \$3.0 million and \$5.2 million, and \$2.7 million and \$4.9 million, at March 31, 2021 and December 31, 2020, respectively.

Recent Accounting Pronouncements

There are no recently issued accounting pronouncements that have not yet been adopted that are expected to have a material effect on the consolidated results of operations, financial condition or cash flows of Vimeo.

NOTE 2—INCOME TAXES

Vimeo is included within IAC's tax group for purposes of federal and consolidated state income tax return filings. In the periods presented, current and deferred income tax provision have been computed for Vimeo on an as if standalone, separate tax return basis and payments to and refunds from IAC for Vimeo's share of IAC's consolidated state tax return liabilities have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

At the end of each interim period, Vimeo estimates the annual expected effective income tax rate and applies that rate to its ordinary year-to-date earnings or loss. The income tax provision or benefit related to significant, unusual, or extraordinary items, if applicable, that will be separately reported or reported net of their related tax effects are individually computed and recognized in the interim period in which they occur. In addition, the effect of changes in enacted tax laws or rates, tax status, judgment on the realizability of a beginning-of-the-year deferred tax asset in future years or unrecognized tax benefits is recognized in the interim period in which the change occurs.

The computation of the annual expected effective income tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pre-tax income (or loss) for the year, projections of the proportion of income (and/or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences, and the likelihood of the realization of deferred tax assets generated in the current year. The accounting estimates used to compute the provision or benefit for income taxes may change as new events occur, more experience is acquired, additional information is obtained or Vimeo's tax environment changes. To the extent that the expected annual effective income tax rate changes during a quarter, the effect of the change on prior quarters is included in income tax provision in the quarter in which the change occurs.

For the three months ended March 31, 2021 and 2020, Vimeo recorded an income tax provision of \$0.4 million and \$0.6 million, respectively, due to international and state taxes for jurisdictions in which it conducts business. The decrease in income tax provision is driven by a decrease in international tax accruals. Vimeo is in a net operating loss ("NOL") position for federal and state income tax purposes. The largest deferred tax assets are the federal and state NOLs. Vimeo has recorded a valuation allowance for its net deferred tax assets because it has concluded that it is more likely than not that the NOLs will not be utilized due to its history of pre-tax losses.

Vimeo recognizes interest and penalties related to unrecognized tax benefits, if applicable, in the income tax provision. There are currently no accruals for interest or penalties.

At March 31, 2021 and December 31, 2020, unrecognized tax benefits are \$2.0 million and \$1.9 million, respectively, all of which are for tax positions included in IAC's consolidated tax return filings. If unrecognized tax benefits at March 31, 2021 are subsequently recognized, there would be no impact to the income tax provision due to the valuation allowance on deferred tax assets. Vimeo believes it is reasonably possible that its unrecognized tax benefits could decrease by \$0.4 million by March 31, 2022, due primarily to settlements, none of which would reduce the income tax provision due to the valuation allowance on deferred tax assets.

Vimeo is routinely under audit by federal, state, local and foreign authorities in the area of income tax as a result of previously filed separate company and consolidated tax returns with IAC. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service ("IRS") has substantially completed its audit of IAC's federal income tax returns for the years ended December 31, 2010 through 2017, which includes the operations of Vimeo. The statute of limitations for the years 2010 through 2012 and for the years 2013 through 2017 have been extended to May 31, 2021 and June 30, 2022, respectively. Various other jurisdictions are open to examination for tax years beginning with 2009. Income taxes payable include unrecognized tax benefits that are considered to be sufficient to pay assessments that may result from the examination of prior year tax returns. Vimeo considers many factors when evaluating and estimating its tax positions and tax benefits, which may not accurately anticipate actual outcomes and, therefore, may require periodic adjustment. Although management currently believes changes in unrecognized tax benefits from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided will not have a material impact on the liquidity, results of operations, or financial condition of Vimeo, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

NOTE 3 — FAIR VALUE MEASUREMENTS

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

- Level 1: Observable inputs obtained from independent sources, such as quoted market prices for identical assets and liabilities in active markets.
- Level 2: Other inputs, which are observable directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data. The fair values of Vimeo's Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.
- Level 3: Unobservable inputs for which there is little or no market data and require Vimeo to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities.

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

	March 31, 2021			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	\$305,230	\$ —	\$ —	\$305,230
Time deposits	—	138	—	138
Total	<u>\$305,230</u>	<u>\$138</u>	<u>\$ —</u>	<u>\$305,368</u>

	December 31, 2020			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	\$104,852	\$ —	\$ —	\$104,852
Time deposits	—	544	—	544
Total	<u>\$104,852</u>	<u>\$544</u>	<u>\$ —</u>	<u>\$105,396</u>

Vimeo's non-financial assets, such as goodwill, intangible assets with definite lives, ROU assets and leasehold improvements and equipment, are adjusted to fair value only when an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

NOTE 4—REVOLVING CREDIT FACILITY

On February 12, 2021, Vimeo entered into a \$100 million revolving credit facility (the “Credit Facility”), which expires on February 12, 2026. Any borrowings under the Credit Facility are guaranteed by Vimeo’s wholly-owned material domestic subsidiaries, if any, and are secured by substantially all assets of Vimeo and any guarantors, subject to certain exceptions. The commitment fee, which is based on the consolidated net leverage ratio most recently reported and the average daily amount of the available revolving commitments, was 20 basis points at March 31, 2021. Any borrowings under the Credit Facility would bear interest, at Vimeo’s option, at either a base rate or LIBOR, in each case plus an applicable margin, which is determined by reference to a pricing grid based on Vimeo’s consolidated net leverage ratio. The financial covenants require Vimeo to maintain a minimum liquidity of not less than \$50.0 million until December 31, 2022 and, thereafter, at the end of each quarterly test period, a consolidated net leverage ratio (as defined in the agreement) of not more than 5.5 to 1.0. The Credit Facility also contains customary affirmative and negative covenants, including covenants that would limit Vimeo’s ability to pay dividends or make distributions on or repurchase certain equity interests in the event a default has occurred or Vimeo’s consolidated net leverage ratio exceeds 4.0 to 1.0. At March 31, 2021, there were no outstanding borrowings under the Credit Facility.

NOTE 5—SHAREHOLDERS’ EQUITY

Description of Class A Voting Common Stock and Class B Non-Voting Common Stock

Except as described herein, shares of Vimeo Class A Voting common stock and Class B Non-Voting common stock are identical.

The holders of shares of Vimeo Class A Voting common stock have the exclusive right to vote for the election of directors and for all other purposes, except as provided by law. Shares of Vimeo Class A Voting common stock have one vote per share and vote together as a single class. Holders of shares of Vimeo Class B Non-Voting common stock are not entitled to vote such shares in any proceeding or upon any matter or question at any meeting of the stockholders unless such right to vote is required by law.

The holders of shares of Vimeo Class A Voting common stock and the holders of shares of Vimeo Class B Non-Voting common stock are entitled to receive, share for share, such dividends as may be declared by Vimeo’s Board of Directors out of funds legally available therefor. If dividends are payable in shares of common stock, holders of shares of Vimeo Class A Voting common stock will receive shares in Vimeo Class A Voting common stock and holders of shares of Vimeo Class B Non-Voting common stock will receive shares in Vimeo Class B Non-Voting common stock. If dividends consist of other voting securities of Vimeo, Vimeo will make available to holders of Vimeo Class B Non-Voting common stock dividends consisting of non-voting securities (except as otherwise required by law) of Vimeo, which are otherwise identical to the voting securities. In the event of a liquidation, dissolution, distribution of assets or winding-up of Vimeo, the holders of shares of Vimeo Class A Voting common stock and the holders of shares of Vimeo Class B Non-Voting common stock are entitled to receive, share for share, all the assets of Vimeo available for distribution to its stockholders, after the satisfaction of all liabilities.

On April 16, 2020, Vimeo amended its certificate of incorporation to increase the total authorized number of shares of Class A Voting common stock from 75,000,000 to 150,000,000 shares and the total authorized number of Class B Non-Voting common stock from 75,000,000 to 150,000,000 shares.

At March 31, 2021, IAC held 81.0% of Vimeo’s Class A Voting common stock and 97.6% of Vimeo’s Class B Non-Voting common stock, or approximately 88.0% of Vimeo’s total outstanding capital stock.

Description of Preferred Stock

Vimeo’s Board of Directors is authorized to provide for the issuance of shares of preferred stock in series and to assign the designations, powers, preferences and rights to each such series and any qualifications, limitations or restrictions. There have been no preferred stock issuances to date.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Sale of Common Stock

In January 2021, Vimeo raised \$300 million of equity capital via the sale of approximately 6.2 million shares of Vimeo Class A Voting common stock for \$200 million, or \$32.41 per share, at a \$5.2 billion pre-money valuation, and approximately 2.8 million shares of Vimeo Class A Voting common stock for \$100 million, or \$35.35 per share, at a \$5.7 billion pre-money valuation.

NOTE 6—ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consists of foreign currency translation adjustments:

	Three Months Ended March 31,	
	2021	2020
Balance as of January 1	\$ (87)	\$(232)
Other comprehensive loss	(22)	(120)
Balance as of March 31	<u>\$(109)</u>	<u>\$(352)</u>

At both March 31, 2021 and 2020, there was no income tax benefit or provision on the accumulated other comprehensive loss.

NOTE 7—EARNINGS (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per share attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders:

	Three Months Ended March 31,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
(In thousands, except per share data)				
Numerator:				
Net earnings (loss) attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders	\$ 3,313	\$ 3,313	\$ (20,260)	\$ (20,260)
Denominator:				
Weighted average basic shares outstanding	156,480	156,480	141,063	141,063
Dilutive securities ^{(a)(b)(c)}	—	9,408	—	—
Denominator for earnings (loss) per share – weighted average shares ^{(a)(b)(c)}	<u>156,480</u>	<u>165,888</u>	<u>141,063</u>	<u>141,063</u>
Earnings (loss) per share attributable to Class A Voting common stock and Class B Non-Voting common stock shareholders:				
Earnings (loss) per share	<u>\$ 0.02</u>	<u>\$ 0.02</u>	<u>\$ (0.14)</u>	<u>\$ (0.14)</u>

- (a) If the effect is dilutive, weighted average diluted shares outstanding include the incremental shares that would be issued upon the assumed exercise of stock appreciation rights (“SARs”) and vesting of restricted stock units. For the three months ended March 31, 2021, there are no potentially dilutive securities that were excluded from the calculation of diluted earnings per share.
- (b) Performance-based SARs are considered contingently issuable shares. Shares issuable upon exercise of performance-based SARs are included in the denominator of diluted earnings per share if (i) the applicable performance condition(s) has been met and (ii) the inclusion of the performance-based SARs is dilutive for the respective reporting periods. For the three months ended March 31, 2021, 2.3 million

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

shares underlying performance-based SARs were excluded from the calculation of diluted earnings per share because the performance condition(s) had not been met.

- (c) For the three months ended March 31, 2020, Vimeo had a loss from operations and as a result, approximately 15.9 million potentially dilutive securities were excluded from computing diluted earnings per share because the impact would have been anti-dilutive. Accordingly, the weighted average basic shares outstanding were used to compute all earnings per share amounts.

NOTE 8 — CONSOLIDATED FINANCIAL STATEMENT DETAILS

Cash and Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheet to the total amounts shown in the consolidated statement of cash flows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
	(In thousands)			
Cash and cash equivalents	\$316,305	\$110,011	\$3,245	\$1,939
Restricted cash included in other current assets	223	26	22	24
Total cash and cash equivalents and restricted cash as shown on the consolidated statement of cash flows	<u>\$316,528</u>	<u>\$110,037</u>	<u>\$3,267</u>	<u>\$1,963</u>

Restricted cash at March 31, 2021 primarily consists of a deposit related to a lease.

Restricted cash for all other periods primarily consists of a deposit related to corporate credit cards.

Credit Losses

The following table presents the changes in the allowance for credit losses for the three months ended March 31, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
	(In thousands)	
Balance at January 1	\$476	\$ 273
Current period provision for credit losses	82	824
Write-offs charged against the allowance	(58)	(251)
Balance at March 31	<u>\$500</u>	<u>\$ 846</u>

Accumulated Amortization and Depreciation

The following table provides the accumulated amortization and depreciation within the consolidated balance sheet:

<u>Asset Category</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>
	(In thousands)	
Right-of-use assets included in other non-current assets	\$ 4,899	\$ 4,727
Leasehold improvements and equipment	\$ 822	\$ 712
Intangible assets with definite lives	\$35,733	\$33,846

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Other income (expense), net

	Three Months Ended March 31,	
	2021	2020
	(In thousands)	
Other income (expense), net	\$10,086	\$(59)

Other income, net in 2021 includes a gain of \$10.2 million related to the sale of Vimeo's retained interest in its former hardware business.

Vimeo previously sold live streaming devices and accessories through its hardware business. Vimeo retained an interest in its former hardware business after it sold a majority stake on March 29, 2019 that provided it with rights to participate in and receive distributions in the event of positive cash flows or proceeds should there be another sale of the business. In the first quarter of 2021, the former hardware business, inclusive of Vimeo's retained interest, was sold and a gain was recognized. This gain includes amounts received in the first quarter of 2021 and funds held in escrow. Vimeo may receive additional consideration based on the revenue of its former hardware business relative to established targets through December 31, 2021. Such amounts will be recognized as income only if, and at the point in time, any additional consideration is received, or it is probable that additional consideration will be received.

Other expense, net in 2020 reflects \$0.1 million of net foreign exchange losses.

Geographic Concentrations

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

	Three Months Ended March 31,	
	2021	2020
	(In thousands)	
Revenue:		
United States	\$48,141	\$29,612
All other countries	41,281	27,356
Total	<u>\$89,422</u>	<u>\$56,968</u>

The United States is the only country whose revenue is greater than 10 percent of total revenue of Vimeo for the three months ended March 31, 2021 and 2020.

	March 31,	December 31,
	2021	2020
	(In thousands)	
Long-lived assets (excluding goodwill, intangible assets with definite lives and ROU assets):		
United States	\$2,465	\$2,549
All other countries	855	772
Total	<u>\$3,320</u>	<u>\$3,321</u>

NOTE 9—CONTINGENCIES

In the ordinary course of business, Vimeo is a party to various lawsuits. Vimeo establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

loss is reasonably estimable. Management has also identified certain other legal matters where it believes an unfavorable outcome is not probable and, therefore, no reserve is established. Although management currently believes that resolving claims against Vimeo, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of Vimeo, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. Vimeo also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of Vimeo. See "Note 2 — Income Taxes" for additional information related to income tax contingencies.

NOTE 10 — RELATED PARTY TRANSACTIONS

Relationship with IAC prior to the Spin-off

Vimeo's consolidated statement of operations includes allocations of costs, including stock-based compensation expense, related to IAC's accounting, treasury, legal, tax, corporate support and internal audit functions. These allocations were based on Vimeo's revenue as a percentage of IAC's total revenue. Allocated costs, inclusive of stock-based compensation expense, were \$1.0 million and \$0.8 million for the three months ended March 31, 2021 and 2020, respectively. It is not practicable to determine the actual expenses that would have been incurred for these services had Vimeo operated as a standalone entity during the periods presented. Management considers the allocation method to be reasonable.

In addition to these amounts, which were previously not allocated to Vimeo, but were allocated for purposes of these standalone financial statements, Vimeo is allocated expenses from IAC for certain support services, such as financial systems. Vimeo also participates in IAC's health and welfare benefit plans and obtains certain services through contracts that are held in IAC's name. The total related charge for both the three months ended March 31, 2021 and 2020 were \$2.7 million. IAC also allocated \$0.9 million and \$1.1 million to Vimeo for the space that Vimeo occupies in IAC's headquarters building for the three months ended March 31, 2021 and 2020, respectively. The amounts were charged to Vimeo through the "Due to IAC/InterActiveCorp" account described below.

Due to IAC/InterActiveCorp

At March 31, 2021, Vimeo has a current payable due to IAC of \$3.0 million, which is included in "Accrued expenses and other current liabilities" in the accompanying consolidated balance sheet. The payable at March 31, 2021 was subsequently paid in April 2021. At December 31, 2020, there was no amount due to IAC.

Debt-Related Party

Debt-related party consists of:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
	(In thousands)	
Promissory note due on demand – related party	\$ —	\$44,565
Promissory note due May 2, 2023 – related party	—	50,000
Total debt – related party	<u>\$ —</u>	<u>\$94,565</u>

In January 2021, Vimeo repaid its outstanding related party debt to IAC in the amount of \$99.5 million, which included accrued interest of \$4.9 million, using a portion of the proceeds from the January 2021 primary equity raise. Each promissory note bore interest at 10% per annum. Accrued interest on debt – related

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

party at December 31, 2020 was \$4.2 million and is included in “Accrued expenses and other current liabilities” in the accompanying consolidated balance sheet.

Financial Instruments Measured at Fair Value Only for Disclosure Purposes

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

	March 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Promissory note due on demand – related party	\$ —	\$ —	\$44,565	\$44,565
Long-term debt – related party	\$ —	\$ —	\$50,000	\$54,545

The fair value of debt – related party, including the promissory note due on demand – related party, was based on Level 3 inputs and was estimated by discounting the future cash flows based on current market conditions.

Relationship with IAC following the Spin-off

If the Spin-off is consummated, Vimeo will enter into certain agreements with IAC to govern the relationship between the Vimeo and IAC following the Spin-off. These agreements will include: a separation agreement; a tax matters agreement; a transition services agreement; and an employee matters agreement.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of IAC/InterActiveCorp and Shareholders of Vimeo, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Vimeo, Inc. and subsidiaries (the “Company”) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive operations, shareholders’ equity (deficit) and cash flows for each of the two years in the period ended December 31, 2020, and the related notes and the financial statement schedule (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

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 (U.S.) (“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. 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.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2020.

New York, New York
February 19, 2021

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	December 31,	
	2019	2020
(In thousands, except par value amounts)		
ASSETS		
Cash and cash equivalents	\$ 1,939	\$ 110,011
Accounts receivable, net of allowance of \$273 and \$476, respectively	9,898	12,785
Other current assets	6,398	7,932
Total current assets	18,235	130,728
Leasehold improvements and equipment, net	2,997	3,321
Goodwill	219,374	219,337
Intangible assets with definite lives, net	25,598	10,854
Other non-current assets	5,296	6,839
TOTAL ASSETS	\$ 271,500	\$ 371,079
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 1,490	\$ 3,324
Promissory notes due on demand – related party	59,753	44,565
Deferred revenue	83,944	137,436
Due to IAC/InterActiveCorp	17,575	—
Accrued expenses and other current liabilities	43,287	47,432
Total current liabilities	206,049	232,757
Long-term debt – related party	37,706	50,000
Other long-term liabilities	4,112	3,242
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Class A Voting common stock \$0.01 par value; 75,000 and 150,000 shares authorized, respectively; 75,000 and 83,656 shares issued and outstanding, respectively	750	837
Class B Non-Voting common stock \$0.01 par value; 75,000 and 150,000 shares authorized, respectively; 66,021 and 66,285 shares issued and outstanding, respectively	660	663
Preferred stock \$0.01 par value; authorized 50,000 shares; no shares issued and outstanding	—	—
Additional paid-in-capital	223,754	366,676
Accumulated deficit	(201,299)	(283,009)
Accumulated other comprehensive loss	(232)	(87)
Total shareholders' equity	23,633	85,080
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 271,500	\$ 371,079

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

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

	Years Ended December 31,	
	2019	2020
	(In thousands, except per share data)	
Revenue	\$196,015	\$283,218
Cost of revenue (exclusive of depreciation shown separately below)	77,665	89,077
Gross profit	118,350	194,141
Operating expenses:		
Research and development expense	46,946	64,238
Sales and marketing expense	87,337	105,630
General and administrative expense	34,189	49,846
Depreciation	478	460
Amortization of intangibles	9,653	14,744
Total operating expenses	178,603	234,918
Operating loss	(60,253)	(40,777)
Interest expense – related party	(8,538)	(9,116)
Other (expense) income, net	(6,441)	93
Loss before income taxes	(75,232)	(49,800)
Income tax provision	(345)	(828)
Net loss	\$ (75,577)	\$ (50,628)
Per share information:^(a)		
Basic and diluted loss per share	\$ (0.58)	\$ (0.36)
Dividends declared per share	\$ —	\$ 0.22
Stock-based compensation expense by function:		
Cost of revenue	\$ 13	\$ 73
Research and development expense	1,439	2,931
Sales and marketing expense	543	603
General and administrative expense	3,296	8,058
Total stock-based compensation expense	\$ 5,291	\$ 11,665

(a) Shares of Vimeo Class A Voting common stock and shares of Class B Non-Voting common stock participate in earnings on the same basis.

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

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS

	Years Ended December 31,	
	2019	2020
	(In thousands)	
Net loss	\$(75,577)	\$(50,628)
Other comprehensive (loss) income:		
Change in foreign currency translation adjustments	(78)	145
Total other comprehensive (loss) income	(78)	145
Comprehensive loss	<u>\$(75,655)</u>	<u>\$(50,483)</u>

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

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' (DEFICIT) EQUITY
Years Ended December 31, 2019 and 2020

	Class A Voting Common Stock \$0.01 par value		Class B Non-Voting Common Stock \$0.01 par value		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' (Deficit) Equity
	\$	Shares	\$	Shares				
	(In thousands)							
Balance as of January 1, 2019	\$635	63,488	\$528	52,816	\$ 48,855	\$(125,722)	\$(154)	\$ (75,858)
Net loss	—	—	—	—	—	(75,577)	—	(75,577)
Other comprehensive loss	—	—	—	—	—	—	(78)	(78)
Stock-based compensation expense	—	—	—	—	5,291	—	—	5,291
Issuance of common stock to IAC/InterActiveCorp as reimbursement for settlement of Vimeo, Inc. stock appreciation rights	—	50	—	—	—	—	—	—
Issuance of common stock to IAC/ InterActiveCorp in connection with the funding of the Magisto acquisition	115	11,462	132	13,205	168,227	—	—	168,474
Other	—	—	—	—	1,381	—	—	1,381
Balance as of December 31, 2019	\$750	75,000	\$660	66,021	\$223,754	\$(201,299)	\$(232)	\$ 23,633
Net loss	—	—	—	—	—	(50,628)	—	(50,628)
Other comprehensive income	—	—	—	—	—	—	145	145
Stock-based compensation expense	—	—	—	—	11,665	—	—	11,665
Issuance of common stock and cash to IAC/InterActiveCorp as reimbursement for settlement of Vimeo stock appreciation rights	—	—	3	264	(20,962)	—	—	(20,959)
Issuance of common stock, net of fees	87	8,656	—	—	149,513	—	—	149,600
Dividends	—	—	—	—	—	(31,082)	—	(31,082)
Other	—	—	—	—	2,706	—	—	2,706
Balance as of December 31, 2020	<u>\$837</u>	<u>83,656</u>	<u>\$663</u>	<u>66,285</u>	<u>\$366,676</u>	<u>\$(283,009)</u>	<u>\$(87)</u>	<u>\$ 85,080</u>

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

VIMEO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended December 31,	
	2019	2020
	(In thousands)	
Cash flows from operating activities:		
Net loss	\$ (75,577)	\$ (50,628)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	5,291	11,665
Amortization of intangibles	9,653	14,744
Depreciation	478	460
Provision for credit losses	1,245	1,834
Gain on sale of an investment	(1,997)	(288)
Loss on sale of the hardware business	8,234	—
Other adjustments, net	3,464	3,681
Changes in assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable	(1,465)	(7,413)
Other assets	(1,308)	(3,707)
Due to IAC/InterActiveCorp	2,455	(17,575)
Accounts payable and other liabilities	5,064	4,797
Deferred revenue	17,285	56,291
Net cash (used in) provided by operating activities	<u>(27,178)</u>	<u>13,861</u>
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(168,139)	598
Capital expenditures	(2,801)	(844)
Net proceeds from the sale of an investment	2,215	288
Other, net	(3,471)	—
Net cash (used in) provided by investing activities	<u>(172,196)</u>	<u>42</u>
Cash flows from financing activities:		
Proceeds from sale of common stock, net of fees	—	149,600
Dividends	—	(31,079)
Issuance of common stock to IAC/InterActiveCorp in connection with the funding of the Magisto acquisition	168,474	—
Proceeds from issuance of related-party debt	32,249	32,563
Principal payments on related-party debt	—	(35,457)
Reimbursement to IAC/InterActiveCorp for IAC common shares issued to settle Vimeo stock appreciation rights that were exercised in November and December of 2020	—	(11,634)
Reimbursement to IAC/InterActiveCorp for withholding taxes paid on behalf of Vimeo employees for the exercise of stock appreciation rights	(266)	(10,125)
Net cash provided by financing activities	<u>200,457</u>	<u>93,868</u>
Total cash provided	<u>1,083</u>	<u>107,771</u>
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(128)	303
Net increase in cash and cash equivalents and restricted cash	<u>955</u>	<u>108,074</u>
Cash and cash equivalents and restricted cash at beginning of period	<u>1,008</u>	<u>1,963</u>
Cash and cash equivalents and restricted cash at end of period	<u>\$ 1,963</u>	<u>\$ 110,037</u>

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

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — ORGANIZATION AND BASIS OF PRESENTATION

Spin-off

On December 22, 2020, IAC/InterActiveCorp (“IAC”) announced that its Board of Directors approved a plan to spin-off its full stake in Vimeo, Inc. (“Vimeo” or the “Company”) to IAC shareholders. Subject to the terms and conditions set forth in the separation agreement, IAC’s Vimeo business will be separated from the remaining businesses of IAC through a series of transactions (which we refer to as the “Spin-off”) that, if completed in their entirety, will result in the transfer of IAC’s Vimeo business to Vimeo Holdings, Inc. (“Vimeo Holdings”), a newly formed subsidiary of IAC, with Vimeo Holdings becoming an independent, separately traded public company through a spin-off from IAC, and Vimeo, the IAC subsidiary that currently holds the Vimeo business, becoming a wholly-owned subsidiary of Vimeo Holdings. The proposed transaction is subject to a number of conditions including final approval by IAC’s Board of Directors, approval of the separation proposal by IAC stockholders, and other customary conditions and approvals and is expected to close in the second quarter of 2021.

If the Spin-off is effected and the Vimeo merger is completed, the holders of shares of IAC capital stock outstanding immediately prior to the Spin-off will continue to own all of the outstanding shares of IAC capital stock, and will become the direct owners of a percentage of the outstanding shares of Vimeo Holdings capital stock approximately equal, in the aggregate, to IAC’s indirect ownership interest in Vimeo prior to the Spin-off. The remaining shares of Vimeo Holdings’ outstanding capital stock will, if the Vimeo merger is completed, be owned by Vimeo’s pre-separation third-party stockholders. If the Spin-off is completed but the Vimeo merger is not completed, the shares of Vimeo Holdings capital stock issued to IAC stockholders in the Spin-off will initially constitute all of the outstanding shares of Vimeo Holdings capital stock immediately following the consummation of the Spin-off, Vimeo’s pre-separation third-party stockholders will initially remain stockholders of Vimeo. Vimeo Holdings anticipates that it would subsequently seek to implement an alternative transaction to cause or permit the stockholders of Vimeo to exchange their ownership interests in Vimeo for an interest in Vimeo Holdings.

Basis of Presentation and Consolidation

In connection with the Spin-off, Vimeo Holdings was incorporated as a Delaware corporation in December 2020. Vimeo Holdings currently does not have any material assets or liabilities, nor does it engage in any business or other activities and, other than in connection with the Spin-off, will not acquire or incur any material assets or liabilities, nor will it engage in any business or other activities.

The historical consolidated financial statements of Vimeo and subsidiaries have been prepared on a standalone basis and are derived from the historical accounting records of Vimeo and IAC. The consolidated financial statements reflect the historical financial position, results of operations and cash flows of Vimeo and its consolidated subsidiaries since their respective dates of acquisition by Vimeo and the allocation to Vimeo of certain IAC corporate expenses relating to Vimeo based on the historical accounting records of IAC. The allocation of certain IAC corporate expenses is reflected in the consolidated balance sheet within “Additional paid-in capital.” For the purpose of these consolidated financial statements, income taxes have been computed for Vimeo on an as if standalone, separate tax return basis and payments to and refunds from IAC for Vimeo’s share of IAC’s consolidated state tax return liabilities have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows.

As used herein, “Vimeo,” “we,” “our” or “us” and similar terms in these historical consolidated financial statements refer to Vimeo, Inc. and its subsidiaries (unless the context requires otherwise).

Vimeo prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”).

All intercompany transactions and balances between and among Vimeo and its subsidiaries have been eliminated. All intercompany transactions between (i) Vimeo and (ii) IAC and its subsidiaries (other than

VIMEO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

subsidiaries of Vimeo), other than borrowings and principal payments to certain IAC subsidiaries, which were not Vimeo subsidiaries, related to amounts evidenced by notes, are reflected in the consolidated statement of cash flows as an operating activity and in the consolidated balance sheet as “Due to IAC/ InterActiveCorp.” Borrowings from and principal payments to certain IAC subsidiaries, in each case other than Vimeo subsidiaries, related to amounts evidenced by notes are reflected in the consolidated statement of cash flows as financing activities and in the consolidated balance sheet as “Promissory notes due on demand — related party” and “Long-term debt — related party.”

In management’s opinion, the assumptions underlying the historical consolidated financial statements of Vimeo, including the basis on which the expenses have been allocated from IAC, are reasonable. However, these allocations may not reflect the expenses that Vimeo would have incurred as an independent, stand-alone company for the periods presented.

Company Overview

Vimeo operates a cloud-based software platform for professionals, teams and organizations to create, collaborate and communicate with video. Vimeo’s all-in-one software solution makes video easier and more effective than ever before, offering the full range of video tools through a recurring software-as-a-service (“SaaS” model) that enables subscribers to create, stream, host, distribute, market, monetize and analyze videos online and across devices.

Vimeo previously sold live streaming devices and accessories through its hardware business, prior to the sale of this business on March 29, 2019. Vimeo retained rights in the hardware business to participate in and receive distributions in the event of positive cash flows or proceeds from the sale of the business. On May 28, 2019, Vimeo purchased certain assets and assumed certain liabilities relating to the Magisto video creation app from Magisto, Ltd. (this transaction is referred herein to as the acquisition of Magisto).

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

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

On an ongoing basis, Vimeo evaluates its estimates, judgments and assumptions, including those related to: the fair value of cash equivalents; the carrying value of accounts receivable, including the determination of the allowance for credit losses; the determination of the customer relationship period for certain costs to obtain a contract with a customer; the carrying value of right-of-use assets (“ROU assets”); the useful lives and recoverability of leasehold improvements and equipment and intangible assets with definite lives; the recoverability of goodwill; contingencies; unrecognized tax benefits; the valuation allowance for deferred income tax assets; and the fair value of and forfeiture rates for stock-based awards, among others. Vimeo bases its estimates, judgments and assumptions on historical experience, its forecasts and budgets and other factors that Vimeo considers relevant.

Revenue Recognition

Vimeo revenue is derived primarily from annual and monthly SaaS subscription fees paid by subscribers for self-serve and enterprise subscription plans. Subscription revenue is recognized over the term of the applicable subscription period, which ranges from one month to three years. The most common subscription is an annual subscription.

Vimeo’s disaggregated revenue disclosures are presented in “Note 15 — Consolidated Financial Statement Details.”

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Vimeo accounts for a contract with a customer when it has approval and commitment from all parties, the rights of the parties and payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Revenue is recognized when control of the promised services or goods is transferred to Vimeo's customers and in an amount that reflects the consideration Vimeo expects to be entitled to in exchange for those services or goods.

Transaction Price

The objective of determining the transaction price is to estimate the amount of consideration Vimeo is due in exchange for its services or goods. Vimeo determines the total transaction price at contract inception and reassesses this estimate each reporting period.

Vimeo excludes from the measurement of transaction price all taxes assessed by governmental authorities that are both (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers. Accordingly, these taxes are not included as a component of revenue or cost of revenue.

For contracts that have an original duration of one year or less, Vimeo uses the practical expedient available under ASU No. 2014-09, *Revenue from Contracts with Customers*, applicable to such contracts and does not consider the time value of money.

Arrangements with Multiple Performance Obligations

Vimeo's contracts with customers may include multiple performance obligations. For such arrangements, Vimeo allocates revenue to each performance obligation based on its relative standalone selling price. Vimeo generally determines standalone selling prices based on the prices charged to customers, which are directly observable or based on an estimate if not directly observable.

Assets Recognized from the Costs to Obtain a Contract with a Customer

Vimeo has determined that certain costs, primarily commissions paid to employees pursuant to certain sales incentive programs and mobile app store fees, meet the requirements to be capitalized as a cost of obtaining a contract. Commissions paid to employees pursuant to certain sales incentive programs are amortized over the estimated customer relationship period. Vimeo calculates the estimated customer relationship period as the average customer life, which is based on historical data. When customer renewals are expected and the renewal commission is not commensurate with the initial commission, the average customer life includes renewal periods. For sales incentive programs where the customer relationship period is one year or less, Vimeo has elected the practical expedient to expense the costs as incurred. Vimeo capitalizes and amortizes mobile app store fees over the term of the applicable subscription.

During the years ended December 31, 2019 and 2020, Vimeo recognized expense of \$5.0 million and \$7.7 million related to the amortization of these costs. The current contract asset balances are \$0.5 million, \$1.7 million and \$2.7 million at January 1, 2019, and December 31, 2019 and 2020, respectively. The non-current contract asset balances are \$1.1 million, \$2.2 million and \$4.9 million at January 1, 2019 and December 31, 2019 and 2020, respectively. The current and non-current contract assets are included in "Other current assets" and "Other non-current assets," respectively, in the accompanying consolidated balance sheet.

Performance Obligations

As permitted under the practical expedient available under ASU No. 2014-09, Vimeo does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is allocated entirely to unsatisfied performance obligations or to a wholly unsatisfied promise accounted for under the series guidance, and (iii) contracts for which Vimeo recognizes revenue at the amount which it has the right to invoice for services performed.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Accounts Receivables, Net of Allowance for Credit Losses

Accounts receivable include amounts billed and currently due from customers. Vimeo maintains an allowance for credit losses to provide for the estimated amount of accounts receivable that will not be collected. The allowance for credit losses is based upon a number of factors, including the length of time accounts receivable are past due, Vimeo's previous loss history and the specific customer's ability to pay its obligation. The time between Vimeo issuance of an invoice and payment due date is not significant; customer payments that are not collected in advance of the transfer of promised services or goods are generally due no later than 30 days from invoice date.

Credit Losses

The following table presents the changes in the allowance for credit losses for the year ended December 31, 2020:

	<u>Year Ended</u> <u>December 31, 2020</u> <u>(In thousands)</u>
Balance at January 1	\$ 273
Current period provision for credit losses	1,834
Write-offs charged against the allowance	(1,645)
Recoveries collected	14
Balance at December 31	<u>\$ 476</u>

Deferred Revenue

Deferred revenue consists of advance payments that are received or are contractually due in advance of Vimeo's performance. Vimeo's deferred revenue is reported on a contract by contract basis at the end of each reporting period. Vimeo classifies deferred revenue as current when the term of the applicable subscription period or expected completion of its performance obligation is one year or less. The current and non-current deferred revenue balances are \$66.8 million and \$0.6 million, respectively, at January 1, 2019 and \$83.9 million and \$0.7 million, respectively, at December 31, 2019. During the year ended December 31, 2019, the Company recognized \$66.8 million of revenue that was included in the deferred revenue balance as of January 1, 2019. During the year ended December 31, 2020, Vimeo recognized \$84.1 million of revenue that was included in the deferred revenue balance as of December 31, 2019. The current and non-current deferred revenue balances are \$137.4 million and \$0.8 million, respectively, at December 31, 2020. Non-current deferred revenue is included in "Other long-term liabilities" in the accompanying consolidated balance sheet.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments, with maturities of less than 91 days from the date of purchase. Domestically, cash equivalents primarily consist of AAA rated government money market funds. Internationally, cash equivalents consist of time deposits. Prior to the November 10, 2020 equity sale, Vimeo participated in IAC's centrally managed U.S. treasury function in which IAC swept Vimeo's domestic cash.

Certain Risks and Concentrations

Credit Risk

Financial instruments, which potentially subject Vimeo to concentration of credit risk, consist primarily of cash and cash equivalents. Cash and cash equivalents are principally maintained with financial institutions and are in excess of Federal Deposit Insurance Corporation insurance limits.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other Risks

Vimeo's business is subject to certain risks and concentrations including dependence on third-party technology providers, exposure to risks associated with online commerce security and credit card fraud.

Leasehold Improvements and Equipment

Leasehold improvements and equipment are recorded at cost. Repairs and maintenance costs are expensed as incurred. Amortization of leasehold improvements, which is included within depreciation within the consolidated statement of operations, and depreciation is computed using the straight-line method over the estimated useful lives of the assets, or, in the case of leasehold improvements, the lease term, if shorter.

Asset Category	Estimated Useful Lives
Leasehold improvements	7 Years
Office, computer and other equipment	2 to 10 Years

Business Combinations

The purchase price of each acquisition is attributed to the assets acquired and liabilities assumed is based on their fair values at the date of acquisition, including identifiable intangible assets that either arise from a contractual or legal right or are separable from goodwill. Vimeo usually uses the assistance of outside valuation experts to assist in the allocation of purchase price to the identifiable intangible assets acquired. While outside valuation experts may be used, management has ultimate responsibility for the valuation methods, models and inputs used and the resulting purchase price allocation. The excess purchase price over the value of net tangible and identifiable intangible assets acquired is recorded as goodwill.

Goodwill

Vimeo assesses goodwill for impairment annually as of October 1 or more frequently if an event occurs or circumstances change that would more likely than not reduce its fair value below its carrying value.

When Vimeo elects to perform a qualitative assessment and concludes it is not more likely than not that its fair value is less than its carrying value, no further assessment of goodwill is necessary; otherwise, a quantitative assessment is performed and the fair value of Vimeo is determined. If the carrying value of Vimeo exceeds its fair value, an impairment equal to the excess is recorded.

For Vimeo's annual goodwill test at October 1, 2020, a qualitative assessment of goodwill was performed because Vimeo concluded it was more likely than not that its fair value was in excess of its carrying value based upon a valuation of Vimeo prepared by IAC primarily in connection with the issuance and/or settlement of equity awards that are denominated in the equity of Vimeo. The valuation was prepared in February 2020 and was reviewed each quarterly reporting period through September 30, 2020. The fair value of Vimeo in the valuation was significantly in excess of its October 1, 2020 carrying value.

February 2020 Valuation of Vimeo Common Shares

The determination of the fair value of Vimeo common shares in February 2020 was prepared using both an income approach using a discounted cash flows ("DCF") method and a market approach. Determining fair value using a DCF analysis requires the exercise of significant judgment with respect to several items, including the amount and timing of expected future cash flows and appropriate discount rates. The expected cash flows used in the DCF analyses are based on Vimeo's most recent forecast and budget and, for years beyond the budget, Vimeo's estimates, which are based, in part, on forecasted growth rates. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the expected future cash flows of Vimeo. Assumptions used in the DCF analyses, including the discount rate, are assessed based

VIMEO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

on Vimeo's current results and forecasted future performance, as well as macroeconomic and industry specific factors. Determining fair value using a market approach considers multiples of financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. The market comparable approach considers multiple financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined, which is applied to financial metrics to estimate the equity value of Vimeo. The peer group of companies was determined by considering companies relevant in terms of business function, monetization model and margin and growth characteristics operating in these sectors: SaaS and branded consumer internet companies with strong revenue growth.

Long-Lived Assets and Intangible Assets with Definite Lives

Long-lived assets, which consist of ROU assets, leasehold improvements and equipment and intangible assets with definite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value is deemed not to be recoverable, an impairment loss is recorded equal to the amount by which the carrying value of the long-lived asset exceeds its fair value. Amortization of definite-lived intangible assets is computed either on a straight-line basis or based on the pattern in which the economic benefits of the asset are expected to be realized.

Fair Value Measurements

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

- Level 1: Observable inputs obtained from independent sources, such as quoted market prices for identical assets and liabilities in active markets.
- Level 2: Other inputs, which are observable directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data. The fair values of Vimeo's Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.
- Level 3: Unobservable inputs for which there is little or no market data and require Vimeo to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities.

Vimeo's non-financial assets, such as goodwill, intangible assets with definite lives, ROU assets and leasehold improvements and equipment are adjusted to fair value only when an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Advertising Costs

Advertising costs are expensed in the period incurred and represent online marketing, including fees paid to search engines, social media sites, e-mail campaigns, display advertising, video advertising and affiliate marketing, and offline marketing, which is primarily conferences and events. Advertising expense was \$60.1 million and \$65.4 million for the years ended December 31, 2019 and 2020, respectively.

Legal Costs

Legal costs are expensed as incurred.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Income Taxes

Vimeo is included within IAC's tax group for purposes of federal and consolidated state income tax return filings. In the period presented, current and deferred income tax provision has been computed for Vimeo on an as if standalone, separate tax return basis.

Vimeo accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided if it is determined that it is more likely than not that the deferred tax asset will not be realized. Vimeo records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax provision.

Vimeo evaluates and accounts for uncertain tax positions using a two-step approach. Recognition (step one) occurs when Vimeo concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustainable upon examination. Measurement (step two) determines the amount of benefit that is greater than 50% likely to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. De-recognition of a tax position that was previously recognized would occur when Vimeo subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained.

Loss per Share

Basic loss or earnings per share is computed by dividing net loss or earnings by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur from stock-based awards. Given that Vimeo has reported a loss for each of the years ended December 31, 2019 and 2020, the effect of dilutive securities would be anti-dilutive, and they are, therefore, excluded from the computation of diluted loss per share. See "Note 9 — Loss per Share" for additional information on dilutive securities.

Foreign Currency Translation and Transaction Gains and Losses

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

Stock-Based Compensation

Stock-based compensation is measured at the grant date based on the fair value of the award and is generally expensed over the requisite service period. See "Note 10 — Stock-based Compensation" for a discussion of stock-based compensation.

Recent Accounting Pronouncements*Accounting Pronouncements Adopted by Vimeo*

ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments

Vimeo adopted ASU No. 2016-13 effective January 1, 2020. ASU No. 2016-13 replaces the "incurred loss" approach with an "expected loss" model, under which companies will recognize allowances based on

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

expected rather than incurred losses. Vimeo adopted ASU No. 2016-13 using the modified retrospective approach and there was no cumulative effect adjustment arising from the adoption. The adoption of ASU No. 2016-13 did not have a material impact on Vimeo's consolidated financial statements.

ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes

Vimeo adopted ASU No. 2019-12 effective January 1, 2020, which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, *Income Taxes*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. Most amendments within ASU No. 2019-12 are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. Vimeo adopted ASU No. 2019-12 using the modified retrospective basis for those amendments that are not applied on a prospective basis. The adoption of ASU No. 2019-12 did not have a material impact on Vimeo's consolidated financial statements.

Accounting Pronouncements Not Yet Adopted by Vimeo

There are no recently issued accounting pronouncements that have not yet been adopted that are expected to have a material effect on the consolidated results of operations, financial condition or cash flows of Vimeo.

Reclassifications

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

NOTE 3—INCOME TAXES

Vimeo is included within IAC's tax group for purposes of federal and consolidated state income tax return filings. In the periods presented, current and deferred income tax provision have been computed for Vimeo on an as if standalone, separate tax return basis and payments to and refunds from IAC for Vimeo's share of IAC's consolidated state tax return liabilities have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows.

U.S. and foreign (loss) earnings before income taxes are as follows:

	Years Ended December 31,	
	2019	2020
	(In thousands)	
U.S.	\$(76,052)	\$(52,007)
Foreign	820	2,207
Total	<u>\$(75,232)</u>	<u>\$(49,800)</u>

The components of the income tax provision are as follows:

	December 31,	
	2019	2020
	(In thousands)	
Current income tax provision:		
Federal	\$ —	\$ —
State	39	64
Foreign	242	561
Current income tax provision	<u>281</u>	<u>625</u>

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	December 31,	
	2019	2020
	(In thousands)	
Deferred income tax provision:		
Federal	—	270
State	—	—
Foreign	64	(67)
Deferred income tax provision	<u>64</u>	<u>203</u>
Income tax provision	<u>\$345</u>	<u>\$828</u>

Vimeo is in a net operating loss (“NOL”) position for federal and state income tax purposes. The largest deferred tax assets are the federal and state NOLs. Vimeo has recorded a valuation allowance for its net deferred tax assets because it has concluded that it is more likely than not that the NOLs will not be utilized due to its history of pre-tax losses. The income tax provisions relate to international and state taxes for jurisdictions in which Vimeo conducts business.

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

	December 31,	
	2019	2020
	(In thousands)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 19,411	\$ 31,721
Tax credit carryforwards	5,464	6,903
Intangible assets with definite lives	3,435	3,992
Disallowed interest carryforwards	2,005	3,705
Stock-based compensation	2,556	3,013
Leasehold improvements and equipment	65	—
Other	4,719	5,477
Total deferred tax assets	<u>37,655</u>	<u>54,811</u>
Less: valuation allowance	<u>(35,745)</u>	<u>(51,689)</u>
Net deferred tax assets	<u>1,910</u>	<u>3,122</u>
Deferred tax liabilities:		
Prepaid expenses	(1,316)	(2,345)
Leasehold improvements and equipment	—	(415)
Right-of-use assets	(594)	(343)
Withholding taxes	(47)	(270)
Total deferred tax liabilities	<u>(1,957)</u>	<u>(3,373)</u>
Net deferred tax liability	<u>\$ (47)</u>	<u>\$ (251)</u>

Upon the Spin-off, Vimeo will be allocated a portion of tax attributes related to the IAC consolidated federal and state tax filings pursuant to the Internal Revenue Code (“IRC”) and applicable state law. This allocation will require that Vimeo’s net deferred tax position (computed on an as if standalone, separate return basis) be adjusted as of the Spin-off date with a corresponding adjustment to the valuation allowance.

VIMEO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The final allocation of tax attributes will be impacted by multiple factors, including, but not limited to, the ultimate date of the Spin-off and the amount of taxable income or loss generated by the IAC consolidated tax group in the year of the Spin-off.

At December 31, 2020, Vimeo has federal and state NOLs of \$130.9 million and \$70.1 million, respectively. These NOLs have been computed on an as if standalone, separate tax return basis and will be adjusted upon the Spin-off pursuant to applicable law. If not utilized, \$27.0 million of federal NOLs will expire at various times between 2033 and 2037, and \$103.9 million can be carried forward indefinitely. The state NOLs, if not utilized, will expire at various times between 2033 and 2040. Federal and state NOLs of \$117.3 million and \$57.2 million, respectively, can be used against future taxable income without restriction and the remaining NOLs will be subject to limitations under Section 382 of the IRC, separate return limitations, and applicable law. At December 31, 2020, Vimeo has foreign NOLs of \$0.2 million available to offset future income, all of which can be carried forward indefinitely and without restriction.

At December 31, 2020, Vimeo has tax credit carryforwards of \$8.8 million. Of this amount, \$6.8 million relates to credits for research activities and \$2.0 million relates to credits for foreign taxes. These credit carryforwards will expire between 2026 and 2040.

Vimeo regularly assesses the realizability of deferred tax assets considering all available evidence including, to the extent applicable, the nature, frequency and severity of prior cumulative losses, forecasts of future taxable income, tax filing status, the duration of statutory carryforward periods, available tax planning and historical experience. During 2020, Vimeo's valuation allowance increased by \$15.9 million, primarily due to an increase in federal and state NOLs. At December 31, 2020, Vimeo has a valuation allowance of \$51.7 million related to the portion of tax loss carryforwards and other items for which it is more likely than not that the tax benefit will not be realized.

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

	Years Ended December 31,	
	2019	2020
	(In thousands)	
Income tax benefit at the federal statutory rate of 21%	\$(15,799)	\$(10,458)
State income taxes, net of effect of federal tax benefit	(1,809)	(963)
Change in valuation allowance	18,269	15,944
Stock-based compensation	334	(3,474)
Research credit	(1,049)	(1,439)
Transaction costs	2	640
Other, net	397	578
Income tax provision	<u>\$ 345</u>	<u>\$ 828</u>

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

	Years Ended December 31,	
	2019	2020
	(In thousands)	
Balance at January 1	\$1,026	\$1,475
Additions based on tax positions related to the prior year	—	538
Settlements	—	(645)
Additions based on tax positions related to the current year	449	553
Balance at December 31	<u>\$1,475</u>	<u>\$1,921</u>

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Vimeo recognizes interest and penalties related to unrecognized tax benefits, if applicable, in the income tax provision.

At December 31, 2019 and 2020, unrecognized tax benefits were \$1.5 million and \$1.9 million, respectively, all of which are for tax positions included in IAC's consolidated tax return filings. If unrecognized tax benefits at December 31, 2019 and 2020 were subsequently recognized, there would be no impact to income tax expense due to the valuation allowance on deferred tax assets. Vimeo believes that it is reasonably possible that its unrecognized tax benefits could decrease by \$0.4 million by December 31, 2021, due to settlements; none of which would reduce the income tax provision due to the valuation allowance on deferred tax assets.

Vimeo is routinely under audit by federal, state, local and foreign authorities in the area of income tax as a result of previously filed separate company and consolidated tax returns with IAC. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service ("IRS") has substantially completed its audit of IAC's federal income tax returns for the years ended December 31, 2010 through 2016. The IRS began its audit of the year ended December 31, 2017 in the second quarter of 2020. The statute of limitations for the years 2010 through 2012 and for the years 2013 through 2017 have been extended to May 31, 2021 and December 31, 2021, respectively. Various other jurisdictions are open to examination for tax years beginning with 2009. Income taxes payable include unrecognized tax benefits that are considered to be sufficient to pay assessments that may result from the examination of prior year tax returns. Vimeo considers many factors when evaluating and estimating its tax positions and tax benefits, which may not accurately anticipate actual outcomes and, therefore, may require periodic adjustment. Although management currently believes changes in unrecognized tax benefits from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided will not have a material impact on the liquidity, results of operations, or financial condition of Vimeo, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

NOTE 4 — BUSINESS COMBINATION

On May 28, 2019, Vimeo completed the acquisition of Magisto for total cash consideration of \$168.0 million.

The table below summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition:

	Magisto
	(In thousands)
Accounts receivable	\$ 3,190
Other current assets	611
Goodwill	142,185
Intangible assets with definite lives	25,900
Total assets	171,886
Other current liabilities	(3,845)
Net assets acquired	<u>\$168,041</u>

The purchase price of Magisto was not based on the value of the net identifiable assets at the time of acquisition. The purchase price was based on the expected financial performance of the Company, following the integration of Magisto's technology and intellectual property into Vimeo's suite of products and, to a lesser degree, the standalone financial performance of Magisto. This resulted in a significant portion of the purchase price being attributed to goodwill.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The fair values of the identifiable intangible assets with definite lives acquired at the date of acquisition are as follows:

	<u>Magisto</u>	
	<u>(In thousands)</u>	<u>Weighted-Average Useful Life (Years)</u>
Customer relationships	\$13,800	4
Developed technology	10,100	4
Trade names and trademarks	2,000	2
Total identifiable intangible assets with definite lives acquired	<u>\$25,900</u>	

Other current assets and other current liabilities of Magisto were reviewed and adjusted to their fair values at the date of acquisition, as necessary. The fair values of developed technology and trade names and trademarks were determined using an income approach that utilized the relief from royalty methodology. The fair value of the customer relationships was determined using an income approach that utilized the excess earnings methodology. The valuations of intangible assets incorporate significant unobservable inputs and require significant judgment and estimates, including the amount and timing of future cash flows and the determination of royalty and discount rates. The amount attributed to goodwill is tax deductible.

The financial results of Magisto are included in Vimeo's consolidated financial statements, beginning May 28, 2019. For the year ended December 31, 2019, Vimeo included \$15.3 million of revenue and \$9.2 million of net losses in its consolidated statement of operations related to Magisto.

Unaudited Pro Forma Financial Information

The unaudited pro forma financial information in the table below presents the consolidated results of Vimeo and Magisto as if the acquisition had occurred on January 1, 2019. The unaudited pro forma financial information includes adjustments required under the acquisition method of accounting and is presented for informational purposes only and is not necessarily indicative of the results that would have been achieved had the acquisition actually occurred on January 1, 2019.

	<u>Year Ended December 31, 2019</u>
	<u>(In thousands, except per share data)</u>
Revenue	\$207,833
Net loss	\$ (78,984)
Basic and diluted loss per share	\$ (0.60)

NOTE 5 — GOODWILL AND INTANGIBLE ASSETS WITH DEFINITE LIVES

Goodwill and intangible assets with definite lives, net are as follows:

	<u>December 31,</u>	
	<u>2019</u>	<u>2020</u>
	<u>(In thousands)</u>	
Goodwill	\$219,374	\$219,337
Intangible assets with definite lives, net of accumulated amortization	25,598	10,854
Total goodwill and intangible assets with definite lives, net	<u>\$244,972</u>	<u>\$230,191</u>

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table presents the changes in the carrying value of goodwill for the years ended December 31, 2019 and 2020:

	Years Ended December 31,	
	2019	2020
	(In thousands)	
Balance at January 1	\$ 77,152	\$219,374
Additions	142,222	—
Deductions	—	(37)
Balance at December 31	<u>\$219,374</u>	<u>\$219,337</u>

Additions relate to the acquisition of Magisto.

At December 31, 2019 and 2020, intangible assets with definite lives are as follows:

	December 31, 2019			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Useful Life (Years)
	(In thousands)			
Developed technology	\$25,500	\$(13,709)	\$11,791	3.6
Customer relationships	16,200	(3,802)	12,398	3.9
Trade names	3,000	(1,591)	1,409	1.7
Total	<u>\$44,700</u>	<u>\$(19,102)</u>	<u>\$25,598</u>	3.6

	December 31, 2020			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Useful Life (Years)
	(In thousands)			
Developed technology	\$25,500	\$(19,418)	\$ 6,082	3.6
Customer relationships	16,200	(11,837)	4,363	3.9
Trade names	3,000	(2,591)	409	1.7
Total	<u>\$44,700</u>	<u>\$(33,846)</u>	<u>\$10,854</u>	3.6

At December 31, 2020, amortization of intangible assets with definite lives is estimated to be as follows:

Years Ending December 31,	(In thousands)
2021	\$ 5,582
2022	3,823
2023	1,449
Total	<u>\$10,854</u>

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 6— FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

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

December 31, 2019				
Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements	
(In thousands)				
Assets:				
Cash equivalents:				
Time deposits	\$ —	\$35	\$ —	\$35
Total	<u>\$ —</u>	<u>\$35</u>	<u>\$ —</u>	<u>\$35</u>

December 31, 2020				
Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements	
(In thousands)				
Assets:				
Cash equivalents:				
Money market funds	\$104,852	\$ —	\$ —	\$104,852
Time deposits	—	544	—	544
Total	<u>\$104,852</u>	<u>\$544</u>	<u>\$ —</u>	<u>\$105,396</u>

NOTE 7— SHAREHOLDERS' EQUITY

Description of Class A Voting Common Stock and Class B Non-Voting Common Stock

Vimeo's Class A Voting common stock and Class B Non-Voting common stock participate in earnings on the same basis.

Except as described below, shares of Vimeo's Class A Voting common stock and Class B Non-Voting common stock are identical.

The holders of shares of Vimeo Class A Voting common stock have the exclusive right to vote for the election of directors and for all other purposes, except as provided by law. Shares of Vimeo Class A Voting common stock have one vote per share and vote together as a single class. Holders of shares of Vimeo Class B Non-Voting common stock are not entitled to vote such shares in any proceeding or upon any matter or question at any meeting of the stockholders unless such right to vote is required by law.

The holders of shares of Vimeo Class A Voting common stock and the holders of shares of Vimeo Class B Non-Voting common stock are entitled to receive, share for share, such dividends as may be declared by Vimeo's Board of Directors out of funds legally available therefor. If dividends are payable in shares of common stock, holders of shares of Vimeo Class A Voting common stock will receive shares in Vimeo Class A Voting common stock and holders of shares of Vimeo Class B Non-Voting common stock will receive shares in Vimeo Class B Non-Voting common stock. If dividends consist of other voting securities of Vimeo, Vimeo will make available to holders of Vimeo Class B Non-Voting common stock dividends

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

consisting of non-voting securities (except as otherwise required by law) of Vimeo which are otherwise identical to the voting securities. In the event of a liquidation, dissolution, distribution of assets or winding-up of Vimeo, the holders of shares of Vimeo Class A Voting common stock and the holders of shares of Vimeo Class B Non-Voting common stock are entitled to receive, share for share, all the assets of Vimeo available for distribution to its stockholders, after the satisfaction of all liabilities.

On April 16, 2020, Vimeo amended its certificate of incorporation to increase the total authorized number of shares of Class A Voting common stock from 75,000,000 to 150,000,000 shares and the total authorized number of Class B Non-Voting common stock from 75,000,000 to 150,000,000 shares.

At December 31, 2020, IAC held 89.7% of Vimeo's Class A Voting common stock and 97.6% of Vimeo's Class B Non-Voting common stock, or 93.2% of Vimeo's total outstanding capital stock.

Description of Preferred Stock

Vimeo's Board of Directors is authorized to provide for the issuance of shares of preferred stock in series and to assign the designations, powers, preferences and rights to each such series and any qualifications, limitations or restrictions. There have been no preferred stock issuances to date.

Sale of Common Stock

On November 10, 2020, Vimeo raised \$150.0 million of equity capital via the sale of approximately 8.7 million shares of Class A Voting common stock at a price of \$17.33 per share, based on an enterprise value of approximately \$2.75 billion. See "Note 16 — Subsequent Events" for a discussion of additional sales of Class A Voting common stock in 2021.

NOTE 8 — ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss consists of foreign currency translation adjustments:

	Years Ended December 31,			
	2019		2020	
	Foreign Currency Translation Adjustments	Accumulated Other Comprehensive Loss	Foreign Currency Translation Adjustments	Accumulated Other Comprehensive (Loss) Income
	(In thousands)			
Balance at January 1	\$(154)	\$(154)	\$(232)	\$(232)
Other comprehensive (loss) income	(78)	(78)	145	145
Balance at December 31	<u>\$(232)</u>	<u>\$(232)</u>	<u>\$ (87)</u>	<u>\$ (87)</u>

At December 31, 2019 and 2020, there was no tax benefit or provision on the accumulated other comprehensive loss.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 9 — LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

	Years Ended December 31,			
	2019		2020	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator:				
Net loss	\$ (75,577)	\$ (75,577)	\$ (50,628)	\$ (50,628)
Denominator:				
Weighted average basic shares outstanding	130,994	130,994	142,426	142,426
Dilutive securities ^(a)	—	—	—	—
Denominator for earnings per share – weighted average shares ^(a)	130,994	130,994	142,426	142,426
Basic and diluted loss per share:				
Basic and diluted loss per share ^(b)	\$ (0.58)	\$ (0.58)	\$ (0.36)	\$ (0.36)

- (a) For each of the years ended December 31, 2019 and 2020, the Company had a loss from operations and as a result, approximately 13.5 million and 14.0 million potentially dilutive securities, respectively, were excluded from computing dilutive earnings per share because the impact would have been anti-dilutive. Accordingly, the weighted average basic shares outstanding were used to compute all earnings per share amounts.
- (b) Shares of Vimeo Class A Voting common stock and shares of Class B Non-Voting common stock participate in earnings on the same basis.

NOTE 10 — STOCK-BASED COMPENSATION

Vimeo currently has one active plan (the “Plan”). The Plan was adopted in 2019 and provides that the exercise price of stock appreciation rights granted will not be less than the fair value of Vimeo’s common stock on the grant date. The Plan and its predecessor plans (collectively the “Plans”) provide for the grant of stock appreciation rights, restricted stock units (“RSUs”) and other stock-based awards related to shares of Vimeo common stock. The Plan authorizes the Company to grant awards to its employees, officers, directors and consultants. The plan does not specify grant dates or vesting schedules of awards as those determinations are made by the Vimeo Board of Directors or a committee thereof. Each award agreement reflects the vesting schedule for that particular grant as determined by the Vimeo Board of Directors (or committee thereof). Broad-based stock appreciation rights issued to date have generally vested in four equal annual installments over a four-year period. RSU awards issued to date will cliff vest approximately either in one year or four years, in each case, from the grant date. At December 31, 2020, there are 11.1 million shares available for grant under the Vimeo stock-based compensation plan.

Pursuant to the terms of the stock-based awards granted under the Plans, until Vimeo (or its successor’s) common shares trade on a national securities exchange, shares of IAC common stock are issued to employees in settlement of the exercise of vested awards after deduction for required tax withholdings, which are remitted on the employees’ behalf. Pursuant to the Vimeo stockholders agreement, Vimeo reimburses IAC in the form of Vimeo common shares for the shares issued by IAC and in cash for any withholding taxes paid by IAC on behalf of the Vimeo employees. During the year ended December 31, 2019, Vimeo issued IAC approximately 50 thousand shares of Vimeo common stock to reimburse IAC for the IAC common shares issued to settle Vimeo stock appreciation rights. From January 2020 through October 2020, Vimeo issued IAC approximately 265 thousand shares of Vimeo common stock to reimburse IAC for the IAC common

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

shares issued to settle Vimeo stock appreciation rights. In November and December 2020, Vimeo employees exercised stock appreciation rights with an intrinsic value of approximately \$21.0 million, which resulted in the payment of approximately \$9.3 million in withholding taxes on behalf of employees and an approximately \$11.6 million payment in cash to IAC as reimbursement for the IAC common shares issued. Upon completion of the Spin-off, the number of shares underlying the stock appreciation rights and exercise prices of the stock appreciation rights related to shares of Vimeo common stock will be adjusted and will provide that the awards are exercisable for shares of Vimeo Holdings common stock. Vimeo Holdings management will have the discretion to continue to net settle these awards, or require the award holder to pay its share of the withholding tax, which he or she may do so by selling Vimeo Holdings common shares.

The amount of stock-based compensation expense recognized in the consolidated statement of operations is net of estimated forfeitures. The forfeiture rate is estimated at the grant date based on historical experience and revised, if necessary, in subsequent periods if actual forfeitures differ from the estimated rate. The expense ultimately recorded is for the awards that vest. At December 31, 2020, there is \$12.4 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.7 years.

Vimeo is currently in an NOL position with a full valuation allowance. Therefore, no income tax benefit was recognized in the accompanying consolidated statement of operations for the years ended December 31, 2019 and 2020 related to stock-based compensation or the income tax benefit recognized related to the exercise of stock appreciation rights.

Valuation of Vimeo Common Shares

Prior to the November 10, 2020 sale of Class A Voting common stock, the fair value of Vimeo's common stock for stock-based compensation purposes was estimated using the methods described in "Note 2 — Summary of Significant Accounting Policies and Estimates — Goodwill — February 2020 Valuation of Vimeo Common Shares."

Stock appreciation rights

Stock appreciation rights outstanding at December 31, 2020 and changes during the year ended December 31, 2020 are as follows:

	Stock appreciation rights	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value
(Shares and intrinsic value in thousands)				
Outstanding at January 1, 2020	13,461	\$5.73		
Granted	3,993	\$7.68		
Exercised	(2,887)	\$4.95		
Forfeited	(636)	\$6.29		
Expired	(34)	\$6.43		
Outstanding at December 31, 2020	<u>13,897</u>	<u>\$6.42</u>	<u>7.9</u>	<u>\$151,614</u>
Exercisable	<u>4,103</u>	<u>\$5.42</u>	<u>6.6</u>	<u>\$ 48,854</u>

The aggregate intrinsic value in the table above represents the difference between the per share price of Vimeo at the last date of grant of awards prior to December 31, 2020 and the exercise price, multiplied by the number of in-the-money awards that would have been exercised had all holders exercised their awards on December 31, 2020. The per share price of Vimeo at the last date of grant of awards prior to December 31, 2020 used to calculate the aggregate intrinsic value is \$17.33 per share, which is equal to the per share

VIMEO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

price Vimeo received for the equity it issued in November 2020. This amount changes based on the fair value of Vimeo common stock. The aggregate intrinsic value of Vimeo awards outstanding as of January 29, 2021, assuming a per share price of \$35.35, which is equal to the per share price based upon a \$6.0 billion equity valuation, or the price Vimeo received for the equity it issued in January 2021, is \$405.1 million. If Vimeo settles these awards on a net basis the withholding taxes payable by Vimeo on behalf of its employees upon net settlement would \$202.6 million, assuming a 50% withholding rate.

The total intrinsic value of awards exercised during the years ended December 31, 2019 and 2020 is \$0.6 million and \$23.9 million, respectively.

There was no cash received from award exercises as stock appreciation rights, by their nature, are settled net of the exercise price with the award holder entitled to receive value equal to any appreciation in the award.

The weighted average grant date fair value for stock appreciation rights granted during the year ended December 31, 2019 and 2020 is \$2.14 and \$2.16, respectively.

The following table summarizes the information about stock appreciation rights outstanding and exercisable at December 31, 2020:

Range of exercise prices	Awards outstanding			Awards exercisable		
	Outstanding at December 31, 2020	Weighted-average remaining contractual life in years	Weighted-average exercise price	Exercisable at December 31, 2020	Weighted-average remaining contractual life in years	Weighted-average exercise price
	(Shares in thousands)					
\$2.01 and \$4.00	12	5.3	\$ 2.48	12	5.3	\$2.48
\$4.01 and \$6.00	4,078	6.3	\$ 4.90	2,913	6.2	\$4.92
\$6.01 and \$8.00	9,481	8.5	\$ 6.70	1,178	7.7	\$6.71
Greater than \$8.00	326	9.9	\$17.33	—	—	\$ —
	<u>13,897</u>	7.9	\$ 6.42	<u>4,103</u>	6.6	\$5.42

The fair value of each stock appreciation right is estimated on the grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model incorporates various assumptions, including expected volatility and expected term. Expected stock price volatilities are estimated based on historical stock price volatilities of peer companies that were used in the preparation of valuations used in valuing Vimeo common shares. The risk-free interest rates are based on U.S. Treasuries with a maturity date equal to the expected term of the award on the grant date. Expected term is based upon the mid-point of the first and last exercise windows specified in the award agreements. No dividends have been assumed at the time of grant based on the then-current expectation and still current expectation that Vimeo will not be paying dividends on a recurring basis in the foreseeable future. The following are the weighted average assumptions used in the Black-Scholes option pricing model:

	Years Ended December 31,	
	2019	2020
Expected volatility	41%	38%
Risk-free interest rate	1.8%	1.0%
Expected term	3.4 years	3.3 years
Dividend yield	—%	—%

Restricted stock units

RSUs are awards in the form of phantom shares or units denominated in a hypothetical equivalent number of shares of Vimeo common stock and with the value of each RSU equal to the fair value of Vimeo

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

common stock at the date of grant. Each RSU grant is subject to service-based vesting, where a specific period of continued employment must pass before an award vests. For RSU grants, the expense is measured at the grant date as the fair value of Vimeo common stock and expensed as stock-based compensation over the vesting term.

Unvested RSUs outstanding at December 31, 2020 and changes during the year ended December 31, 2020 are as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
	(Shares in thousands)	
Unvested on January 1, 2020	—	\$ —
Granted	88	17.33
Vested	—	—
Forfeited	—	—
Unvested at December 31, 2020	<u>88</u>	<u>\$17.33</u>

The weighted average fair value of RSUs granted for the year ended December 31, 2020 based on the fair value of Vimeo's common stock on the grant date was \$17.33.

There were no RSUs that vested for the year ended December 31, 2020.

IAC denominated stock options

Less than 0.1 million IAC stock options granted by IAC, under its equity incentive plans, to employees of Vimeo were outstanding as of December 31, 2019 and 2020, respectively. There were no IAC stock options granted to employees of Vimeo during the years ended December 31, 2019 and 2020. The fair value of each stock option award was estimated on the grant date using the Black-Scholes option-pricing model.

IAC stock options are granted with exercise prices at least equal to the fair value on the date of grant, generally, vest ratably in annual installments over a four-year period and expire ten years from the date of grant. The outstanding IAC stock options are vested at December 31, 2020.

IAC denominated restricted stock units

At December 31, 2019, there were approximately 2 thousand IAC RSUs granted by IAC, under its equity incentive plans, to employees of Vimeo that were outstanding. During 2020, these shares vested. At December 31, 2020, there are no IAC RSUs held by Vimeo employees.

NOTE 11 — LEASES

Vimeo leases office space and equipment used in connection with its operations under various operating leases, the majority of which contain escalation clauses.

ROU assets represent Vimeo's right to use the underlying assets for the lease term and lease liabilities represent the present value of Vimeo's obligation to make payments arising from these leases. ROU assets and related lease liabilities are based on the present value of fixed lease payments over the lease term using IAC's incremental borrowing rates on the lease commencement date or January 1, 2019 for leases that commenced prior to that date. Vimeo combines the lease and non-lease components of lease payments in determining ROU assets and related lease liabilities. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain Vimeo will exercise the option(s). Lease expense is recognized on a straight-line basis over the term of the lease. As

VIMEO, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

permitted by ASC 842, leases with an initial term of twelve months or less (“short-term leases”) are not recorded on the accompanying consolidated balance sheet.

Variable lease payments consist primarily of common area maintenance, utilities and taxes, which are not included in the recognition of ROU assets and related lease liabilities. Vimeo’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Leases	Balance Sheet Classification	December 31,	
		2019	2020
		(In thousands)	
Assets:			
Right-of-use assets	Other non-current assets	\$2,588	\$1,588
Liabilities:			
Current lease liabilities	Accrued expenses and other current liabilities	\$1,294	\$ 642
Long-term lease liabilities	Other long-term liabilities	3,287	1,027
Total lease liabilities		\$4,581	\$1,669

Lease Expense	Income Statement Classification	Years Ended December 31,	
		2019	2020
		(In thousands)	
Fixed lease expense	Cost of revenue	\$ 52	\$ 31
Fixed lease expense	Research and development expense	413	446
Fixed lease expense	Sales and marketing expense	173	187
Fixed lease expense	General and administrative expense	3,264	648
Total lease expense, net ^(a)		\$3,902	\$1,312

- (a) Includes approximately \$2.1 million of lease impairment charges in the year ended December 31, 2019 and approximately \$0.2 million and \$0.3 million of short-term lease expense, and \$0.2 million and \$0.1 million of sublease income, for the years ended December 31, 2019 and 2020, respectively. Variable lease expense was \$0.1 million in both of the years ended December 31, 2019 and 2020.

Maturities of lease liabilities as of December 31, 2020 (in thousands)^(b):

Years Ended December 31,	(In thousands)
2021	\$ 682
2022	598
2023	456
Total	1,736
Less: interest	67
Present value of lease liabilities	\$1,669

- (b) As of December 31, 2020, the Company had no legally binding minimum lease payments for leases signed but not yet commenced.

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following are the weighted average assumptions used for lease term and discount rate as of December 31, 2019 and 2020:

	December 31,	
	2019	2020
Remaining lease term	3.69 years	2.73 years
Discount rate	5.63%	2.97%
	Years Ended December 31,	
	2019	2020
	(In thousands)	
Other Information:		
Right-of-use assets obtained in exchange for lease liabilities	\$ 829	\$1,322
Cash paid for amounts included in the measurement of lease liabilities	\$1,778	\$3,601

NOTE 12 — COMMITMENTS AND CONTINGENCIES

Commitments

Vimeo has entered into certain off-balance sheet commitments that require the future purchase of services (“purchase obligations”). Future payments under non-cancelable unconditional purchase obligations as of December 31, 2020 are as follows:

	Amount of Commitment Expiration Per Period				Total Amounts Committed
	Less Than 1 Year	1–3 Years	3–5 Years	More Than 5 Years	
	(In thousands)				
Purchase obligations	\$14,916	\$498	\$ —	\$ —	\$15,414

Purchase obligations include remaining payments of \$14.4 million related to a two-year cloud computing contract that expires in April 2021.

Contingencies

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

NOTE 13 — RELATED PARTY TRANSACTIONS

Relationship with IAC prior to the Spin-off

Vimeo’s consolidated statement of operations includes allocations of costs, including stock-based compensation expense, related to IAC’s accounting, treasury, legal, tax, corporate support and internal

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

audit functions. These allocations were based on Vimeo’s revenue as a percentage of IAC’s total revenue. Allocated costs, inclusive of stock-based compensation expense, were \$2.5 million and \$6.1 million in 2019 and 2020, respectively. It is not practicable to determine the actual expenses that would have been incurred for these services had Vimeo operated as a standalone entity during the periods presented. Management considers the allocation method to be reasonable.

In addition to this amount, which was previously not allocated to Vimeo, but was allocated for purposes of these standalone financial statements, Vimeo is allocated expenses from IAC for certain support services, such as financial systems. Vimeo also participates in IAC’s health and welfare benefit plans and obtains certain services through contracts that are held in IAC’s name. The total related charge in the years ended December 31, 2019 and 2020 were \$9.3 million and \$10.3 million, respectively. IAC also allocated \$3.8 million to Vimeo for the space that Vimeo occupies in IAC’s headquarters building in each of the years ended December 31, 2019 and 2020. The amounts were charged to Vimeo through the “Due to IAC/ InterActiveCorp” account described below.

Due to IAC/InterActiveCorp

Prior to the November 10, 2020 equity sale, Vimeo participated in IAC’s centrally managed U.S. treasury function. At December 31, 2019, Vimeo has a current payable due to IAC of \$17.6 million. This amount was paid to IAC during 2020. At December 31, 2020, there is no amount due to IAC.

Debt — Related Party

Debt — related party consists of:

	December 31,	
	2019	2020
	(In thousands)	
Promissory notes due on demand – related party:		
Promissory note due on demand – related party	\$35,457	\$ —
Promissory note due on demand – related party	24,296	44,565
Total promissory notes due on demand – related party	59,753	44,565
Promissory note due May 2, 2023 – related party	37,706	50,000
Total debt – related party	\$97,459	\$94,565

On May 2, 2016, Vimeo issued a promissory note due May 2, 2023 to IAC for up to an amount not to exceed \$50.0 million for general working capital purposes in the ordinary course of business. The promissory note bears interest at 10% per annum.

On December 1, 2016 and September 25, 2017, Vimeo issued promissory notes payable on demand to subsidiaries of IAC that are not subsidiaries of Vimeo. The proceeds were used for general working capital purposes in the ordinary course of business. Each promissory note bears interest at 10% per annum.

Accrued interest on debt — related party at December 31, 2019 and 2020 is \$5.7 million and \$4.2 million, respectively, and is included in “Accrued expenses and other current liabilities” in the accompanying consolidated balance sheet.

Financial Instruments Measured at Fair Value Only for Disclosure Purposes

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

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	December 31, 2019		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Promissory notes due on demand – related party	\$59,753	\$59,753	\$44,565	\$44,565
Long-term debt – related party	\$37,706	\$43,487	\$50,000	\$54,545

The fair value of debt — related party, including promissory notes due on demand — related party, is based on Level 3 inputs and is estimated by discounting the future cash flows based on current market conditions.

Debt – related party maturities:

Debt maturities as of December 31, 2020 are summarized in the table below:

Years Ending December 31,	(In thousands)
2021	\$44,565
2023	50,000
Total	\$94,565

Relationship with IAC following the Spin-off

If the Spin-off is consummated, Vimeo will enter into certain agreements with IAC to govern the relationship between Vimeo and IAC following the Spin-off. These agreements will include: a separation agreement; a tax matters agreement; a transition services agreement; and an employee matters agreement.

NOTE 14 — BENEFIT PLANS

Vimeo employees in the United States can elect to participate in the IAC/InterActiveCorp Retirement Savings Plan (“the Plan”), which is a retirement savings program in the United States that qualifies under Section 401(k) of the Internal Revenue Code. Under the Plan, participating employees may contribute up to 50% of their pre-tax earnings, but not more than statutory limits. Prior to July 2019, the Company contributed an amount equal to 50% of the first 6% of compensation that a participant contributes in each payroll period to the Plan. In June 2019, IAC approved a change to the matching contribution to 100% of the first 10% of an employee’s eligible compensation, subject to IRS limits on the employer matching contribution maximum, that a participant contributes to the Plan. Matching contributions to the Plan for the years ended December 31, 2019 and 2020 were \$2.2 million and \$3.6 million, respectively. Matching contributions are invested in the same manner as each participant’s voluntary contributions in the investment options provided under the Plan. An investment option in the Plan is IAC common stock, but neither participant nor matching contributions are required to be invested in IAC common stock. The increase in matching contributions in 2020 is due primarily to the aforementioned change in the employer matching contribution.

Vimeo also has or participates in various benefit plans, primarily defined contribution plans, for its international employees. Vimeo contributions to these plans for both of the years ended December 31, 2019 and 2020 were \$0.3 million.

NOTE 15 — CONSOLIDATED FINANCIAL STATEMENT DETAILS

Cash and Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheet to the total amounts shown in the consolidated statement of cash flows:

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	January 1, 2019	December 31, 2019	December 31, 2020
	(In thousands)		
Cash and cash equivalents	\$ 985	\$1,939	\$110,011
Restricted cash included in other current assets	23	24	26
Total cash and cash equivalents and restricted cash as shown on the consolidated statement of cash flows	<u>\$1,008</u>	<u>\$1,963</u>	<u>\$110,037</u>

Restricted cash at January 1, 2019, December 31, 2019 and December 31, 2020 primarily consists of a deposit related to corporate credit cards.

Other Current Assets

	December 31,	
	2019	2020
	(In thousands)	
Prepaid expenses	\$2,884	\$4,027
Capitalized costs to obtain a contract with a customer	1,668	2,726
Other	1,846	1,179
Total other current assets	<u>\$6,398</u>	<u>\$7,932</u>

Leasehold Improvements and Equipment, net

	December 31,	
	2019	2020
	(In thousands)	
Leasehold improvements	\$ 3,033	\$3,276
Computer and other equipment	1,213	757
Total leasehold improvements and equipment	4,246	4,033
Accumulated depreciation and amortization	(1,249)	(712)
Leasehold improvements and equipment, net	<u>\$ 2,997</u>	<u>\$3,321</u>

Accrued Expenses and Other Current Liabilities

	December 31,	
	2019	2020
	(In thousands)	
Accrued employee compensation and benefits	\$ 9,090	\$18,881
Accrued hosting fees	10,741	4,953
Other	23,456	23,598
Total accrued expenses and other current liabilities	<u>\$43,287</u>	<u>\$47,432</u>

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other (Expense) Income, net

	<u>Years Ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
	(In thousands)	
Other (expense) income, net	\$(6,441)	\$93

Other expense, net in 2019 includes a realized loss of \$8.2 million related to the sale of the hardware business in 2019 and a \$2.0 million realized gain on the sale of an investment.

Other income, net in 2020 includes \$0.5 million of income related to funds released from escrow in the fourth quarter of 2020 related to the acquisition of Magisto and a \$0.3 million realized gain on the sale of an investment, partially offset by \$0.7 million in net foreign exchange losses.

Supplemental Disclosure of Cash Flow Information

	<u>Years Ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
	(In thousands)	
Cash paid (received) during the year for:		
Interest	\$6,529	\$10,653
Income tax payments	\$ 103	\$ 957
Income tax refunds	\$ —	\$ (70)

Geographic Concentrations

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

	<u>Years Ended December 31,</u>	
	<u>2019</u>	<u>2020</u>
	(In thousands)	
Revenue:		
United States	\$100,275	\$139,826
All other countries	95,740	143,392
Total	<u>\$196,015</u>	<u>\$283,218</u>

The United States is the only country whose revenue is greater than 10 percent of total revenue of the Company for the years ended December 31, 2019 and 2020.

	<u>December 31,</u>	
	<u>2019</u>	<u>2020</u>
	(In thousands)	
Long-lived assets (excluding goodwill, intangible assets with definite lives and ROU assets):		
United States	\$2,766	\$2,549
All other countries	231	772
Total	<u>\$2,997</u>	<u>\$3,321</u>

VIMEO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 16—SUBSEQUENT EVENTS

In January 2021, Vimeo raised \$300 million of equity capital via the sale of 6.2 million shares of Vimeo Class A Voting common stock for \$200 million, or \$32.41 per share, at a \$5.2 billion pre-money valuation, and 2.8 million shares of Vimeo Class A Voting common stock for \$100 million, or \$35.35 per share, at a \$5.7 billion pre-money valuation. Following the sale, IAC holds 88% of Vimeo's total outstanding capital stock.

In January 2021, Vimeo repaid its outstanding related party debt to IAC in the amount of \$99.5 million from the proceeds of the January 2021 primary equity raise described above, including accrued interest of \$4.9 million.

On February 12, 2021, Vimeo, Inc. entered into a five-year \$100 million revolving credit facility (the "Vimeo Credit Facility"), which, if applicable, would be guaranteed by Vimeo's wholly-owned material domestic subsidiaries and is secured by substantially all assets of Vimeo and any guarantors, subject to certain exceptions. The annual commitment fee on undrawn funds is currently 20 basis points and is based on the consolidated net leverage ratio most recently reported. Borrowings under the Vimeo Credit Facility bear interest, at Vimeo's option, at either a base rate or LIBOR, in each case plus an applicable margin, which is determined by reference to a pricing grid based on Vimeo's consolidated net leverage ratio. The financial covenants require Vimeo to maintain a minimum liquidity of not less than \$50.0 million until December 31, 2022, and, thereafter, at the end of each quarterly test period, a consolidated net leverage ratio of not more than 5.5 to 1.0. The Vimeo Credit Facility also contains customary affirmative and negative covenants, including covenants that would limit Vimeo's ability to pay dividends or make distributions on or repurchase certain equity interests in the event a default has occurred or Vimeo's consolidated net leverage ratio exceeds 4.0 to 1.0. At closing, there were no borrowings under the Vimeo Credit Facility.

In February 2021, Vimeo entered into a two-year cloud computing contract that replaces its current contract that expires in April 2021. The new contract expires in February 2023. The total commitment of the new contract is approximately \$90.0 million.

In preparing these consolidated financial statements, management evaluated subsequent events through February 19, 2021, on which date the consolidated financial statements were available for issue.

VIMEO, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Charges to Earnings	Charges to Other Accounts	Deductions	Balance at End of Period
	(In thousands)				
2019					
Allowance for credit losses	\$ 180	\$ 1,245 ^(a)	\$—	\$(1,152) ^(b)	\$ 273
Deferred tax valuation allowance	17,476	18,269 ^(c)	—	—	35,745
Other reserves	807				3
2020					
Allowance for credit losses	\$ 273	\$ 1,834 ^(a)	\$—	\$(1,631) ^(b)	\$ 476
Deferred tax valuation allowance	35,745	15,946 ^(c)	(2) ^(d)	—	51,689
Other reserves	3				—

(a) Additions to the allowance for credit losses are charged to expense.

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

(c) Amount is due primarily to federal and state NOLs and other carryforwards.

(d) Amount is due to currency translation adjustments on foreign NOLs.

CONSOLIDATED FINANCIAL STATEMENTS OF VIMEO, INC
(FORMERLY VIMEO HOLDINGS, INC.)
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VIMEO HOLDINGS, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31, 2021	December 31, 2020
ASSETS:		
Cash	\$10.00	\$ —
TOTAL ASSETS	<u>\$10.00</u>	<u>\$ —</u>
STOCKHOLDER EQUITY:		
Common Stock, \$0.01 par value; 1,600,000,000 shares authorized; 90 shares issued and outstanding	\$ 0.90	\$ 0.90
Class B common stock, \$0.01 par value; 400,000,000 shares authorized; 10 shares issued and outstanding	0.10	0.10
Preferred stock, \$0.01 par value; 100,000,000 shares authorized; no shares issued and outstanding	—	—
Additional paid-in-capital	9.00	9.00
Stock subscription receivable	—	(10.00)
TOTAL STOCKHOLDER EQUITY	<u>\$10.00</u>	<u>\$ —</u>

The accompanying Notes to Consolidated Balance Sheet are an integral part of this statement.

VIMEO HOLDINGS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED BALANCE SHEET
(Unaudited)

NOTE 1 — ORGANIZATION

On December 22, 2020, IAC/InterActiveCorp (“IAC”) announced that its Board of Directors approved a plan to spin-off its full stake in Vimeo, Inc. (“Vimeo”) to IAC shareholders. IAC’s Vimeo business will be separated from the remaining businesses of IAC through a series of transactions (which we refer to as the “Spin-off”) that, if completed in their entirety, will result in the transfer of IAC’s Vimeo business to Vimeo Holdings, Inc. (“SpinCo”), a wholly-owned subsidiary of IAC, with SpinCo becoming an independent, separately traded public company through a spin-off from IAC, and Vimeo, Inc., the IAC subsidiary that currently holds the Vimeo business, becoming a wholly-owned subsidiary of SpinCo. In connection with the foregoing, SpinCo will be renamed as Vimeo, Inc. and Vimeo will be renamed as Vimeo.com, Inc. The proposed transaction is subject to a number of conditions including final approval by IAC’s Board of Directors, approval of the separation proposal by IAC stockholders, and other customary conditions and approvals and is expected to close pre-market on May 25, 2021.

In connection with the Spin-off, SpinCo was incorporated as a Delaware corporation in December 2020. SpinCo currently does not have any material assets or liabilities, nor does it engage in any business or other activities and, other than in connection with the Spin-off, will not acquire or incur any material assets or liabilities, nor will it engage in any business or other activities.

The consolidated balance sheet reflects the initial capitalization of SpinCo upon its incorporation.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The balance sheet is presented in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statement includes the accounts of SpinCo and its wholly-owned subsidiary, Stream Merger Sub, Inc., a Delaware corporation. All inter-company transactions and balances have been eliminated in consolidation.

NOTE 3 — SHAREHOLDER EQUITY

Description of Common Stock and Class B Convertible Common Stock

Except as described herein, shares of SpinCo Common Stock and SpinCo Class B common stock are identical.

Each holder of shares of SpinCo Common Stock and SpinCo Class B common stock vote together as a single class with respect to matters that may be submitted to a vote or for the consent of SpinCo shareholders generally, including the election of directors. In connection with any such vote, each holder of SpinCo common stock is entitled to one vote for each share of SpinCo Common Stock held and each holder of SpinCo Class B common stock is entitled to ten votes for each share of SpinCo Class B common stock held. In addition, Delaware law requires that certain matters be approved by the holders of shares of SpinCo Common Stock or holders of SpinCo Class B common stock voting as a separate class.

Shares of SpinCo Class B common stock are convertible into shares of SpinCo Common Stock at the option of the holder thereof, at any time, on a share-for-share basis. Such conversion ratio will in all events be equitably preserved in the event of any recapitalization of SpinCo by means of a stock dividend on, or a stock split or combination of, outstanding shares of SpinCo Common Stock or SpinCo Class B common stock, or in the event of any merger, consolidation or other reorganization of SpinCo with another

VIMEO HOLDINGS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED BALANCE SHEET (CONTINUED)
(Unaudited)

corporation. Upon the conversion of shares of SpinCo Class B common stock into shares of SpinCo Common Stock, those shares of SpinCo Class B common stock will be retired and will not be subject to reissue. Shares of SpinCo Common Stock are not convertible into shares of SpinCo Class B common stock.

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

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of IAC/InterActiveCorp

Opinion on the Financial Statement

We have audited the accompanying consolidated balance sheet of Vimeo Holdings Inc. and subsidiary (the Company) as of December 31, 2020, and the related notes (collectively referred to as the “consolidated financial statement”). In our opinion, the consolidated financial statement presents fairly, in all material respects, the financial position of the Company at December 31, 2020 in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

This financial statement is the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 audit 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 audit included performing procedures to assess the risks of material misstatement of the financial statement, 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 statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2021.

New York, New York
May 24, 2021

VIMEO HOLDINGS, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET

	December 31, 2020
STOCKHOLDER EQUITY:	
Common stock, \$0.01 par value; 1,600,000,000 shares authorized; 90 shares issued and outstanding	\$ 0.90
Class B common stock, \$0.01 par value; 400,000,000 shares authorized; 10 shares issued and outstanding	0.10
Preferred stock, \$0.01 par value; 100,000,000 shares authorized; no shares issued and outstanding	—
Additional paid-in-capital	9.00
Stock subscription receivable	(10.00)
TOTAL STOCKHOLDER EQUITY	\$ —

The accompanying Notes to Consolidated Balance Sheet are an integral part of this statement.

VIMEO HOLDINGS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED BALANCE SHEET

NOTE 1 — ORGANIZATION

On December 22, 2020, IAC/InterActiveCorp (“IAC”) announced that its Board of Directors approved a plan to spin-off its full stake in Vimeo, Inc (“Vimeo”) to IAC shareholders. IAC’s Vimeo business will be separated from the remaining businesses of IAC through a series of transactions (which we refer to as the “Spin-off”) that, if completed in their entirety, will result in the transfer of IAC’s Vimeo business to Vimeo Holdings, Inc. (“Vimeo Holdings”), a newly formed subsidiary of IAC which will become an independent, separately traded public company through a spin-off from IAC. In connection with the foregoing, Vimeo Holdings will be renamed as Vimeo, Inc. and Vimeo will be renamed as Vimeo.com, Inc. The proposed transaction is subject to a number of conditions including final approval by IAC’s Board of Directors, approval of the separation proposal by IAC stockholders, and other customary conditions and approvals and is expected to close pre-market on May 25, 2021.

In connection with the Spin-off, Vimeo Holdings was incorporated as a Delaware corporation in December 2020. Vimeo Holdings currently does not have any material assets or liabilities, nor does it engage in any business or other activities and, other than in connection with the Spin-off, will not acquire or incur any material assets or liabilities, nor will it engage in any business or other activities.

The consolidated balance sheet reflects the initial capitalization of Vimeo Holdings upon its incorporation.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The balance sheet is presented in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statement includes the accounts of Vimeo Holdings and its wholly owned subsidiary, Stream Merger Sub, Inc., a Delaware corporation. All inter-company transactions and balances have been eliminated in consolidation.

NOTE 3 — SHAREHOLDER EQUITY

Description of Common Stock and Class B Convertible Common Stock

Except as described herein, shares of Vimeo Holdings common stock and Vimeo Holdings Class B common stock are identical.

Each holder of shares of Vimeo Holdings common stock and Vimeo Holdings Class B common stock vote together as a single class with respect to matters that may be submitted to a vote or for the consent of Vimeo Holdings shareholders generally, including the election of directors. In connection with any such vote, each holder of Vimeo Holdings common stock is entitled to one vote for each share of Vimeo Holdings common stock held and each holder of Vimeo Holdings Class B common stock is entitled to ten votes for each share of Vimeo Holdings Class B common stock held. In addition, Delaware law requires that certain matters be approved by the holders of shares of Vimeo Holdings common stock or holders of Vimeo Holdings Class B common stock voting as a separate class.

Shares of Vimeo Holdings Class B common stock are convertible into shares of Vimeo Holdings common stock at the option of the holder thereof, at any time, on a share-for-share basis. Such conversion ratio will in all events be equitably preserved in the event of any recapitalization of Vimeo Holdings by means of a stock dividend on, or a stock split or combination of, outstanding shares of Vimeo Holdings common stock or Vimeo Holdings Class B common stock, or in the event of any merger, consolidation or other

VIMEO HOLDINGS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED BALANCE SHEET (CONTINUED)

reorganization of Vimeo Holdings with another corporation. Upon the conversion of shares of Vimeo Holdings Class B common stock into shares of Vimeo Holdings common stock, those shares of Vimeo Holdings Class B common stock will be retired and will not be subject to reissue. Shares of Vimeo Holdings common stock are not convertible into shares of Vimeo Holdings Class B common stock.

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

NOTE 4— SUBSEQUENT EVENT

In preparing the consolidated financial statement, management evaluated subsequent events through May 24, 2021, on which date the consolidated financial statement were available for issue.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (which we refer to as the “DGCL”) provides that a corporation may indemnify directors and officers, as well as other employees and individuals, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent of the corporation. Section 145 of the DGCL also permits a corporation to pay expenses incurred by a director or officer in advance of the final disposition of a proceeding, subject to receipt of an undertaking by such director or officer to repay such amount if it shall be ultimately determined that such person is not entitled to be indemnified by the corporation. The DGCL provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

The organizational documents of the Registrant provide for indemnification of the Company’s directors and officers (and their legal representatives), and of those serving at the request of the relevant board of directors or officers as an employee or agent of the corporation, or as a director, officer, employee or agent of another corporation, partnership, joint venture or other enterprise, to the fullest extent authorized by the DGCL, except that the relevant corporation shall indemnify a person for a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the relevant board of directors. The by-laws of the Registrant specifically provide for mandatory advancement of expenses to persons entitled to indemnification in defending any action, suit or proceeding in advance of its final disposition; provided, that, if the DGCL so requires, such persons provide an undertaking to repay such amounts advanced if it is ultimately determined that such person is not entitled to indemnification. From time to time, the directors and officers of the Registrant may be provided with indemnification agreements that are consistent with or greater than the foregoing provisions and, to the extent such directors and officers serve as executive officers or directors of subsidiaries of the Registrant, consistent with the indemnification provisions of the charter documents of such subsidiaries. The Registrant has adopted (or may adopt) policies of directors’ and officers’ liability insurance to insure directors and officers against the costs of defense, settlement and/or payment of judgments under certain circumstances. The Registrant believes that the agreements and arrangements described above are necessary to attract and retain qualified persons as directors and officers.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation is not personally liable to the corporation or its stockholders for monetary damages for breach of 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 that involve intentional misconduct or a knowing violation of law; (iii) for unlawful payments of dividends or unlawful stock repurchases or redemptions; or (iv) for any transaction from which the director derived an improper personal benefit. The certificate of incorporation of the Registrant provides for such limitation of liability.

The Spin-off-related agreements filed as exhibits to this Registration Statement may contain provisions regarding indemnification of the Registrant’s directors and officers against certain liabilities.

Item 21. Exhibits and Financial Statement Schedules

(a) The exhibits listed below in the “Exhibit Index” are filed as part of, or are incorporated by reference in, this registration statement.

(b) Exhibit Index

EXHIBIT INDEX

Exhibit No.	Description of Document
2.1	<u>Separation Agreement by and between IAC/InterActiveCorp and Vimeo, Inc., dated as of May 24, 2021*</u>
2.2	<u>Amended and Restated Agreement and Plan of Merger, dated as of March 12, 2021 by and among Vimeo, Inc., Stream Merger Sub, Inc. and Vimeo.com, Inc. (incorporated by reference to Annex G of the Spin-off S-4)*</u>
3.1	<u>Amended and Restated Certificate of Incorporation of Vimeo, Inc.</u>
3.2	<u>Amended and Restated By-laws of Vimeo, Inc.</u>
5.1	<u>Opinion of Michael A. Cheah, General Counsel and Secretary of Vimeo, Inc., as to the validity of the securities being registered</u>
10.1	<u>Tax Matters Agreement by and between IAC/InterActiveCorp and Vimeo, Inc., dated as of May 24, 2021*</u>
10.2	<u>Employee Matters Agreement by and between IAC/InterActiveCorp and Vimeo, Inc., dated as of May 24, 2021*</u>
10.3	<u>Transition Services Agreement by and between IAC/InterActiveCorp and Vimeo, Inc., dated as of May 24, 2021*</u>
10.4	<u>Vimeo, Inc. 2021 Stock and Annual Incentive Plan</u>
21.1	<u>Vimeo, Inc. Subsidiaries</u>
23.1	<u>Consent of Ernst & Young LLP, independent registered public accounting firm for Vimeo.com, Inc. (formerly named Vimeo, Inc.)</u>
23.2	<u>Consent of Ernst & Young LLP, independent registered public accounting firm for Vimeo, Inc. (formerly named Vimeo Holdings, Inc.)</u>
23.3	<u>Consent of Michael A. Cheah, General Counsel and Secretary of Vimeo, Inc. (included in the opinion filed as Exhibit 5.1)</u>
24.1	<u>Powers of Attorney (included on the signature pages hereto)</u>
99.1	<u>Supplemental Financial Information of Vimeo.com, Inc. (incorporated by reference to the Current Report on Form 8-K filed by IAC/InterActiveCorp on April 2, 2021)</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Pursuant to Item 601(a)(5) of Regulation S-K, certain schedules and similar attachments have been omitted. The Company hereby agrees to furnish a copy of any omitted schedule or similar attachment to the Securities and Exchange Commission upon request.

Item 22. Undertakings.

Each undersigned Registrant hereby undertakes:

- (a) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;
- (b) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;
- (c) that for the purpose of determining liability of the Registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
 - 1. Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424 (§ 230.424 of this chapter);
 - 2. Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - 3. The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - 4. (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (d) Insofar as indemnification by each Registrant for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of such Registrant pursuant to the indemnification provisions described herein, or otherwise, such Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by such Registrant of expenses incurred or paid by a director, officer or controlling person of such Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of New York, State of New York, on May 26, 2021.

VIMEO, INC.

By: /s/ Michael A. Cheah

Name: Michael A. Cheah

Title: General Counsel and Secretary

Each person whose signature appears below constitutes and appoints Michael A. Cheah and Jessica Tracy, and each of them, with full power to act without the other, as such person's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign this Registration Statement, and any and all amendments thereto (including post-effective amendments) as well as any related Registration Statements (or amendment thereto) filed pursuant to Rule 462(b) promulgated under the Securities Act, as amended, and to file the same, with exhibits and schedules thereto, and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary or desirable to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF and pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the date indicated above.

Signature	Title
/s/ Adam Gross _____ Adam Gross	Director
/s/ Alesia J. Haas _____ Alesia J. Haas	Director
/s/ Kendall Handler _____ Kendall Handler	Director
/s/ Ida Kane _____ Ida Kane	Director
/s/ Mo Koyfman _____ Mo Koyfman	Director
/s/ Spike Lee _____ Spike Lee	Director
/s/ Joseph Levin _____ Joseph Levin	Director

Signature	Title
<u>/s/ Nabil Mallick</u> Nabil Mallick	Director
<u>/s/ Glenn H. Schiffman</u> Glenn H. Schiffman	Director
<u>/s/ Anjali Sud</u> Anjali Sud	Director and Chief Executive Officer
<u>/s/ George C. Wolfe</u> George C. Wolfe	Director
<u>/s/ Narayan Menon</u> Narayan Menon	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

SEPARATION AGREEMENT

BY AND BETWEEN

IAC/INTERACTIVECORP

AND

VIMEO, INC.

DATED AS OF MAY 24, 2021

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EXHIBITS

Exhibit A	Amended and Restated Certificate of Incorporation of Vimeo, Inc.
Exhibit B	Amended and Restated Bylaws of Vimeo, Inc.
Exhibit C	Amendment to the Restated Certificate of Incorporation of IAC/InterActiveCorp

SEPARATION AGREEMENT

This SEPARATION AGREEMENT, dated as of May 24, 2021 (this “Agreement”), is by and between IAC/InterActiveCorp, a Delaware corporation (“IAC”), and Vimeo, Inc., a Delaware corporation formerly named “Vimeo Holdings, Inc.” (“SpinCo”). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

R E C I T A L S

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

WHEREAS, SpinCo is currently a wholly owned direct Subsidiary of IAC, and Vimeo.com, Inc., a Delaware corporation formerly named “Vimeo, Inc.” (“Vimeo”), is currently a direct Subsidiary of IAC Group, LLC, a Delaware limited liability company and a wholly owned Subsidiary of IAC (“Group LLC”);

WHEREAS, Group LLC currently owns 75,133,151 shares of Class A Voting common stock, par value \$0.01 per share, of Vimeo, and 64,694,619 shares of Class B Non-Voting common stock, par value \$0.01 per share, of Vimeo;

WHEREAS, in furtherance of the foregoing, IAC, Group LLC, SpinCo and Vimeo desire to consummate a series of transactions in order to effect the separation of the SpinCo Business from IAC’s remaining businesses (the “Spin-off”), including (a) the transfer by Group LLC to SpinCo of the shares of Vimeo capital stock owned by Group LLC, through a series of steps to be determined by the parties (the “IAC Group Transfer”), (b) the reclassification of each share of common stock, par value \$0.001 per share, of IAC (“IAC Common Stock”) into (x) one share of common stock, par value \$0.0001 per share, of IAC (“IAC New Common Stock”) and (y) 1/100th of a share of IAC Series 1 Mandatorily Exchangeable Preferred Stock, (c) the reclassification of each share of Class B common stock, par value \$0.001 per share, of IAC (“IAC Class B Common Stock”) into (x) one share of Class B common stock, par value \$0.0001 per share, of IAC (“IAC New Class B Common Stock”) and (y) 1/100th of a share of IAC Series 2 Mandatorily Exchangeable Preferred Stock, (d) the mandatory exchange of each 1/100th of a share of IAC Series 1 Mandatorily Exchangeable Preferred Stock for a number of shares of common stock, par value \$0.01 per share, of SpinCo (“SpinCo Common Stock”) held by IAC equal to the Spin-off Exchange Ratio, and (e) the mandatory exchange of each 1/100th of a share of IAC Series 2 Mandatorily Exchangeable Preferred Stock for a number of shares of Class B common stock, par value \$0.01 per share, of SpinCo (“SpinCo Class B Common Stock”) held by IAC equal to the Spin-off Exchange Ratio (the steps described in clauses (b) through (e), collectively the “IAC Reclassification”);

WHEREAS, in connection with the Spin-off, the parties intend that, following the Reclassification and upon the terms and subject to the conditions set forth in the Amended and Restated Merger Agreement, dated as of March 12, 2021, by and among SpinCo, Stream Merger Sub, Inc., a Delaware corporation (“Merger Sub”) and Vimeo (as it may be amended or supplemented from time to time, the “Merger Agreement”) (including the condition precedent that the Spin-off have been completed), Merger Sub will be merged with and into Vimeo (the “Merger”), with Vimeo surviving the Merger as a wholly owned direct Subsidiary of SpinCo;

WHEREAS, for U.S. federal income tax purposes, (i) the exchange of shares of IAC Common Stock or IAC Class B Common Stock, as applicable, for shares of IAC New Common Stock or IAC New Class B Common Stock, as applicable, pursuant to the IAC Reclassification is intended to qualify as a “reorganization” within the meaning of Section 368(a)(1)(E) of the Code and/or an exchange described in Section 1036 of the Code, (ii) the IAC Group Transfer and the Distribution, taken together, are intended to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, and (iii) this Agreement is intended to be, and is hereby adopted as, a “plan of reorganization” within the meaning of Treasury Regulations Section 1.368-2(g);

WHEREAS, SpinCo and IAC have prepared and filed with the SEC, the Form S-4, which includes the Proxy Statement/Consent Solicitation Statement/Prospectus, and which sets forth disclosure regarding IAC, SpinCo, the Spin-off and the Merger; and

WHEREAS, each of IAC and SpinCo has determined that it is appropriate and desirable to set forth certain agreements that will govern certain matters relating to the Spin-off and the relationship of IAC, SpinCo and the members of their respective Groups following the Spin-off.

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

ARTICLE I DEFINITIONS

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

“Action” shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial, direct, derivative or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

“Affiliate” shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, “control” (including, with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Mandatory Exchange Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the SpinCo Group shall be deemed to be an Affiliate of any member of the IAC Group, (b) no member of the IAC Group shall be deemed to be an Affiliate of any member of the SpinCo Group, and (c) neither Expedia Group, Inc. nor any of its Subsidiaries shall be deemed to be an Affiliate of IAC or SpinCo.

“Agent” shall mean the trust company or bank duly appointed by IAC to act as exchange agent, transfer agent and registrar for the shares of IAC New Common Stock, IAC New Class B Common Stock, SpinCo Common Stock and SpinCo Class B Common Stock in connection with the IAC Reclassification.

“Agreement” shall have the meaning set forth in the Preamble.

“Ancillary Agreements” shall mean all agreements (other than this Agreement) entered into by the Parties or the members of their respective Groups (but as to which no Third Party is a party) in connection with the Spin-off or the other transactions contemplated by this Agreement, including the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Lease and the Transfer Documents; provided, that the Merger Agreement shall not be an Ancillary Agreement.

“ANGI Group” shall mean Angi Inc. (formerly ANGI Homeservices Inc.) and each Person that is a Subsidiary of Angi Inc.

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

“Arbitration Request” shall have the meaning set forth in Section 7.2(a).

“Assets” shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Third Parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

“Chosen Courts” shall have the meaning set forth in Section 10.2.

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

“Copyrights” shall mean all copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions.

“Customer Information” shall mean, with respect to any business, all information relating to customers of such business, including names, addresses and transaction data (including merchandise or service purchased, purchase price paid, date and time of day of purchase, adjustments and related information and means of payment).

“Delayed IAC Asset” shall have the meaning set forth in Section 2.4(h).

“Delayed IAC Liability” shall have the meaning set forth in Section 2.4(h).

“Delayed SpinCo Asset” shall have the meaning set forth in Section 2.4(c).

“Delayed SpinCo Liability” shall have the meaning set forth in Section 2.4(c).

“Disclosure Document” shall mean any registration statement (including the Form S-4) filed with the SEC by or on behalf of any Party or any member of its Group, and also includes any proxy statement, solicitation statement, prospectus (including the Proxy Statement/Consent Solicitation Statement/Prospectus), information statement, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case that describes the Spin-off or the IAC Reclassification, the Merger or the SpinCo Group or primarily relates to the transactions contemplated hereby or pursuant to the Merger Agreement.

“Dispute” shall have the meaning set forth in Section 7.1.

“Distribution” shall mean (i) the issuance of IAC Series 1 Mandatorily Exchangeable Preferred Stock and IAC Series 2 Mandatorily Exchangeable Preferred Stock and (ii) the redemption of IAC Series 1 Mandatorily Exchangeable Preferred Stock in exchange for SpinCo Common Stock and the redemption of IAC Series 2 Mandatorily Exchangeable Preferred Stock in exchange for SpinCo Class B Common Stock, in the case of each of clauses (i) and (ii), pursuant to the IAC Reclassification, taken together.

“Employee Matters Agreement” shall mean the Employee Matters Agreement to be entered into by and between IAC and SpinCo or the members of their respective Groups in connection with the Spin-off or the other transactions contemplated by this Agreement, as it may be amended from time to time.

“Environmental Law” shall mean any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

“Environmental Liabilities” shall mean all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take back requirements or 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.

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

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

“Form S-4” means the registration statement on Form S-4 filed by IAC and SpinCo with the SEC to effect the registration of shares of (a) IAC New Common Stock in connection with the IAC Reclassification, (b) IAC New Class B Common Stock in connection with the IAC Reclassification, (c) SpinCo Common Stock in connection with the IAC Reclassification, (d) SpinCo Class B Common Stock in connection with the IAC Reclassification and (e) SpinCo Common Stock in connection with the Merger, in each case pursuant to the Securities Act, as such registration statement may be amended or supplemented from time to time prior to the IAC Reclassification.

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

“Governmental Authority” shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, a government and any executive official thereof.

“Group” shall mean either the SpinCo Group or the IAC Group, as the context requires.

“Hazardous Materials” shall mean any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in Liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

“IAC” shall have the meaning set forth in the Preamble.

“IAC Accounts” shall have the meaning set forth in Section 2.9(a).

“IAC Assets” shall have the meaning set forth in Section 2.2(b).

“IAC Board” shall have the meaning set forth in the Recitals.

“IAC Business” shall mean all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or discontinued) conducted at any time prior to the Mandatory Exchange Effective Time by either Party or any member of its Group, other than the SpinCo Business.

“IAC Class B Common Stock” shall have the meaning set forth in the recitals.

“IAC Common Stock” shall have the meaning set forth in the recitals.

“IAC Charter Amendment” shall mean the amendment to the restated certificate of incorporation of IAC, substantially in the form set forth on Exhibit C.

“IAC Group” shall mean IAC and each Person that is a Subsidiary of IAC, including ANGI Group (other than SpinCo and any other member of the SpinCo Group).

“IAC Group Transfer” shall have the meaning set forth in the recitals.

“IAC Indemnitees” shall have the meaning set forth in Section 4.2.

“IAC Liabilities” shall have the meaning set forth in Section 2.3(b).

“IAC New Class B Common Stock” shall have the meaning set forth in the recitals.

“IAC New Common Stock” shall have the meaning set forth in the recitals.

“IAC Reclassification” shall have the meaning set forth in the recitals.

“IAC Series 1 Mandatorily Exchangeable Preferred Stock” shall mean the Series 1 mandatorily exchangeable preferred stock, par value \$0.01 per share, of IAC to be established in connection with the Spin-off.

“IAC Series 2 Mandatorily Exchangeable Preferred Stock” shall mean the Series 2 mandatorily exchangeable preferred stock, par value \$0.01 per share, of IAC to be established in connection with the Spin-off.

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

“Indemnatee” shall have the meaning set forth in Section 4.4(a).

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

“Information” shall mean information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, artwork, design, research and development files, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, Customer Information, cost information, sales and pricing data, customer prospect lists, supplier records and vendor data, correspondence and lists, product literature, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data; provided that “Information” shall not include Intellectual Property.

“Insurance Proceeds” shall mean those monies:

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

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

“Intellectual Property” shall mean all of the following whether arising under the Laws of the United States (or any state or other jurisdiction thereof) or of any foreign or multinational jurisdiction: any (a) Trademarks, (b) Copyrights, (c) rights in Software and Internet websites, (d) registrations and applications to register or renew the registration of any of the foregoing, (e) Patents, (f) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how and any rights therein and thereto and (g) other intellectual property rights.

“Law” shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any Tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“Lease” shall mean the real property lease agreement to be entered into by and between IAC and SpinCo or any members of their respective Groups in connection with the Spin-off or the other transactions contemplated by this Agreement, as it may be amended from time to time.

“Liabilities” shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, attorneys’ fees, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, mediator or arbitrator of any kind, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“Linked” shall have the meaning set forth in Section 2.9(a).

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

“Mandatory Exchange Effective Time” shall have the meaning set forth in the IAC Charter Amendment.

“Materials” shall have the meaning set forth in Section 5.5.

“Merger” shall have the meaning set forth in the recitals.

“Merger Agreement” shall have the meaning set forth in the recitals.

“Merger Sub” shall have the meaning set forth in the recitals.

“Nasdaq” shall mean the Nasdaq Global Select Market.

“Officer Negotiation Request” shall have the meaning set forth in Section 7.1.

“Parties” shall mean the parties to this Agreement.

“Patents” shall mean all patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions.

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

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

“Plan of Reorganization” shall have the meaning set forth in Section 2.1(a).

“Policies” shall mean insurance policies and insurance contracts of any kind, including but not limited to property, excess and umbrella, commercial general liability, director and officer liability, fiduciary liability, cyber technology professional liability, libel liability, employment practices liability, automobile, aircraft, marine, workers’ compensation and employers’ liability, employee dishonesty/crime/fidelity, foreign, bonds and self-insurance and captive insurance company arrangements, together with the rights, benefits, privileges and obligations thereunder.

“Prime Rate” shall mean the rate that Bloomberg displays as “Prime Rate by Country United States” or “Prime Rate By Country US-BB Comp” at <http://www.bloomberg.com/quote/PRIME:IND> or on a Bloomberg terminal at PRIMBB Index.

“Privileged Information” shall mean any information, in written, oral, electronic or other tangible or intangible forms, including without limitation any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials protected by the work product doctrine, as to which a Party or any member of its Group would be entitled to assert or have asserted a privilege or other protection, including the attorney-client and work product privileges.

“Real Property” shall mean land together with all easements, rights and interests arising out of the ownership thereof or appurtenant thereto and all buildings, structures, improvements and fixtures located thereon.

“Real Property Leases” shall mean all leases to Real Property and, to the extent covered by such leases, any and all buildings, structures, improvements and fixtures located thereon.

“Reclassification Date” shall mean the date of the consummation of the IAC Reclassification, which shall be determined by or at the direction of the IAC Board in its sole and absolute discretion.

“Reclassification Effective Time” shall have the meaning set forth in the IAC Charter Amendment.

“Registered IP” shall mean all Intellectual Property, other than Patents, that is registered, filed, issued or granted under the authority of, with or by, any Governmental Authority, including all registered copyrights, registered trademarks, registered service marks, registered trade secrets, registered Internet domain names, and all applications for any of the foregoing.

“Release” shall mean any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including, ambient air, surface water, groundwater and surface or subsurface strata).

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

“SEC” shall mean the U.S. Securities and Exchange Commission.

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

“Shared Contract” shall have the meaning set forth in Section 2.8(a).

“Software” shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

“Spin-off” shall have the meaning set forth in the recitals.

“Spin-off Exchange Ratio” shall mean a number equal to 1.6235.

“SpinCo” shall have the meaning set forth in the Preamble.

“SpinCo Accounts” shall have the meaning set forth in Section 2.9(a).

“SpinCo Assets” shall have the meaning set forth in Section 2.2(a).

“SpinCo Balance Sheet” shall mean the unaudited pro forma condensed consolidated balance sheet of SpinCo, including any notes and subledgers thereto, as of December 31, 2020, as presented in the Form S-4.

“SpinCo Business” shall mean (a) the business, operations and activities of the “Vimeo” segment of IAC conducted at any time prior to the Mandatory Exchange Effective Time by either Party or any of their current or former Subsidiaries and as described in the Form S-4 and (b) any terminated, divested or discontinued businesses, operations and activities that, at the time of termination, divestiture or discontinuation, primarily related to the business, operations or activities described in clause (a) as then conducted, including those set forth on Schedule 1.1, excluding, in the case of each of clauses (a) and (b), the business, operations and activities primarily related to the IAC Assets.

“SpinCo Bylaws” shall mean the Amended and Restated Bylaws of SpinCo, substantially in the form of Exhibit B.

“SpinCo Certificate of Incorporation” shall mean the Amended and Restated Certificate of Incorporation of SpinCo, substantially in the form of Exhibit A.

“SpinCo Class B Common Stock” shall have the meaning set forth in the recitals.

“SpinCo Common Stock” shall have the meaning set forth in the recitals.

“SpinCo Contracts” shall mean the following contracts and agreements to which either Party or any member of its Group is a party or by which it or any member of its Group or any of their respective Assets is bound, whether or not in writing; provided that SpinCo Contracts shall not include (a) any contract or agreement that is contemplated to be retained by IAC or any member of the IAC Group from and after the Mandatory Exchange Effective Time pursuant to any provision of this Agreement or any Ancillary Agreement or (b) any contract or agreement that would constitute SpinCo Software or SpinCo Technology:

(a) (i) any customer, reseller, distributor or development contract or agreement with a Third Party entered into prior to the Mandatory Exchange Effective Time exclusively related to the SpinCo Business and (ii) with respect to any customer, reseller, distributor or development contract or agreement entered into prior to the Mandatory Exchange Effective Time that relates to the SpinCo Business but is not exclusively related to the SpinCo Business (which contracts and agreements shall be treated in accordance with Section 2.8), that portion of any such contract or agreement that relates to the SpinCo Business;

(b) (i) any supply or vendor contract or agreement entered into prior to the Mandatory Exchange Effective Time exclusively related to the SpinCo Business and (ii) with respect to any supply or vendor contract or agreement entered into prior to the Mandatory Exchange Effective Time that relates to the SpinCo Business but is not exclusively related to the SpinCo Business (which contracts and agreements shall be treated in accordance with Section 2.8), that portion of any such contract or agreement that that relates to the SpinCo Business;

(c) (i) any license agreement entered into prior to the Mandatory Exchange Effective Time exclusively related to the SpinCo Business and (ii) with respect to any license agreement entered into prior to the Mandatory Exchange Effective Time that relates to the SpinCo Business but is not exclusively related to the SpinCo Business (which contracts and agreements shall be treated in accordance with Section 2.8), that portion of any such contract or agreement that relates to the SpinCo Business;

(d) any joint venture or partnership contract or agreement that relates exclusively to the SpinCo Business as of the Mandatory Exchange Effective Time;

(e) any guarantee, indemnity, representation, covenant, warranty or other contractual Liability of either Party or any member of its Group in respect of any other SpinCo Contract, any SpinCo Liability or the SpinCo Business;

(f) any proprietary information and inventions agreement or similar Intellectual Property assignment or license agreement with any current or former SpinCo Group employee, IAC Group employee, consultant of the SpinCo Group or consultant of the IAC Group, in each case entered into prior to the Mandatory Exchange Effective Time (i) that is exclusively related to the SpinCo Business or (ii) if not exclusively related to the SpinCo Business, that portion of any such agreement that relates to the SpinCo Business;

(g) any contract or agreement that is expressly contemplated pursuant to this Agreement or any of the Ancillary Agreements to be assigned to SpinCo or any member of the SpinCo Group;

(h) any interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements exclusively related to the SpinCo Business;

(i) any credit agreement, note or other financing agreement or instrument entered into by any member of the SpinCo Group in connection with the Spin-off, including in connection with the SpinCo Financing Arrangements;

(j) any contract or agreement entered into in the name of, or expressly on behalf of, any division, business unit or member of the SpinCo Group;

(k) SpinCo Leases;

(l) any employment, change of control, retention, consulting, indemnification, termination, severance or other similar agreements with any SpinCo Group Employee or consultants of the SpinCo Group that are in effect as of the Mandatory Exchange Effective Time;

(m) any other contract or agreement not otherwise set forth herein and exclusively related to the SpinCo Business or SpinCo Assets; and

(n) any contracts, agreements or settlements set forth on Schedule 1.2.

“SpinCo Designees” shall mean any and all entities (including corporations, general or limited partnerships, trusts, joint ventures, unincorporated organizations, limited liability entities or other entities) designated by IAC that will be members of the SpinCo Group as of immediately prior to the Mandatory Exchange Effective Time.

“SpinCo Financing Arrangements” shall have the meaning set forth in Section 2.10(a).

“SpinCo Group” shall mean (a) prior to the Mandatory Exchange Effective Time, SpinCo and each Person that will be a Subsidiary of SpinCo as of immediately after the Mandatory Exchange Effective Time, including the Transferred Entities, even if, prior to the Mandatory Exchange Effective Time, such Person is not a Subsidiary of SpinCo; and (b) on and after the Mandatory Exchange Effective Time, SpinCo and each Person that is a Subsidiary of SpinCo.

“SpinCo Employee” shall have the meaning set forth in the Employee Matters Agreement.

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

“SpinCo Intellectual Property” shall mean all Intellectual Property owned by, licensed by or to, or sublicensed by or to either Party or any member of its Group as of the Mandatory Exchange Effective Time exclusively used or exclusively held for use in the SpinCo Business.

“SpinCo IP/IT” shall have the meaning set forth in Section 2.2(a)(vii).

“SpinCo Leases” shall have the meaning set forth in the definition of SpinCo Real Property.

“SpinCo Liabilities” shall have the meaning set forth in Section 2.3(a).

“SpinCo Permits” shall mean all Permits owned or licensed by either Party or any member of its Group exclusively used or exclusively held for use in the SpinCo Business as of the Mandatory Exchange Effective Time.

“SpinCo Real Property” shall mean (a) all of the Real Property owned by either Party or member of its Group as of the Mandatory Exchange Effective Time listed or described on Schedule 1.3(a), (b) the Real Property Leases to which either Party or member of its Group is party as of the Mandatory Exchange Effective Time set forth on Schedule 1.3(b) (“SpinCo Leases”), and (c) all recorded Real Property notices, easements, and obligations with respect to the Real Property and/or Real Property leases described in clauses (a) and (b) of this paragraph.

“SpinCo Software” shall mean all Software owned or licensed by either Party or member of its Group exclusively used or exclusively held for use in the SpinCo Business as of the Mandatory Exchange Effective Time, but excluding Software set forth on Schedule 1.4.

“SpinCo Technology” shall mean all Technology owned or licensed by either Party or any member of its Group exclusively used or exclusively held for use in the SpinCo Business as of the Mandatory Exchange Effective Time, but excluding Technology set forth on Schedule 1.5.

“Straddle Period” shall have the meaning set forth in Section 2.13(a).

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

“Tangible Information” shall mean Information that is contained in written, electronic or other tangible forms.

“Tax” shall have the meaning set forth in the Tax Matters Agreement.

“Tax Matters Agreement” shall mean the Tax Matters Agreement to be entered into by and between IAC and SpinCo in connection with the Spin-off and the other transactions contemplated by this Agreement, as it may be amended from time to time.

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

“Technology” shall mean all technology, hardware, computers, servers, workstations, routers, hubs, switches, data communication lines, network and telecommunications equipment, Internet-related information technology infrastructure, and other information technology equipment, in each case, other than Software.

“Third Party” shall mean any Person other than the Parties or any members of their respective Groups.

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

“Trademarks” shall mean all trademarks, service marks, trade names, service names, trade dress, logos, Internet domain names, and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing.

“Transaction Accounting Principles” means GAAP applied on a basis consistent with the accounting principles, practices, methodologies and policies used in preparing the SpinCo Balance Sheet.

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

“Transferred Entities” shall mean the entities set forth on Schedule 1.6.

“Transition Services Agreement” shall mean the Transition Services Agreement to be entered into by and between IAC and SpinCo or any members of their respective Groups in connection with the Spin-off or the other transactions contemplated by this Agreement, as it may be amended from time to time.

“Unreleased IAC Liability” shall have the meaning set forth in Section 2.5(b)(ii).

“Unreleased SpinCo Liability” shall have the meaning set forth in Section 2.5(a)(ii).

“Vimeo Holder” means any Person (other than any member of the IAC Group) who was a holder prior to the Mandatory Exchange Effective Time of capital stock of Vimeo, acting in such Person’s capacity as a holder (or former holder) of capital stock of Vimeo.

ARTICLE II
THE SPIN-OFF

2.1 Transfer of Assets and Assumption of Liabilities.

(a) On or prior to the Mandatory Exchange Effective Time, in accordance with the plan and structure set forth on Schedule 2.1(a) (the "Plan of Reorganization"):

(i) *Transfer and Assignment of SpinCo Assets.* IAC shall, and shall cause the applicable members of its Group to, contribute, assign, transfer, convey and deliver to SpinCo, or the applicable SpinCo Designees, and SpinCo or such SpinCo Designees shall accept from IAC and the applicable members of the IAC Group, all of IAC's and such IAC Group member's respective direct or indirect right, title and interest in and to all of the SpinCo Assets (it being understood that if any SpinCo Asset shall be held by any Transferred Entity, such SpinCo Asset may be assigned, transferred, conveyed and delivered to SpinCo as a result of the transfer of all of the equity interests in such Transferred Entity held by members of the IAC Group from IAC or the applicable members of the IAC Group to SpinCo or the applicable SpinCo Designee);

(ii) *Acceptance and Assumption of SpinCo Liabilities.* SpinCo and the applicable SpinCo Designees shall accept, assume and agree faithfully to perform, discharge and fulfill all the SpinCo Liabilities in accordance with their respective terms (it being understood that if any SpinCo Liability is a liability of a Transferred Entity, such SpinCo Liability may be assumed by SpinCo as a result of the transfer of all of the equity interests in such Transferred Entity held by members of the IAC Group from IAC or the applicable members of the IAC Group to SpinCo or the applicable SpinCo Designee). SpinCo and such SpinCo Designees shall be responsible for all SpinCo Liabilities, regardless of when or where such SpinCo Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Mandatory Exchange Effective Time, regardless of where or against whom such SpinCo Liabilities are asserted or determined (including any SpinCo Liabilities arising out of claims made by IAC's or SpinCo's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the IAC Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the IAC Group or the SpinCo Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates;

(iii) *Transfer and Assignment of IAC Assets.* IAC and SpinCo shall cause SpinCo and the SpinCo Designees to contribute, assign, transfer, convey and deliver to IAC or certain members of the IAC Group designated by IAC, and IAC or such other members of the IAC Group shall accept from SpinCo and the SpinCo Designees, all of SpinCo's and such SpinCo Designees' respective direct or indirect right, title and interest in and to all IAC Assets held by SpinCo or a SpinCo Designee; and

(iv) *Acceptance and Assumption of IAC Liabilities.* IAC and certain members of the IAC Group designated by IAC shall accept and assume and agree faithfully to perform, discharge and fulfill all of the IAC Liabilities held by SpinCo or any SpinCo Designee and IAC and the applicable members of the IAC Group shall be responsible for all IAC Liabilities in accordance with their respective terms, regardless of when or where such IAC Liabilities arose or arise, whether the facts on which they are based occurred prior to or subsequent to the Mandatory Exchange Effective Time, where or against whom such IAC Liabilities are asserted or determined (including any such IAC Liabilities arising out of claims made by IAC's or SpinCo's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the IAC Group or the SpinCo Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the IAC Group or the SpinCo Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(b) *Transfer Documents.* In furtherance of the contribution, assignment, transfer, conveyance and delivery of the Assets and the assumption of the Liabilities in accordance with Section 2.1(a), and without prejudice to any actions taken to implement, or documents entered into between or among the Parties or members of their respective Groups, to implement or in furtherance of, the Plan of Reorganization prior to the date hereof, (i) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Party's and the applicable members of its Group's right, title and interest in and to such Assets to the other Party and the applicable members of its Group in accordance with Section 2.1(a) (including the IAC Group Transfer), and (ii) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party and the applicable members of its Group in accordance with Section 2.1(a). All of the foregoing documents contemplated by this Section 2.1(b) (including any documents entered into between or among the Parties or members of their respective Groups to implement or in furtherance of the Plan of Reorganization prior to the date hereof) shall be referred to collectively herein as the "Transfer Documents" (*provided* that the Merger Agreement shall not be a Transfer Document). The Transfer Documents shall effect certain of the transactions contemplated by this Agreement and, notwithstanding anything in this Agreement to the contrary, shall not expand or limit any of the obligations, covenants or agreements in this Agreement. It is expressly agreed that in the event of any conflict between the terms of the Transfer Documents and the terms of this Agreement or the Tax Matters Agreement, the terms of this Agreement or the Tax Matters Agreement, as applicable, shall control.

(c) *Misallocations.* In the event that at any time or from time to time (whether prior to, at or after the Mandatory Exchange Effective Time), one Party (or any member of such Party's Group) shall receive or otherwise possess any Asset that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to any member of such Party's Group), and such Party (or member of such Party's Group) shall accept such Asset. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for such other Person. In the event that at any time or from time to time (whether prior to, at or after the Mandatory Exchange Effective Time), one Party hereto (or any member of such Party's Group) shall be liable for or otherwise assume any Liability that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such other Party shall promptly assume, or cause to be assumed, such Liability and agree to faithfully perform such Liability.

(d) *Waiver of Bulk-Sale and Bulk-Transfer Laws.* To the extent permissible under applicable Law, SpinCo hereby waives compliance by each and every member of the IAC Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the SpinCo Assets to any member of the SpinCo Group. To the extent permissible under applicable Law, IAC hereby waives compliance by each and every member of the SpinCo Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the IAC Assets to any member of the IAC Group.

(e) *Intellectual Property Rights.*

(i) If and to the extent that, as a matter of Law in any jurisdiction, IAC or the applicable members of its Group cannot assign, transfer or convey any of IAC’s or such IAC Group members’ respective direct or indirect right, title and interest in and to any Technology, Software or Intellectual Property included in the SpinCo Assets, then, to the extent possible, IAC shall, and shall cause the applicable members of its Group to, irrevocably grant to SpinCo, or the applicable SpinCo Designees, an exclusive, irrevocable, assignable, transferable, sublicensable, worldwide, perpetual, royalty-free license to use, exploit and commercialize in any manner now known or in the future discovered and for whatever purpose, any such right, title or interest.

(ii) If and to the extent that, as a matter of Law in any jurisdiction, SpinCo or the applicable members of its Group cannot assign, transfer or convey any of SpinCo’s or such SpinCo Group members’ respective direct or indirect right, title and interest in and to any Technology, Software or Intellectual Property included in the IAC Assets, then, to the extent possible, SpinCo shall, and shall cause the applicable members of its Group to, irrevocably grant to IAC, or the applicable IAC Designees, an exclusive, irrevocable, assignable, transferable, sublicensable, worldwide, perpetual, royalty-free license to use, exploit and commercialize in any manner now known or in the future discovered and for whatever purpose, any such right, title or interest.

2.2 SpinCo Assets; IAC Assets.

(a) *SpinCo Assets.* For purposes of this Agreement, “SpinCo Assets” shall mean:

(i) all issued and outstanding capital stock or other equity interests of the Transferred Entities that are owned by either Party or any members of its Group as of the Mandatory Exchange Effective Time;

(ii) all Assets (other than cash and cash equivalents) of either Party or any members of its Group included or reflected as assets of the SpinCo Group on the SpinCo Balance Sheet, subject to any dispositions of such Assets subsequent to the date of the SpinCo Balance Sheet; provided that the amounts set forth on the SpinCo Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of SpinCo Assets pursuant to this clause (ii);

(iii) all Assets (other than cash and cash equivalents) of either Party or any of the members of its Group as of the Mandatory Exchange Effective Time that are of a nature or type that would have resulted in such Assets being included as Assets of SpinCo or members of the SpinCo Group on a pro forma combined balance sheet of the SpinCo Group or any notes or subledgers thereto as of the Mandatory Exchange Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Assets included on the SpinCo Balance Sheet), it being understood that (x) the SpinCo Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Assets that are included in the definition of SpinCo Assets pursuant to this clause (iii); and (y) the amounts set forth on the SpinCo Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of SpinCo Assets pursuant to this clause (iii);

(iv) all Assets of either Party or any of the members of its Group as of the Mandatory Exchange Effective Time that are expressly provided by any provision of this Agreement or any Ancillary Agreement as Assets to be transferred to or owned by SpinCo or any other member of the SpinCo Group;

(v) all SpinCo Contracts as of the Mandatory Exchange Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Mandatory Exchange Effective Time;

(vi) Subject to Section 2.8, all rights, interests or claims (whether accrued or contingent) of either Party or any of the members of its Group arising under Shared Contracts to the extent relating to the SpinCo Business;

(vii) all SpinCo Intellectual Property, SpinCo Software and SpinCo Technology as of the Mandatory Exchange Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Mandatory Exchange Effective Time (collectively, the "SpinCo IP/IT");

(viii) all SpinCo Permits as of the Mandatory Exchange Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Mandatory Exchange Effective Time;

(ix) subject to Section 2.9(d), all cash and cash equivalents held as of the Mandatory Exchange Effective Time in bank or brokerage accounts owned exclusively by SpinCo or any member of the SpinCo Group;

(x) all rights, interests and claims of either Party or any of the members of its Group as of the Mandatory Effective Time with respect to Information exclusively related to the SpinCo Assets, the SpinCo Liabilities, the SpinCo Business or the Transferred Entities and, subject to the provisions of the applicable Ancillary Agreements, a non-exclusive right to all Information that is related to, but not exclusively related to, the SpinCo Assets, the SpinCo Liabilities, the SpinCo Business or the Transferred Entities;

(xi) to the extent not already identified in clauses (i) through (x) of this Section 2.2(a), all Assets of either Party or any of the members of its Group as of the Mandatory Exchange Effective Time that are exclusively used or exclusively held for use in the SpinCo Business; provided that the intention of this clause (xi) is only to rectify any inadvertent omission of transfer or conveyance of any Assets that, had the Parties given specific consideration to such Asset as of the date hereof, would have otherwise been classified as a SpinCo Asset, and no Asset shall be deemed to be a SpinCo Asset solely as a result of this clause (xi) if such Asset is within the category or type of Asset expressly covered by the terms of another Ancillary Agreement unless the party claiming entitlement to such Asset can establish that the omission of the transfer or conveyance of such Asset was inadvertent; and

(xii) any and all Assets set forth on Schedule 2.2(a).

Notwithstanding the foregoing, the SpinCo Assets shall not in any event include any Asset referred to in clauses (i) through (viii) of Section 2.2(b).

(b) IAC Assets. For the purposes of this Agreement, "IAC Assets" shall mean all Assets of either Party or the members of its Group as of the Mandatory Exchange Effective Time, other than the SpinCo Assets. Notwithstanding anything herein to the contrary, the IAC Assets shall include:

(i) all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained by IAC or any other member of the IAC Group;

(ii) all contracts and agreements of either Party or any of the members of its Group as of the Mandatory Exchange Effective Time (other than the SpinCo Contracts);

(iii) Subject to Section 2.8, all rights, interests or claims (whether accrued or contingent) of either Party or any of the members of its Group arising under Shared Contracts to the extent relating to the IAC Business;

(iv) all Intellectual Property, Software and Technology of either Party or any of the members of its Group as of the Mandatory Exchange Effective Time (other than the SpinCo IP/IT);

(v) all Permits of either Party or any of the members of its Group as of the Mandatory Exchange Effective Time (other than the SpinCo Permits);

(vi) all Real Property of either Party or any of the members of its Group as of the Mandatory Exchange Effective Time;

(vii) all cash and cash equivalents of either Party or any of the members of its Group as of the Mandatory Exchange Effective Time (other than cash and cash equivalents described in Section 2.2(a)(ix)); and

(viii) any and all Assets set forth on Schedule 2.2(b).

2.3 SpinCo Liabilities; IAC Liabilities.

(a) *SpinCo Liabilities.* For the purposes of this Agreement, “SpinCo Liabilities” shall mean the following Liabilities of either Party or any of the members of its Group:

(i) all Liabilities included or reflected as liabilities or obligations of SpinCo or the members of the SpinCo Group on the SpinCo Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the SpinCo Balance Sheet; provided that the amounts set forth on the SpinCo Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of SpinCo Liabilities pursuant to this clause (i);

(ii) all Liabilities as of the Mandatory Exchange Effective Time that are of a nature or type that would have resulted in such Liabilities being included or reflected as liabilities or obligations of SpinCo or the members of the SpinCo Group on a pro forma combined balance sheet of the SpinCo Group or any notes or subledgers thereto as of the Mandatory Exchange Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Liabilities included on the SpinCo Balance Sheet), it being understood that (x) the SpinCo Balance Sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of SpinCo Liabilities pursuant to this clause (ii); and (y) the amounts set forth on the SpinCo Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of SpinCo Liabilities pursuant to this clause (ii);

(iii) all Liabilities, including any Environmental Liabilities, relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, at or after the Mandatory Exchange Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Mandatory Exchange Effective Time), in each case to the extent that such Liabilities relate to, arise out of or result from the SpinCo Business or a SpinCo Asset;

(iv) any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by SpinCo or any other member of the SpinCo Group, and all agreements, obligations and Liabilities of any member of the SpinCo Group under this Agreement or any of the Ancillary Agreements;

(v) any and all Liabilities relating to, arising out of or resulting from the SpinCo Contracts, the SpinCo Financing Arrangements, the SpinCo Intellectual Property, the SpinCo Software, the SpinCo Technology, the SpinCo Permits, or the SpinCo Real Property;

(vi) any and all Liabilities set forth on Schedule 2.3(a);

(vii) any and all Liabilities relating to, arising out of or resulting from an Action brought by a Vimeo Holder; and

(viii) all Liabilities arising out of Actions brought by or other claims made by any Third Party (including SpinCo's or IAC's respective directors, officers, stockholders, employees and agents) against any member of the IAC Group or the SpinCo Group to the extent (A) the facts underlying such litigation or claim relate to, arise out of or result from the conduct of the SpinCo Business or the SpinCo Assets, or the other Liabilities of SpinCo referred to in the foregoing clauses (i) through (vii) or (B) such litigation or claim includes or is based on allegations relating to, arising out of or resulting from any member of the IAC Group's management, oversight, supervision or operation of the SpinCo Business, the SpinCo Assets or the SpinCo Liabilities prior to the Mandatory Exchange Effective Time;

provided that, notwithstanding the foregoing, the Parties agree that the Liabilities set forth on Schedule 2.3(b) and any Liabilities of any member of the IAC Group pursuant to the Ancillary Agreements shall not be SpinCo Liabilities but instead shall be IAC Liabilities.

(b) *IAC Liabilities.* For the purposes of this Agreement, "**IAC Liabilities**" shall mean (i) all Liabilities, including any Environmental Liabilities, relating to, arising out of or resulting from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Mandatory Exchange Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Mandatory Exchange Effective Time) of any member of the IAC Group and, prior to the Mandatory Exchange Effective Time, any member of the SpinCo Group, in each case, to the extent that such Liabilities are not SpinCo Liabilities and (ii) all Liabilities arising out of claims made by any Third Party (including IAC's or SpinCo's respective directors, officers, stockholders, employees and agents) against any member of the IAC Group or the SpinCo Group to the extent relating to, arising out of or resulting from the IAC Business or the IAC Assets.

2.4 Approvals and Notifications.

(a) *Approvals and Notifications for SpinCo Assets.* To the extent that the transfer or assignment of any SpinCo Asset, the assumption of any SpinCo Liability, the Spin-off or the IAC Reclassification requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between IAC and SpinCo, neither IAC nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation or agreeing to amended contract terms) to any Person in order to obtain or make such Approvals or Notifications.

(b) *Delayed SpinCo Transfers.* If and to the extent that the valid, complete and perfected transfer or assignment to the SpinCo Group of any SpinCo Asset or assumption by the SpinCo Group of any SpinCo Liability in connection with the Spin-off or the IAC Reclassification would be a violation of applicable Law or require any Approvals or Notifications that have not been obtained or made by the Mandatory Exchange Effective Time then, unless the Parties mutually shall otherwise determine, the transfer or assignment to the SpinCo Group of such SpinCo Assets or the assumption by the SpinCo Group of such SpinCo Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such SpinCo Assets or SpinCo Liabilities shall continue to constitute SpinCo Assets and SpinCo Liabilities for all other purposes of this Agreement.

(c) *Treatment of Delayed SpinCo Assets and Delayed SpinCo Liabilities.* If any transfer or assignment of any SpinCo Asset (or a portion thereof) or any assumption of any SpinCo Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Mandatory Exchange Effective Time, whether as a result of the provisions of Section 2.4(b) or for any other reason (any such SpinCo Asset (or a portion thereof), a “Delayed SpinCo Asset” and any such SpinCo Liability (or a portion thereof), a “Delayed SpinCo Liability”), then, insofar as reasonably possible and subject to applicable Law, the member of the IAC Group retaining such Delayed SpinCo Asset or such Delayed SpinCo Liability, as the case may be, shall thereafter hold such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, for the use and benefit (or the performance and obligation, in the case of a Liability) of the member of the SpinCo Group entitled thereto (at the expense of the member of the SpinCo Group entitled thereto). In addition, the member of the IAC Group retaining such Delayed SpinCo Asset or such Delayed SpinCo Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed SpinCo Asset or Delayed SpinCo Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the SpinCo Group to whom such Delayed SpinCo Asset is to be transferred or assigned, or which will assume such Delayed SpinCo Liability, as the case may be, in order to place such member of the SpinCo Group in a substantially similar position as if such Delayed SpinCo Asset or Delayed SpinCo Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed SpinCo Asset or Delayed SpinCo Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Mandatory Exchange Effective Time to the SpinCo Group.

(d) *Transfer of Delayed SpinCo Assets and Delayed SpinCo Liabilities.* If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed SpinCo Asset or the deferral of assumption of any Delayed SpinCo Liability pursuant to Section 2.4(b), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Delayed SpinCo Asset or the assumption of any Delayed SpinCo Liability have been removed, the transfer or assignment of the applicable Delayed SpinCo Asset or the assumption of the applicable Delayed SpinCo Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(e) *Costs for Delayed SpinCo Assets and Delayed SpinCo Liabilities.* Except as otherwise agreed in writing between the Parties, any member of the IAC Group retaining a Delayed SpinCo Asset or Delayed SpinCo Liability due to the deferral of the transfer or assignment of such Delayed SpinCo Asset or the deferral of the assumption of such Delayed SpinCo Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by SpinCo or the member of the SpinCo Group entitled to the Delayed SpinCo Asset or Delayed SpinCo Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by SpinCo or the member of the SpinCo Group entitled to the benefits of such Delayed SpinCo Asset or obligated to discharge such Delayed SpinCo Liability, as applicable.

(f) *Approvals and Notifications for IAC Assets.* To the extent that the transfer or assignment of any IAC Asset, the assumption of any IAC Liability, the Spin-off or the IAC Reclassification requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between IAC and SpinCo, neither IAC nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(g) *Delayed IAC Transfers.* If and to the extent that the valid, complete and perfected transfer or assignment to the IAC Group of any IAC Asset or assumption by the IAC Group of any IAC Liability in connection with the Spin-off or the IAC Reclassification would be a violation of applicable Law or require any Approvals or Notifications that have not been obtained or made by the Mandatory Exchange Effective Time then, unless the Parties mutually shall otherwise determine, the transfer or assignment to the IAC Group of such IAC Assets or the assumption by the IAC Group of such IAC Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such IAC Assets or IAC Liabilities shall continue to constitute IAC Assets and IAC Liabilities for all other purposes of this Agreement.

(h) *Treatment of Delayed IAC Assets and Delayed IAC Liabilities.* If any transfer or assignment of any IAC Asset (or a portion thereof) or any assumption of any IAC Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Mandatory Exchange Effective Time whether as a result of the provisions of Section 2.4(g) or for any other reason (any such IAC Asset (or a portion thereof), a “Delayed IAC Asset” and any such IAC Liability (or a portion thereof), a “Delayed IAC Liability”), then, insofar as reasonably possible and subject to applicable Law, the member of the SpinCo Group retaining such Delayed IAC Asset or such Delayed IAC Liability, as the case may be, shall thereafter hold such Delayed IAC Asset or Delayed IAC Liability, as the case may be, for the use and benefit (or the performance or obligation, in the case of a Liability) of the member of the IAC Group entitled thereto (at the expense of the member of the IAC Group entitled thereto). In addition, the member of the SpinCo Group retaining such Delayed IAC Asset or such Delayed IAC Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed IAC Asset or Delayed IAC Liability in the ordinary course of business in accordance with past practice. Such member of the SpinCo Group shall also take such other actions as may be reasonably requested by the member of the IAC Group to which such Delayed IAC Asset is to be transferred or assigned, or which will assume such Delayed IAC Liability, as the case may be, in order to place such member of the IAC Group in a substantially similar position as if such Delayed IAC Asset or Delayed IAC Liability had been transferred, assigned or assumed and so that all the benefits and burdens relating to such Delayed IAC Asset or Delayed IAC Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed IAC Asset or Delayed IAC Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Mandatory Exchange Effective Time to the IAC Group.

(i) *Transfer of Delayed IAC Assets and Delayed IAC Liabilities.* If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed IAC Asset or the deferral of assumption of any Delayed IAC Liability pursuant to Section 2.4(g), are obtained or made, and, if and when any other legal impediments to the transfer or assignment of any Delayed IAC Asset or the assumption of any Delayed IAC Liability have been removed, the transfer or assignment of the applicable Delayed IAC Asset or the assumption of the applicable Delayed IAC Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(j) *Costs for Delayed IAC Assets and Delayed IAC Liabilities.* Any member of the SpinCo Group retaining a Delayed IAC Asset or Delayed IAC Liability due to the deferral of the transfer or assignment of such Delayed IAC Asset or the deferral of the assumption of such Delayed IAC Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by IAC or the member of the IAC Group entitled to the Delayed IAC Asset or Delayed IAC Liability, other than reasonable out-of-pocket expenses, attorneys’ fees and recording or similar fees, all of which shall be promptly reimbursed by IAC or the member of the IAC Group entitled to the benefits of such Delayed IAC Asset or obligated to discharge such Delayed IAC Liability.

2.5 Novation of Liabilities.

(a) *Novation of SpinCo Liabilities.*

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

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

(b) *Novation of IAC Liabilities.*

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

(ii) If IAC or SpinCo is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the SpinCo Group continues to be bound by such arrangement or responsible for any such Liability (each, an “Unreleased IAC Liability”), IAC shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the SpinCo Group, as the case may be, (i) pay, perform and discharge fully all the obligations or other Liabilities of such member of the SpinCo Group that constitute Unreleased IAC Liabilities from and after the Mandatory Exchange Effective Time and (ii) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the SpinCo Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased IAC Liabilities shall otherwise become assignable or able to be novated, SpinCo shall promptly assign, or cause to be assigned, and IAC or the applicable IAC Group member shall assume, such Unreleased IAC Liabilities without exchange of further consideration.

2.6 Release of Guarantees. In furtherance of, and not in limitation of, the obligations set forth in Section 2.5:

(a) On or prior to the Mandatory Exchange Effective Time or as soon as practicable thereafter, each of IAC and SpinCo shall, at the request of the other Party and with the reasonable cooperation of such other Party and the applicable member(s) of such other Party’s Group, use commercially reasonable efforts to (i) have any member(s) of the IAC Group removed as guarantor of or obligor for any SpinCo Liability to the extent that they relate to SpinCo Liabilities, including the removal of any Security Interest on or in any IAC Asset that may serve as collateral or security for any such SpinCo Liability; and (ii) have any member(s) of the SpinCo Group removed as guarantor of or obligor for any IAC Liability to the extent that they relate to IAC Liabilities, including the removal of any Security Interest on or in any SpinCo Asset that may serve as collateral or security for any such IAC Liability.

(b) To the extent required to obtain a release from a guarantee of:

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

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

(c) If IAC or SpinCo is unable to obtain, or to cause to be obtained, any such required removal or release as set forth in clauses (a) and (b) of this Section 2.6, (i) the Party or the relevant member of its Group that has assumed the Liability that such guarantee relates to shall indemnify, defend and hold harmless the guarantor or obligor, as applicable, against or from any Liability arising from or relating thereto in accordance with the provisions of Article IV and shall, as agent or subcontractor for such guarantor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder; and (ii) each of IAC and SpinCo, on behalf of itself and the other members of their respective Group, agree not to renew or extend the term of, increase any obligations under, or transfer to a Third Party, any loan, guarantee, lease, contract or other obligation for which the other Party or a member of its Group is or may be liable unless all obligations of such other Party and the members of such other Party's Group with respect thereto are thereupon terminated by documentation satisfactory in form and substance to such other Party.

2.7 Termination of Agreements.

(a) Except as set forth in Section 2.7(b), in furtherance of the releases and other provisions of Section 4.1, SpinCo and each member of the SpinCo Group, on the one hand, and IAC and each member of the IAC Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among SpinCo and/or any member of the SpinCo Group, on the one hand, and IAC and/or any member of the IAC Group, on the other hand, effective as of the Mandatory Exchange Effective Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Mandatory Exchange Effective Time. 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 2.7(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement, the Ancillary Agreements and the Merger Agreement (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement or the Merger Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after the Mandatory Exchange Effective Time); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.7(b)(ii); (iii) any agreements, arrangements, commitments or understandings to which any Third Party is a party thereto; (iv) any intercompany accounts payable or accounts receivable accrued as of the Mandatory Exchange Effective Time that are reflected in the books and records of the Parties or otherwise documented in writing in accordance with past practices, which shall be settled in the manner contemplated by Section 2.7(c); (v) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of IAC or SpinCo, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and (vi) any Shared Contracts.

(c) All of the intercompany accounts receivable and accounts payable between any member of the IAC Group, on the one hand, and any member of the SpinCo Group, on the other hand, outstanding as of the Mandatory Exchange Effective Time shall, prior to or as promptly as practicable after the Mandatory Exchange Effective Time, be repaid, settled or otherwise eliminated by means of cash payments, a dividend, capital contribution, a combination of the foregoing, or otherwise as determined by IAC in its sole and absolute discretion.

2.8 Treatment of Shared Contracts.

(a) Subject to applicable Law and without limiting the generality of the obligations set forth in Section 2.1, unless the Parties otherwise agree or the benefits of any contract, agreement, arrangement, commitment or understanding described in this Section 2.8 are expressly conveyed to the applicable Party pursuant to this Agreement or an Ancillary Agreement, any contract or agreement, a portion of which is a SpinCo Contract, but the remainder of which is an IAC Asset (any such contract or agreement, excluding any contract or agreement that provides for enterprise-level services or licenses or similar enterprise-level arrangements of IAC or any member of the IAC Group, a “Shared Contract”), shall be assigned in relevant part to the applicable member(s) of the applicable Group, if so assignable, or appropriately amended prior to, on or after the Mandatory Exchange Effective Time, so that each Party or the member of its Group shall, as of the Mandatory Exchange Effective Time, be entitled to the rights and benefits, and shall assume the related portion of any Liabilities, inuring to its respective businesses; provided, however, that (i) in no event shall any member of any Group be required to assign (or amend) any Shared Contract in its entirety or to assign a portion of any Shared Contract which is not assignable (or cannot be amended) by its terms (including any terms imposing consents or conditions on an assignment or amendment where such consents or conditions have not been obtained or fulfilled) and (ii) if any Shared Contract cannot be so partially assigned by its terms or otherwise, or cannot be amended or if such assignment or amendment would impair the benefit the parties thereto derive from such Shared Contract, then the Parties shall, and shall cause each of the members of their respective Groups to, take such other reasonable and permissible actions (including by providing prompt notice to the other Party with respect to any relevant claim of Liability or other relevant matters arising in connection with a Shared Contract so as to allow such other Party the ability to exercise any applicable rights under such Shared Contract) to cause a member of the SpinCo Group or the IAC Group, as the case may be, to receive the rights and benefits of that portion of each Shared Contract that relates to the SpinCo Business or the IAC Business, as the case may be (in each case, to the extent so related), as if such Shared Contract had been assigned to a member of the applicable Group (or amended to allow a member of the applicable Group to exercise applicable rights under such Shared Contract) pursuant to this Section 2.8, and to bear the burden of the corresponding Liabilities (including any Liabilities that may arise by reason of such arrangement), as if such Liabilities had been assumed by a member of the applicable Group pursuant to this Section 2.8.

(b) Each of IAC and SpinCo shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as an Asset owned by, and/or a Liability of, as applicable, such Party, or the members of its Group, as applicable, not later than the Mandatory Exchange Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by applicable Law).

(c) Nothing in this Section 2.8 shall require any member of any Group to make any non-*de minimis* payment (except to the extent advanced, assumed or agreed in advance to be reimbursed by any member of the other Group), incur any non-*de minimis* obligation or grant any non-*de minimis* concession for the benefit of any member of any other Group in order to effect any transaction contemplated by this Section 2.8.

2.9 Bank Accounts; Cash Balances.

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

(b) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will continue to be in place a cash management process pursuant to which the SpinCo Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by SpinCo or a member of the SpinCo Group.

(c) It is intended that, following consummation of the actions contemplated by Section 2.9(a), there will continue to be in place a cash management process pursuant to which the IAC Accounts will be managed and funds collected will be transferred into one (1) or more accounts maintained by IAC or a member of the IAC Group.

(d) With respect to any outstanding checks issued or payments initiated by IAC, SpinCo, or any of the members of their respective Groups prior to the Mandatory Exchange Effective Time, such outstanding checks and payments shall be honored following the Mandatory Exchange Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively; provided that to the extent such check or payment was initiated on behalf or for the benefit of the other Group, then such Group will reimburse the disbursing Group for the applicable portion thereof.

(e) As between IAC and SpinCo (and the members of their respective Groups), all payments made and reimbursements received after the Mandatory Exchange Effective 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 in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such Party of any such payment or reimbursement, such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party the amount of such payment or reimbursement without right of set-off.

2.10 SpinCo Financing Arrangements.

(a) Prior to the date hereof, certain members of the SpinCo Group entered into a Credit Agreement, dated as of February 12, 2021 (the "SpinCo Financing Arrangements"), among Vimeo, Inc. the lenders party thereto from time to time, and JPMorgan Chase Bank, N.A., as administrative agent. The Parties agree that SpinCo or another member of the SpinCo Group, as the case may be, and not IAC or any member of the IAC Group, are and shall be responsible for all costs and expenses incurred in connection with the SpinCo Financing Arrangements.

(b) Prior to the Mandatory Exchange Effective Time, IAC and SpinCo shall cooperate in the preparation of all materials as may be necessary or advisable in connection with the SpinCo Financing Arrangements.

2.11 Ancillary Agreements. Effective on or prior to the Mandatory Exchange Effective Time, each of IAC and SpinCo will, or will cause the applicable members of their Groups to, execute and deliver all Ancillary Agreements to which it is a party.

2.12 Disclaimer of Representations and Warranties. EACH OF PARENT (ON BEHALF OF ITSELF AND EACH MEMBER OF THE PARENT GROUP) AND SPINCO (ON BEHALF OF ITSELF AND EACH MEMBER OF THE SPINCO GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT, THE MERGER AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT, THE MERGER AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH (INCLUDING WITHOUT LIMITATION GOVERNMENTAL APPROVALS OR PERMITS OF ANY KIND), AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO 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, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES 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.

2.13 Financial Information Certifications.

(a) IAC's disclosure controls and procedures and internal control over financial reporting (as each is contemplated by the Exchange Act) are currently applicable to SpinCo as its Subsidiary. In order to enable the principal executive officer and principal financial officer of SpinCo to make the certifications required of them under Section 302 of the Sarbanes-Oxley Act of 2002, following the IAC Reclassification in respect of any quarterly or annual fiscal period of SpinCo that begins on or prior to the Reclassification Date in respect of which financial statements are not included in the Form S-4 (a "Straddle Period"), upon twenty (20) Business Days' advance written request by SpinCo, IAC shall provide SpinCo with one or more certifications with respect to such disclosure controls and procedures and the effectiveness thereof and whether there were any changes in the internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the internal control over financial reporting, which certification(s) shall be (a) with respect to the applicable Straddle Period (it being understood that no certification need be provided with respect to any period or portion of any period after the Reclassification Date) and (b) in substantially the same form as those that had been provided by officers or employees of IAC in similar certifications delivered prior to the Reclassification Date, with such changes thereto as IAC may reasonably determine. Such certification(s) shall be provided by IAC (and not by any officer or employee in their individual capacity).

(b) In order to enable the principal executive officer and principal financial officer of IAC to make the certifications required of them under Section 302 of the Sarbanes-Oxley Act of 2002, following the IAC Reclassification in respect of any Straddle Period, upon twenty (20) Business Days' advance written request by IAC, SpinCo shall provide IAC with one or more certifications with respect to such disclosure controls and procedures and the effectiveness thereof and whether there were any changes in the internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the internal control over financial reporting, which certification(s) shall be (a) with respect to the applicable Straddle Period (it being understood that no certification need be provided with respect to any period or portion of any period after the Reclassification Date) and (b) in substantially the same form as those that had been provided by officers or employees of IAC in similar certifications delivered prior to the Reclassification Date, with such changes thereto as SpinCo may reasonably determine. Such certification(s) shall be provided by SpinCo (and not by any officer or employee in their individual capacity).

ARTICLE III
THE IAC RECLASSIFICATION

3.1 Sole and Absolute Discretion; Cooperation.

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

(b) SpinCo shall cooperate with IAC to accomplish the Spin-off, including the IAC Reclassification, and shall, at IAC's direction, promptly take any and all actions necessary or desirable to effect the Spin-off, including the IAC Reclassification, including in respect of the Form S-4. IAC shall select any investment bank or manager in connection with the IAC Reclassification, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for IAC. SpinCo and IAC, as the case may be, will provide to the Agent any information required in order to complete the Spin-off.

3.2 Actions Prior to the IAC Reclassification. Prior to the Mandatory Exchange Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the IAC Reclassification:

(a) *Notice to Nasdaq.* IAC shall, to the extent possible, give Nasdaq not less than ten (10) days' advance notice of the Reclassification Effective Time in compliance with Rule 10b-17 under the Exchange Act.

(b) *SpinCo Certificate of Incorporation and SpinCo Bylaws.* On or prior to the Reclassification Date, IAC and SpinCo shall take all necessary actions so that, as of the Mandatory Exchange Effective Time, the SpinCo Certificate of Incorporation and the SpinCo Bylaws shall become the certificate of incorporation and bylaws of SpinCo, respectively.

(c) *SpinCo Directors and Officers.* On or prior to the Reclassification Date, IAC and SpinCo shall take all necessary actions so that as of the Mandatory Exchange Effective Time: (i) the directors and executive officers of SpinCo shall be those set forth in the Form S-4, unless otherwise agreed by the Parties, and such additional directors as may be determined by IAC; and (ii) SpinCo shall have such other officers as IAC shall appoint or cause to be appointed.

(d) *Nasdaq Listing.* SpinCo shall prepare and file, and shall use its reasonable best efforts to have approved, an application for the listing of the shares of SpinCo Common Stock to be exchanged in the IAC Reclassification and issued in the Merger on Nasdaq, subject to official notice of issuance.

(e) *Securities Law Matters.* SpinCo and IAC, as applicable, shall file any amendments or supplements to the Form S-4 as may be necessary or advisable in order to cause the Form S-4 to become and remain effective as required by the SEC or federal, state or other applicable securities Laws. IAC and SpinCo shall cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement, the Ancillary Agreements and the Merger Agreement. IAC and SpinCo will prepare, and SpinCo will, to the extent required under applicable Law, file with the SEC any such documentation and any requisite no-action letters which IAC determines are necessary or desirable to effectuate the IAC Reclassification, and IAC and SpinCo shall each use its reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable. IAC and SpinCo shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the IAC Reclassification.

(f) *The Agent.* IAC shall enter into an exchange agent agreement with the Agent or otherwise provide instructions to the Agent regarding the IAC Reclassification.

(g) *Stock-Based Employee Benefit Plans.* IAC and SpinCo shall take all actions as may be necessary to approve the grants of adjusted equity awards by IAC (in respect of IAC shares) and SpinCo (in respect of SpinCo shares) in connection with the IAC Reclassification in order to satisfy the requirements of Rule 16b-3 under the Exchange Act.

(h) *Cancellation of Certain Treasury Shares.* Following the Reclassification Effective Time and prior to the Mandatory Exchange Effective Time, IAC shall cancel or cause to be cancelled and retired any shares of IAC Series 1 Mandatorily Exchangeable Preferred Stock and any shares of IAC Series 2 Mandatorily Exchangeable Preferred Stock held by any member of the IAC Group.

3.3 Conditions to the IAC Reclassification.

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

(i) The SEC shall have declared effective the Form S-4; no order suspending the effectiveness of the Form S-4 shall be in effect; and no proceedings for such purposes shall have been instituted or threatened by the SEC.

(ii) The proposals relating to the IAC Reclassification set forth in the Form S-4 to be voted on by IAC stockholders shall have been approved at an annual or special meeting of IAC stockholders by the requisite vote set forth in the Form S-4.

(iii) IAC shall have received an opinion from its outside counsel regarding the qualification of (i) the exchange of shares of IAC Common Stock or IAC Class B Common Stock, as applicable, for shares of IAC New Common Stock or IAC New Class B Common Stock, as applicable, pursuant to the IAC Reclassification as a “reorganization” within the meaning of Section 368(a)(1)(E) of the Code and/or an exchange described in Section 1036 of the Code and (ii) the IAC Group Transfer and the Distribution, taken together, as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355(a) and 368(a)(1)(D) of the Code.

(iv) An independent appraisal firm acceptable to IAC shall have delivered one or more opinions to the IAC Board confirming the solvency, capital surplus and financial viability of IAC after consummation of the IAC Reclassification, and such opinions shall be acceptable to IAC in form and substance in IAC’s sole discretion and such opinions shall not have been withdrawn or rescinded.

(v) The independent members of the IAC board of directors shall have approved the final terms of the Spin-off following separate deliberation, and such approval shall not have been rescinded or modified in any material respect.

(vi) The transfer of the SpinCo Assets (other than any Delayed SpinCo Asset) and SpinCo Liabilities (other than any Delayed SpinCo Liability) contemplated to be transferred from IAC or a member of the IAC Group to SpinCo or a member of the SpinCo Group on or prior to the IAC Reclassification shall have occurred as contemplated by Section 2.1, and the transfer of the IAC Assets (other than any Delayed IAC Asset) and IAC Liabilities (other than any Delayed IAC Liability) contemplated to be transferred from SpinCo to IAC on or prior to the Reclassification Date, and the IAC Group Transfer, shall have occurred as contemplated by Section 2.1, in each case pursuant to the Plan of Reorganization.

(vii) The actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities Laws or blue sky Laws and the rules and regulations thereunder shall have been taken or made, and, where applicable, have become effective or been accepted by the applicable Governmental Authority.

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

(ix) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Spin-off or any of the transactions related thereto shall be in effect.

(x) The shares of SpinCo Common Stock to be issued in the IAC Reclassification and the Merger shall have been accepted for listing on Nasdaq, subject to official notice of issuance.

(xi) No other events or developments shall exist or shall have occurred that, in the judgment of the IAC Board, in its sole and absolute discretion, makes it inadvisable to effect the Spin-off or the other transactions contemplated by this Agreement or any Ancillary Agreement.

(b) The foregoing conditions are for the sole benefit of IAC and shall not give rise to or create any duty on the part of IAC or the IAC Board to waive or not waive any such condition or in any way limit IAC's right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX. Any determination made by the IAC Board prior to the IAC Reclassification concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.3(a) shall be conclusive and binding on the Parties. If IAC waives any material condition, it shall promptly issue a press release disclosing such fact and file a Current Report on Form 8-K with the SEC describing such waiver.

3.4 The IAC Reclassification.

(a) Subject to Section 3.3, on or prior to the Mandatory Exchange Effective Time, IAC and SpinCo will cooperate in order to deliver or cause to be delivered to the Agent, for the benefit of the holders of shares of IAC Common Stock, book-entry transfer authorizations for such number of outstanding shares of IAC New Common Stock and SpinCo Common Stock as is necessary to effect the IAC Reclassification with respect to the outstanding shares of IAC Common Stock, and, for the benefit of the holders of IAC Class B Common Stock, book-entry transfer authorizations for such number of the outstanding shares of IAC New Class B Common Stock and SpinCo Class B Common Stock as is necessary to effect the IAC Reclassification with respect to the outstanding shares of IAC Class B Common Stock, and shall cause the transfer agent for IAC and SpinCo to instruct the Agent to distribute (i) at the Reclassification Effective Time the appropriate number of shares of IAC New Common Stock and IAC New Class B Common Stock, and (ii) at the Mandatory Exchange Effective Time the appropriate number of shares of SpinCo Common Stock and SpinCo Class B Common Stock, as applicable, to each such holder or designated transferee or transferees of such holder by way of direct registration in book-entry form. IAC will not issue stock certificates in respect of the shares of IAC New Common Stock or IAC New Class B Common Stock, and SpinCo will not issue paper stock certificates in respect of the shares of SpinCo Common Stock or SpinCo Class B Common Stock, in each case to be issued in the IAC Reclassification.

(b) Subject to Sections 3.3 and 3.4(c), (i) each holder of shares of IAC Series 1 Mandatorily Exchangeable Preferred Stock will be entitled to receive in the IAC Reclassification a number of whole shares of SpinCo Common Stock equal to the number of 1/100ths of a share of IAC Series 1 Mandatorily Exchangeable Preferred Stock held by such holder as of immediately prior to the Mandatory Exchange Effective Time multiplied by the Spin-off Exchange Ratio, rounded down to the nearest whole number and (ii) each holder of shares of IAC Series 2 Mandatorily Exchangeable Preferred Stock will be entitled to receive in the IAC Reclassification a number of whole shares of SpinCo Class B Common Stock equal to the number of 1/100ths of a share of IAC Series 2 Mandatorily Exchangeable Preferred Stock held by such holder as of immediately prior to the Mandatory Exchange Effective Time multiplied by the Spin-off Exchange Ratio, rounded down to the nearest whole number.

(c) No fractional shares will be distributed or credited to book-entry accounts in connection with the IAC Reclassification, and any such fractional share interests to which a holder of IAC Series 1 Mandatorily Exchangeable Preferred Stock or IAC Series 2 Mandatorily Exchangeable Preferred Stock would otherwise be entitled shall not entitle such holder to vote or to any other rights as a stockholder of SpinCo. In lieu of any such fractional shares, each holder of IAC Series 1 Mandatorily Exchangeable Preferred Stock or IAC Series 2 Mandatorily Exchangeable Preferred Stock who, but for the provisions of this Section 3.4(c), would be entitled to receive a fractional share interest of a share of SpinCo Common Stock or SpinCo Class B Common Stock pursuant to the IAC Reclassification, shall be paid cash, without any interest thereon, as hereinafter provided. As soon as practicable after the Mandatory Exchange Effective Time, IAC shall direct the Agent to determine the number of whole and fractional shares of SpinCo Common Stock and SpinCo Class B Common Stock allocable to each holder of IAC Series 1 Mandatorily Exchangeable Preferred Stock or IAC Series 2 Mandatorily Exchangeable Preferred Stock, to aggregate all such fractional shares into whole shares, to convert any such aggregated shares of SpinCo Class B Common Stock into SpinCo Common Stock and to sell the whole shares of SpinCo Common Stock obtained thereby in the open market at the then-prevailing prices on behalf of each such holder who otherwise would be entitled to receive fractional share interests (with the Agent, in its sole and absolute discretion, determining when, how and through which broker-dealer and at what price to make such sales), and to cause to be distributed to each such holder, in lieu of any fractional share, such holder's or owner's ratable share of the total proceeds of such sale, after deducting any Taxes required to be withheld and applicable transfer Taxes, and after deducting the costs and expenses of such sale and distribution, including brokers fees and commissions. None of IAC, SpinCo or the Agent will be required to guarantee any minimum sale price for the fractional shares of SpinCo Common Stock sold in accordance with this Section 3.4(c). Neither IAC nor SpinCo will be required to pay any interest on the proceeds from the sale of fractional shares. Neither the Agent nor the broker-dealers through which the aggregated fractional shares are sold shall be Affiliates of IAC or SpinCo. Solely for purposes of computing fractional share interests pursuant to this Section 3.4(c) and Section 3.4(d), the beneficial owner of shares of IAC Common Stock or IAC Class B Common Stock as of immediately prior to the Reclassification Effective Time held of record in the name of a nominee in any nominee account shall be treated as the holder with respect to the applicable shares of IAC Series 1 Mandatorily Exchangeable Preferred Stock or IAC Series 2 Mandatorily Exchangeable Preferred Stock.

(d) Any shares of SpinCo Common Stock or SpinCo Class B Common Stock or cash in lieu of fractional shares with respect to shares of SpinCo Common Stock or SpinCo Class B Common Stock that remain unclaimed by any former holder of IAC Series 1 Mandatorily Exchangeable Preferred Stock or IAC Series 2 Mandatorily Exchangeable Preferred Stock one hundred and eighty (180) days after the Reclassification Date shall be delivered to SpinCo, and SpinCo or its transfer agent on its behalf shall hold such shares and cash for the account of such holder, and the Parties agree that all obligations to provide such shares and cash, if any, in lieu of fractional share interests shall be obligations of SpinCo, subject in each case to applicable escheat or other abandoned property Laws, and IAC shall have no Liability with respect thereto.

(e) Until the shares of SpinCo Common Stock and SpinCo Class B Common Stock are duly transferred in accordance with this Section 3.4 and applicable Law, from and after the Mandatory Exchange Effective Time, SpinCo will regard the Persons entitled to receive such shares as record holders of such shares in accordance with the terms of the IAC Reclassification without requiring any action on the part of such Persons. SpinCo agrees that, subject to any transfers of such shares, from and after the Mandatory Exchange Effective 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 SpinCo Common Stock or SpinCo Class B Common Stock, as applicable, 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 SpinCo Common Stock and SpinCo Class B Common Stock, as applicable, then held by such holder.

ARTICLE IV
MUTUAL RELEASES; INDEMNIFICATION

4.1 Release of Pre-Reclassification Claims.

(a) *SpinCo Release of IAC.* Except as provided in Sections 4.1(c) and 4.1(d), effective as of the Mandatory Exchange Effective Time, SpinCo does hereby, for itself and each other member of the SpinCo Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Mandatory Exchange Effective Time have been stockholders, directors, officers, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) IAC and the members of the IAC Group, and their respective successors and assigns, (ii) all Persons who at any time prior to the Mandatory Exchange Effective Time have been stockholders, directors, officers, agents or employees of any member of the IAC Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Mandatory Exchange Effective Time are or have been stockholders, directors, officers, agents or employees of a member of the SpinCo Group and who are not, as of immediately following the Mandatory Exchange Effective Time, officers or employees of SpinCo or a member of the SpinCo Group, in each case from: (A) all SpinCo Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Spin-off and the Merger and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Mandatory Exchange Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Mandatory Exchange Effective Time), in each case to the extent relating to, arising out of or resulting from the SpinCo Business, the SpinCo Assets or the SpinCo Liabilities, or any member of the IAC Group's direct or indirect beneficial ownership of the capital stock of any member of the SpinCo Group, or any member of the IAC Group's management, oversight, supervision or operation of the SpinCo Business, SpinCo Assets or the SpinCo Liabilities.

(b) *IAC Release of SpinCo.* Except as provided in Sections 4.1(c) and 4.1(d), effective as of the Mandatory Exchange Effective Time, IAC does hereby, for itself and each other member of the IAC Group (other than any member of the ANGI Group) and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Mandatory Exchange Effective Time have been stockholders, directors, officers, agents or employees of any member of the IAC Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) SpinCo and the members of the SpinCo Group and their respective successors and assigns, and (ii) all Persons who at any time prior to the Mandatory Exchange Effective Time have been stockholders, directors, officers, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from (A) all IAC Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Spin-off and the Merger and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Mandatory Exchange Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Mandatory Exchange Effective Time), in each case to the extent relating to, arising out of or resulting from the IAC Business, the IAC Assets or the IAC Liabilities.

(c) *Obligations Not Affected.* Nothing contained in Section 4.1(a) or 4.1(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Mandatory Exchange Effective Time, in each case in accordance with its terms. Nothing contained in Section 4.1(a) or 4.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the IAC Group or any members of the SpinCo Group that is specified in Section 2.7(b) or the applicable Schedules to this Agreement or any Ancillary Agreement as not to terminate as of the Mandatory Exchange Effective Time, or any other Liability specified in Section 2.7(b) as not to terminate as of the Mandatory Exchange Effective Time;

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

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

(iv) any Liability that the Parties may have with respect to any indemnification or contribution or other obligation pursuant to this Agreement (including, for the avoidance of doubt, Sections 4.2 and 4.3), any Ancillary Agreement or otherwise for claims brought against the Parties by Third Parties, which Liability shall be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Ancillary Agreements;

(v) any Liability arising from the rights of any Person who is an employee to any earned but unpaid salary, wages or bonus opportunity, or any rights to vested benefits under employee benefit plans or any other claims that may not be released under applicable Law;

(vi) any Liability provided in or resulting from any Contract or understanding that is entered into after the Mandatory Exchange Effective Time between a Party (and/or a member of such Party's Group), on the one hand, and any other Party (and/or a member of such other Party's Group), on the other hand; or

(vii) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.1.

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

(d) *No Claims.* SpinCo shall not make, and shall not permit any other member of the SpinCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against IAC or any other member of the IAC Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a). IAC shall not make, and shall not permit any other member of the IAC Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against SpinCo or any other member of the SpinCo Group, or any other Person released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b).

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

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

- (a) any SpinCo Liability;
- (b) any failure of SpinCo, any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Liabilities in accordance with their terms, whether prior to, on or after the Mandatory Exchange Effective Time;
- (c) any breach by SpinCo or any other member of the SpinCo Group of this Agreement or any of the Ancillary Agreements;
- (d) except to the extent it relates to an IAC Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the SpinCo Group by any member of the IAC Group that survives following the IAC Reclassification; and
- (e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form S-4, the Proxy Statement/Consent Solicitation Statement/Prospectus (as amended or supplemented if SpinCo or IAC shall have furnished any amendments or supplements thereto) or any other Disclosure Document, other than the matters described in clause (e) of Section 4.3.

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

- (a) any IAC Liability;
- (b) any failure of IAC, any other member of the IAC Group or any other Person to pay, perform or otherwise promptly discharge any IAC Liabilities in accordance with their terms, whether prior to, on or after the Mandatory Exchange Effective Time;
- (c) any breach by IAC or any other member of the IAC Group of this Agreement or any of the Ancillary Agreements;
- (d) except to the extent it relates to a SpinCo Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the IAC Group by any member of the SpinCo Group that survives following the IAC Reclassification; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to any information contained in the Form S-4, the Proxy Statement/Consent Solicitation Statement/Prospectus (as amended or supplemented if SpinCo or IAC shall have furnished any amendments or supplements thereto) or any other Disclosure Document, to the extent relating solely to the IAC Business, the IAC Assets, or the IAC Liabilities.

4.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The Parties intend that any Liability subject to indemnification, contribution or reimbursement pursuant to this Article IV or Article V will be net of Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Liability. Accordingly, the amount which either Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or contribution hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or any other amounts in respect of such Liability, then within ten (10) calendar days of receipt of such Insurance Proceeds, the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(b) The Parties agree that an insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being understood that no insurer or any other Third Party shall be entitled to a "windfall" (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification and contribution provisions hereof. Each Party shall, and shall cause the members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorneys' fees and expenses) to collect or recover any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article IV. 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 Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

4.5 Procedures for Indemnification of Third-Party Claims.

(a) *Notice of Claims.* If, at or following the Mandatory Exchange Effective Time, an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the IAC Group or the SpinCo Group of any claim or of the commencement by any such Person of any Action (collectively, a “Third-Party Claim”) with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or 4.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as soon as practicable, but in any event within fourteen (14) days (or sooner if the nature of the Third-Party Claim so requires) after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, including the facts and circumstances giving rise to such claim for indemnification, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 4.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually and materially prejudiced by the Indemnitee’s failure to provide notice in accordance with this Section 4.5(a).

(b) *Control of Defense.* An Indemnifying Party may elect to defend (and seek to settle or compromise), at its own expense and with its own counsel, any Third-Party Claim; provided that, prior to the Indemnifying Party assuming and controlling the defense of such Third-Party Claim, it shall first confirm to the Indemnitee in writing that, assuming the facts presented to the Indemnifying Party by the Indemnitee are true, the Indemnifying Party shall indemnify the Indemnitee for any and all such damages to the extent resulting from, or arising out of, such Third-Party-Claim; and provided, further, that notwithstanding anything to the contrary in this Agreement, (x) the defense of any Third-Party Claim as to which (i) any member of the IAC Group or any of their directors, officers or employees (acting in such capacity) is a party and (ii) no member of the SpinCo Group or any of their directors, officers or employees (acting in such capacity) is a party (other than solely as a nominal party), shall in all cases be controlled by IAC and (y) with respect to any Third-Party Claim as to which (i) one or more members of the IAC Group or any of their current or former directors, officers or employees (acting in such capacity) is a party and (ii) one or more members of the SpinCo Group or any of their current or former directors, officers or employees (acting in such capacity) is a party, each of IAC and SpinCo shall have the right to control the defense of the portion of such Third-Party Claim that relates to their respective Group and the directors, officers and employees of such Group (provided, further, that control of the defense of any such Action to the extent relating to any individual that is a director, officer or employee of both a member of the IAC Group and a member of the SpinCo Group shall be controlled by IAC). Notwithstanding the foregoing, if the Indemnifying Party assumes such defense and, in the course of defending such Third-Party Claim, (i) the Indemnifying Party discovers that the facts presented at the time the Indemnifying Party acknowledged its indemnification obligation in respect of such Third-Party Claim were not true in all material respects and (ii) such untruth provides a reasonable basis for asserting that the Indemnifying Party does not have an indemnification obligation in respect of such Third-Party Claim, then (A) the Indemnifying Party shall not be bound by such acknowledgment, (B) the Indemnifying Party shall promptly thereafter provide the Indemnitee written notice of its assertion that it does not have an indemnification obligation in respect of such Third-Party Claim and (C) the Indemnitee shall have the right to assume the defense of such Third-Party Claim. Within thirty (30) days after the receipt of a notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of the Third-Party Claim so requires), the Indemnifying Party shall provide written notice to the Indemnitee indicating whether the Indemnifying Party shall assume responsibility for defending the Third-Party Claim. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of the notice from an Indemnitee as provided in Section 4.5(a), then the Indemnitee that is the subject of such Third-Party Claim shall be entitled to continue to conduct and control the defense of such Third-Party Claim.

(c) *Allocation of Defense Costs.* If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, whether with or without any reservations or exceptions with respect to such defense, 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 Indemnitee for any such fees or expenses incurred by the Indemnifying Party during the course of the defense of such Third-Party Claim by such Indemnifying Party, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim, is not entitled to assume the defense of such claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee as provided in Section 4.5(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and the Indemnifying Party has an indemnification obligation with respect to such Third-Party Claim, then the Indemnifying Party shall be liable for all reasonable, documented fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim.

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

(e) *No Settlement.* Neither Party may settle or compromise any Third-Party Claim for which either Party is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages that are fully payable by the settling or compromising Party, does not involve any admission, finding or determination of wrongdoing or violation of Law by the other Party and provides for a full, unconditional and irrevocable release of the other Party from all Liability in connection with the Third-Party Claim. The Parties hereby agree that if a Party delivers to the other Party a written notice containing a proposal to settle or compromise a Third-Party Claim for which either Party is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within thirty (30) days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

(f) *Tax Matters Agreement Coordination.* The provisions of Section 4.2 through Section 4.10 (other than this Section 4.5(f)) do not apply with respect to Taxes or Tax matters (it being understood and agreed that Taxes and Tax matters, including the control of Tax-related proceedings, shall be governed by the Tax Matters Agreement). In the case of any conflict or inconsistency between this Agreement and the Tax Matters Agreement in relation to any matters addressed by the Tax Matters Agreement, the Tax Matters Agreement shall prevail.

(g) *Mixed Claims.* Where a Third-Party Claim asserts claims for which each Party must indemnify the other Party under the provisions of Section 4.2 and Section 4.3, the Parties shall cooperate in good faith to equitably determine the portion of the costs of defending such Third-Party Claim that will be borne by each Party.

4.6 Additional Matters.

(a) *Timing of Payments.* Indemnification or contribution payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification or contribution under this Article IV shall be paid reasonably promptly (but in any event within forty-five (45) days of the final determination of the amount that the Indemnitee is entitled to indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution provisions contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee, and (ii) the knowledge by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

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

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

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

(e) *Substitution.* In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in Section 4.5 and this Section 4.6.

4.7 Right of Contribution.

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

(b) Allocation of Relative Fault. Solely for purposes of determining relative fault pursuant to this Section 4.7: (i) any fault associated with the business conducted with the Delayed SpinCo Assets or Delayed SpinCo Liabilities (except for the gross negligence or intentional misconduct of a member of the IAC Group) or with the ownership, operation or activities of the SpinCo Business prior to the Mandatory Exchange Effective Time shall be deemed to be the fault of SpinCo and the other members of the SpinCo Group, and no such fault shall be deemed to be the fault of IAC or any other member of the IAC Group; (ii) any fault associated with the business conducted with Delayed IAC Assets or Delayed IAC Liabilities (except for the gross negligence or intentional misconduct of a member of the SpinCo Group) shall be deemed to be the fault of IAC and the other members of the IAC Group, and no such fault shall be deemed to be the fault of SpinCo or any other member of the SpinCo Group; and (iii) any fault associated with the ownership, operation or activities of the IAC Business prior to the Mandatory Exchange Effective Time shall be deemed to be the fault of IAC and the other members of the IAC Group, and no such fault shall be deemed to be the fault of SpinCo or any other member of the SpinCo Group.

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

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

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

ARTICLE V CERTAIN OTHER MATTERS

5.1 Insurance Matters.

(a) IAC and SpinCo agree to cooperate in good faith to provide for an orderly transition of insurance coverage from the date hereof through the Mandatory Exchange Effective Time. In no event shall IAC, any other member of the IAC Group or any IAC Indemnitee have Liability or obligation whatsoever to any member of the SpinCo Group in the event that any insurance policy or insurance policy related contract shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any member of the SpinCo Group for any reason whatsoever or shall not be renewed or extended beyond the current expiration date.

(b) From and after the Mandatory Exchange Effective Time, with respect to any losses, damages and Liability incurred by any member of the SpinCo Group prior to the Mandatory Exchange Effective Time, IAC shall provide SpinCo with access to, and SpinCo may make claims under IAC's Policies in place immediately prior to the Mandatory Exchange Effective Time (and any extended reporting periods for claims made Policies) and IAC's historical Policies, but solely to the extent that such Policies provided coverage for members of the SpinCo Group or the SpinCo Business prior to the Mandatory Exchange Effective Time; provided that such access to, and the right to make claims under, such Policies, shall be subject to the terms, conditions and exclusions of such Policies, including but not limited to any limits on coverage or scope, any deductibles, self-insured retentions and other fees and expenses, and shall be subject to the following additional conditions:

(i) SpinCo shall notify IAC, as promptly as practicable, of any claim made by SpinCo pursuant to this Section 5.1(b) and any delay in notification which results in a loss of coverage will be borne by SpinCo;

(ii) SpinCo and the members of the SpinCo Group shall indemnify, hold harmless and reimburse IAC and the members of the IAC Group for any deductibles, self-insured retention, fees, indemnity payments, settlements, judgments, legal fees, allocated claims expenses and claim handling fees, and other expenses incurred by IAC or any members of the IAC Group to the extent resulting from any access to, or any claims made by SpinCo or any other members of the SpinCo Group under, any insurance provided pursuant to this Section 5.1(b), whether such claims are made by SpinCo, its employees or Third Parties; and

(iii) SpinCo shall exclusively bear (and neither IAC nor any members of the IAC Group shall have any obligation to repay or reimburse SpinCo or any member of the SpinCo Group for) and shall be liable for all excluded, uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by SpinCo or any member of the SpinCo Group under the policies as provided for in this Section 5.1(b). In the event an insurance policy aggregate is exhausted, or believed likely to be exhausted, due to noticed claims, the SpinCo Group, on the one hand, and the IAC Group, on the other hand, shall be responsible for their pro rata portion of the reinstatement premium, if any, based upon the losses of such Group submitted to IAC's insurance carrier(s) (including any submissions prior to the Mandatory Exchange Effective Time). To the extent that the IAC Group or the SpinCo Group is allocated more than its pro rata portion of such premium due to the timing of losses submitted to IAC's insurance carrier(s), the other party shall promptly pay the first party an amount so that each Group has been properly allocated its pro rata portion of the reinstatement premium. Subject to the following sentence, IAC may elect not to reinstate the policy aggregate. In the event that IAC elects not to reinstate the policy aggregate, it shall provide prompt written notice to SpinCo, and SpinCo may direct IAC in writing to, and IAC shall, in such case reinstate the policy aggregate; provided that SpinCo shall be responsible for all reinstatement premiums and other costs associated with such reinstatement.

In the event that any member of the IAC Group incurs any losses, damages or Liability prior to or in respect of the period prior to the Mandatory Exchange Effective Time for which such member of the IAC Group is entitled to coverage under SpinCo's third-party Policies, the same process pursuant to this Section 5.1(b) shall apply, substituting "IAC" for "SpinCo" and "SpinCo" for "IAC", including for purposes of the first sentence of Section 5.1(f).

(c) From and after the Mandatory Exchange Effective Time, with respect to any Liabilities incurred by any member of the SpinCo Group prior to the Mandatory Exchange Effective Time which would have been insured by a captive insurance entity of a member of the IAC Group prior to the Mandatory Exchange Effective Time, IAC will provide SpinCo with access to such captive insurance entity, in accordance with the principles, and subject to the limits, set forth in Schedule 5.1(c).

(d) Except as provided in Section 5.1(b) or (c), from and after the Mandatory Exchange Effective Time, neither SpinCo nor any member of the SpinCo Group shall have any rights to or under any of the Policies of IAC or any other member of the IAC Group. At the Mandatory Exchange Effective Time, SpinCo shall have in effect all insurance programs required to comply with SpinCo's contractual obligations and such other Policies required by Law or as reasonably necessary or appropriate for companies operating a business similar to SpinCo's.

(e) Neither SpinCo nor any member of the SpinCo Group, in connection with making a claim under any insurance policy of IAC or any member of the IAC Group pursuant to this Section 5.1, shall be required to take any action that would be reasonably likely to (i) have a material and adverse impact on the then-current relationship between IAC or any member of the IAC Group, on the one hand, and the applicable insurance company, on the other hand; (ii) result in the applicable insurance company terminating or materially reducing coverage, or materially increasing the amount of any premium owed by IAC or any member of the IAC Group under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere in any material respect with the rights of IAC or any member of the IAC Group under the applicable insurance policy.

(f) All payments and reimbursements by SpinCo pursuant to this Section 5.1 will be made within forty-five (45) days after SpinCo's receipt of an invoice therefor from IAC. IAC shall retain the exclusive right to control its Policies and programs, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its Policies and programs and to amend, modify or waive any rights under any such Policies and programs, notwithstanding whether any such Policies or programs apply to any SpinCo Liabilities and/or claims SpinCo has made or could make in the future, and no member of the SpinCo Group shall erode, exhaust, settle, release, commute, buyback or otherwise resolve disputes with IAC's insurers with respect to any of IAC's Policies and programs, or amend, modify or waive any rights under any such Policies and programs. SpinCo shall cooperate with IAC and share such information as is reasonably necessary in order to permit IAC to manage and conduct its insurance matters as IAC deems appropriate. Neither IAC nor any member of the IAC Group shall have any obligation to secure extended reporting for any claims under any Policies of IAC or any member of the IAC Group for any acts or omissions by any member of the SpinCo Group incurred prior to the Mandatory Exchange Effective Time. For the avoidance of doubt, each Party and any member of its applicable Group has the sole right to settle or otherwise resolve third party claims made against it or any member of its applicable Group covered under an applicable insurance Policy.

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

(h) SpinCo does hereby, for itself and each other member of the SpinCo Group, agree that no member of the IAC Group shall have any Liability whatsoever as a result of the Policies and practices of IAC and the members of the IAC Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, or the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

5.2 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within sixty (60) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus two (2%) percent.

5.3 Inducement. SpinCo acknowledges and agrees that IAC's willingness to cause, effect and consummate the Spin-off, including the IAC Reclassification, has been conditioned upon and induced by SpinCo's covenants and agreements in this Agreement and the Ancillary Agreements, including SpinCo's assumption of the SpinCo Liabilities pursuant to the Spin-off and the provisions of this Agreement and SpinCo's covenants and agreements contained in Article IV.

5.4 Post-Mandatory Exchange Effective Time Conduct. The Parties acknowledge that, after the Mandatory Exchange Effective 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 Mandatory Exchange Effective Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in Article IV) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

5.5 Corporate Names; Trademarks. After the Mandatory Exchange Effective Time, no member of one Group may use any Trademark owned by any member of the other Group, except as permitted under applicable Law or subsequent agreement in writing between the applicable parties. Notwithstanding the foregoing sentence, any member of one Group may utilize existing stationery, business cards, signage, websites, advertising materials, inventory, packaging, product, service and training literature, and other similar materials bearing the Trademarks of the other Group member (“Materials”) following the Mandatory Exchange Effective Time in the conduct of the its business, as currently conducted, until the existing supply of such items is depleted or until one hundred eighty (180) days following the Mandatory Exchange Effective Time, whichever occurs first. Subject to the foregoing sentence, on or prior to the date that is one hundred eighty (180) days following the Mandatory Exchange Effective Time, each Group shall cease using all Materials in its possession pertaining to the other Group; provided that, in the case of Materials that are used solely for internal purposes, each Group shall cease using such internal Materials to the extent reasonably practicable. Notwithstanding the foregoing, nothing in this Section 5.5 shall preclude such Group from making any reference to the Trademarks of the other Group (i) as would be necessary or appropriate to describe the historical relationship of the Parties, including, with respect to IAC, in statements and materials regarding the businesses that have spun-out of IAC, or (ii) in internal historical, tax, employment or similar records or for purposes of disclosures. The foregoing permitted uses are subject to (x) compliance by the applicable Group with the reasonable quality control requirements and guidelines in effect for the Trademarks of the other Group as of the Mandatory Exchange Effective Time and (y) to the extent reasonably practicable, it being reasonably apparent that the Group members are no longer Affiliates of each other. Notwithstanding the foregoing to the contrary, no member of one Group shall be required to take any action to remove any reference to any Trademark of a member of the other Group from (a) Materials bearing the Trademarks of the other Group member that have already been placed on the market as of the Mandatory Exchange Effective Time or (b) Materials already in the rightful possession of customers or other Third Parties prior to the depletion of such Materials or as of the date that is one hundred eighty (180) days following the Mandatory Exchange Effective Time, whichever comes first.

ARTICLE VI
EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information.

(a) Subject to Section 6.9 and any other applicable confidentiality obligations, each of IAC and SpinCo, on behalf of itself and each member of its Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party and the members of such other Party’s Group, at any time before, on or after the Mandatory Exchange Effective Time, as soon as reasonably practicable after written request therefor, any information (or a copy thereof) in the possession or under the control of such Party or its Group which the requesting Party or its Group requests to the extent that (i) such information relates to the SpinCo Business, or any SpinCo Asset or SpinCo Liability, if SpinCo is the requesting Party, or to the IAC Business, or any IAC Asset or IAC Liability, if IAC is the requesting Party; (ii) such information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement; or (iii) such information is required by the requesting Party to comply with any obligation imposed by any Governmental Authority; provided, however, that, in the event that the Party to whom the request has been made determines that any such provision of information could be detrimental to the Party providing the information, violate any Law or agreement, or waive any privilege available under applicable Law, including any attorney-client privilege, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The Party providing information pursuant to this Section 6.1 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, and nothing in this Section 6.1 shall expand the obligations of a Party under Section 6.4.

(b) Without limiting the generality of the foregoing, until the end of the SpinCo fiscal year during which the Reclassification Date occurs (and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for such fiscal year), each Party shall use its commercially reasonable efforts to cooperate with the other Party's information requests to enable (i) the other Party to meet its timetable for dissemination of its earnings releases, financial statements and 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 accountants to timely complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such Party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder and any other applicable Laws.

6.2 Ownership of Information. The provision of any information pursuant to Section 6.1 or Section 6.7 shall not affect the ownership of such information (which shall be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements), or constitute a grant of rights in or to any such information.

6.3 Compensation for Providing Information. The Party requesting information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such information (including any reasonable costs and expenses incurred in any review of information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

6.4 Record Retention. To facilitate the possible exchange of information pursuant to this Article VI and other provisions of this Agreement after the Mandatory Exchange Effective Time, the Parties agree to use their commercially reasonable efforts, which shall be no less rigorous than those used for retention of such Party's own information, to retain all information in their respective possession or control at the Mandatory Exchange Effective Time in accordance with the policies of IAC as in effect at the Mandatory Exchange Effective Time or such other policies as may be adopted by IAC after the Mandatory Exchange Effective Time. Each Party shall preserve and keep all documents subject to a litigation hold as of the date of this Agreement until such party has been notified that such litigation hold is no longer applicable. Notwithstanding anything in Article VI to the contrary, the Tax Matters Agreement will exclusively govern the retention of Tax related records and the exchange of Tax-related information, and the Employee Matters Agreement will govern the retention of employment and benefits related records.

6.5 Limitations of Liability. Neither Party shall have any Liability to the other Party in the event that any information exchanged or provided pursuant to this Agreement is found to be inaccurate in the absence of gross negligence, bad faith or willful misconduct by the Party providing such information. Neither Party shall have any Liability to any other Party if any information is destroyed after commercially reasonable efforts by such Party to comply with the provisions of Section 6.4.

6.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of information set forth in any Ancillary Agreement.

(b) Any party that receives, pursuant to a request for information in accordance with this Article VI, Tangible 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 Tangible Information; and (ii) deliver to the providing Party written confirmation that such Tangible Information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

6.7 Production of Witnesses; Records; Cooperation.

(a) After the Mandatory Exchange Effective Time, except in the case of a Dispute between IAC and SpinCo, or any members of their respective Groups, each Party shall use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its 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, other personnel and agents) 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. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party shall make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its 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, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 6.7, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property of a Third Party in a manner that would hamper or undermine the defense of such infringement or similar claim.

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

6.8 Privileged Matters.

(a) The Parties recognize that there are certain legal and other professional services that have been and will be provided prior to the Mandatory Exchange Effective Time have been and will be rendered for the collective benefit of each of the members of the IAC Group and the SpinCo Group, and that each of the members of the IAC Group and the SpinCo Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided following the Mandatory Exchange Effective Time, which services will be rendered solely for the benefit of the IAC Group or the SpinCo Group, as the case may be. In furtherance of the foregoing, each Party shall authorize the delivery to and/or retention by the other Party of materials existing as of the Mandatory Exchange Effective Time that are necessary for such other Party to perform such services.

(b) The Parties agree as follows:

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

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

(iii) if the Parties do not agree as to whether certain information is Privileged Information, then such information shall be treated as Privileged Information, and the Party that believes that such information is Privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information unless the Parties otherwise agree. The Parties shall use the procedures set forth in Article VII to resolve any disputes as to whether any information relates solely to the IAC Business, solely to the SpinCo Business, or to both the IAC Business and the SpinCo Business.

(c) Subject to the remaining provisions of this Section 6.8, the Parties agree that they shall have a shared privilege or immunity with respect to all privileges and immunities not allocated pursuant to Section 6.8(b), all privileges and immunities relating to the Spin-Off, the Merger Agreement, and the Ancillary Agreements or the transactions contemplated hereby or thereby, all privileges and immunities relating to any Action brought by a Vimeo Holder, and all privileges and immunities relating to any Actions or other matters that involve both Parties (or one or more members of their respective Groups) and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the consent of the other Party.

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

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

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which another Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party shall promptly notify the other Party of the existence of the request (which notice shall be delivered to such other Party no later than five (5) business days following the receipt of any such subpoena, discovery or other request) and shall provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they may have under this Section 6.8 or otherwise, to prevent the production or disclosure of such Privileged Information.

(g) Any furnishing of, or access or transfer of, any information pursuant to this Agreement is made in reliance on the agreement of IAC and SpinCo set forth in this Section 6.8 and in Section 6.9 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups as needed pursuant to this Agreement, is not intended to be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(h) In connection with any matter contemplated by Section 6.7 or this Section 6.8, the Parties agree to, and to cause the applicable members of their Group to, use commercially reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

6.9 Confidentiality.

(a) *Confidentiality.* Subject to Section 6.10, from and after the Mandatory Exchange Effective Time, each of IAC and SpinCo, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to IAC's confidential and proprietary information pursuant to policies in effect as of the Mandatory Exchange Effective Time, all confidential and proprietary information concerning the other Party or any member of the other Party's Group or their respective businesses that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof) or furnished by any such other Party or any member of such Party's Group or their respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such confidential and proprietary information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any member of such Party's Group or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves known by such Party (or any member of such Party's Group) to be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary information, or (iii) independently developed or generated without reference to or use of any proprietary or confidential information of the other Party or any member of such Party's Group; provided, with respect to trade secrets of the other Party or any member of the other Party's Group or their respective businesses, the foregoing obligations and restrictions shall remain in effect for so long as the relevant information remains a trade secret under applicable Law. If any confidential and proprietary information of one Party or any member of its Group is disclosed to the other Party or any member of such other Party's Group in connection with providing services to such first Party or any member of such first Party's Group under this Agreement or any Ancillary Agreement, then such disclosed confidential and proprietary information shall be used only as required to perform such services.

(b) *No Release; Return or Destruction.* Each Party agrees not to release or disclose, or permit to be released or disclosed, any information addressed in Section 6.9(a) to any other Person, except its Representatives who need to know such information in their capacities as such (who shall be advised of their obligations hereunder with respect to such information), and except in compliance with Section 6.10. Without limiting the foregoing, when any such information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, and is no longer subject to any legal hold or other document preservation obligation, each Party will promptly after request of the other Party either return to the other Party all such information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided, that the Parties may retain electronic back-up versions of such information maintained on routine computer system backup tapes, disks or other backup storage devices; provided further, that any such information so retained shall remain subject to the confidentiality provisions of this Agreement or any Ancillary Agreement.

(c) *Third-Party Information; Privacy or Data Protection Laws.* Each Party acknowledges that it and members of its Group may presently have and, following the Mandatory Exchange Effective Time, may gain access to or possession of confidential or proprietary information of, or legally-protected personal information relating to, Third Parties (i) that was received under privacy policies and/or confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such other Party's Group, on the other hand, prior to the Mandatory Exchange Effective Time; or (ii) that, as between the two Parties, was originally collected by the other Party or members of such other Party's Group and that may be subject to and protected by privacy policies, as well as privacy, data protection or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary information of, or legally-protected personal information relating to, Third Parties in accordance with privacy policies and privacy, data protection or other applicable Laws and the terms of any agreements that were either entered into before the Mandatory Exchange Effective Time or affirmative commitments or representations that were made before the Mandatory Exchange Effective Time by, between or among the other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand. With respect to legally-protected personal information received from consumers before the Mandatory Exchange Effective Time, each Party agrees that it will not use data in a manner that is materially inconsistent with promises made at the time the data was collected unless it first obtains affirmative express consent from the relevant consumer. The Parties shall enter into a data protection agreement in respect of personal data of European Union data subjects, in form and substance reasonably acceptable to both Parties.

6.10 Protective Arrangements. In the event that a Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any member of the other Party's Group) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner, and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, or to the extent necessary for such Party to not be so prejudiced, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

ARTICLE VII
DISPUTE RESOLUTION

7.1 Good Faith Officer Negotiation. Subject to Section 7.3, either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or any Ancillary Agreement (including regarding whether any Assets are SpinCo Assets, any Liabilities are SpinCo Liabilities or the validity, interpretation, breach or termination of this Agreement or any Ancillary Agreement) (a "Dispute"), shall provide written notice thereof to the other Party (the "Officer Negotiation Request"). Within fifteen (15) days of the delivery of the Officer Negotiation Request, the Parties shall attempt to resolve the Dispute through good faith negotiation. All such negotiations shall be conducted by executives who hold, at a minimum, the title of Senior Vice President and who have authority to settle the Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

7.2 Arbitration.

(a) In the event that a Dispute has not been resolved within fifteen (15) days of the receipt of an Officer Negotiation Request in accordance with Section 7.1, or within such longer period as the Parties may agree to in writing, then such Dispute shall, upon the written request of a Party (the “Arbitration Request”) be submitted to be finally resolved by binding arbitration in accordance with the then current JAMS administered arbitration rules, except as modified herein. The Parties agree that any such arbitration and any information relating thereto shall be held strictly confidential pursuant to Section 6.9. The arbitration shall be held in (i) New York City, New York, or (ii) such other place as the Parties may mutually agree in writing. Unless otherwise agreed by the Parties in writing, any Dispute to be decided pursuant to this Section 7.2 will be decided before a sole arbitrator who is a former federal or state court judge selected mutually by the Parties or otherwise in accordance with the JAMS administered arbitration rules.

(b) The arbitrator(s) will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys’ fees and costs; provided that the arbitrator(s) will not award any relief not specifically requested by the Parties and, in any event, will not award any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim). Upon selection of the arbitrator(s) following any grant of interim relief by a special arbitrator or court pursuant to Section 7.3, the arbitrator(s) may affirm or disaffirm that relief, and the Parties will seek modification or rescission of the order entered by the court as necessary to accord with the decision of the arbitrator(s). The award of the arbitrator(s) shall be final and binding on the Parties, and may be enforced in any court of competent jurisdiction. The initiation of arbitration pursuant to this Article VII will toll the applicable statute of limitations for the duration of any such proceedings. Notwithstanding applicable state Law, the arbitration and this agreement to arbitrate shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1, et seq.

7.3 Litigation and Unilateral Commencement of Arbitration. Notwithstanding the foregoing provisions of this Article VII, (a) a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 7.1 and Section 7.2 if such action is reasonably necessary to avoid irreparable damage and (b) either Party may initiate arbitration before the expiration of the periods specified in Section 7.1 and Section 7.2 if such Party has submitted an Officer Negotiation Request and/or an Arbitration Request and the other Party has failed to comply with Section 7.1 and/or Section 7.2 in good faith with respect to such negotiation and/or the commencement and engagement in arbitration. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the JAMS arbitration procedure.

7.4 Conduct During Dispute Resolution Process. Unless otherwise agreed in writing, the Parties shall, and shall cause the respective members of their Groups to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VII, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VIII
FURTHER ASSURANCES AND ADDITIONAL COVENANTS

8.1 Further Assurances.

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

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

(c) On or prior to the Mandatory Exchange Effective Time, IAC and SpinCo, in their respective capacities as direct and indirect stockholders of the members of their Groups, shall each ratify any actions which are reasonably necessary or desirable to be taken by IAC, SpinCo or any of the members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) IAC and SpinCo, and each of the members of their respective Groups (other than any member of the ANGI Group), waive (and agree not to assert against any of the others) any claim or demand that any of them may have against any of the others for any Liabilities or other claims relating to or arising out of: (i) the failure of SpinCo or any other member of the SpinCo Group, on the one hand, or of IAC or any other member of the IAC Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Spin-off or the other transactions contemplated by this Agreement, including the transfer by any member of any Group to any member of the other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any Third Party arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability.

ARTICLE IX
TERMINATION

9.1 Termination. This Agreement and all Ancillary Agreements may be terminated and the Spin-off, including the IAC Reclassification, may be amended, modified or abandoned at any time prior to the Mandatory Exchange Effective Time by IAC, in its sole and absolute discretion, without the approval or consent of any other Person, including SpinCo. After the Mandatory Exchange Effective Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties or by operation of law.

9.2 Effect of Termination. In the event of any termination of this Agreement prior to the Mandatory Exchange Effective Time, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party by reason of this Agreement.

ARTICLE X
MISCELLANEOUS

10.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement, the Merger Agreement, the Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein. This Agreement, the Merger Agreement and the Ancillary Agreements together govern the arrangements in connection with the Spin-off and the Merger and would not have been entered into independently.

(c) IAC represents on behalf of itself and each other member of the IAC Group, and SpinCo represents on behalf of itself and each other member of the SpinCo Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each Party acknowledges that it and each other Party is executing certain of the Ancillary Agreements by facsimile, stamp or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement or any Ancillary Agreement (whether executed by manual, stamp or mechanical signature or by any other electronic means designed to preserve the original graphic and pictorial appearance of a document (including DocuSign)) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement or any Ancillary Agreement. Each Party expressly adopts and confirms each such facsimile, stamp, mechanical or other electronic signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

10.2 Governing Law; Jurisdiction. This Agreement and, unless expressly provided therein, each Ancillary Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any party to enter herein and therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware irrespective of the choice of laws principles of the State of Delaware including all matters of validity, construction, effect, enforceability, performance and remedies. All disputes that are not subject to mandatory arbitration pursuant to Section 7.2 (including an action to enforce Article VII) shall be commenced exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal or state court of competent jurisdiction located in the State of Delaware (the "Chosen Courts"), and, each Party (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts and (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party, in each case in respect of such claims.

10.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the Parties and the parties thereto, respectively, and their respective successors and permitted assigns; provided, however, that neither Party nor any such party thereto may assign its rights or delegate its obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other Party hereto or other parties thereto, as applicable. Notwithstanding the foregoing, no such consent shall be required for the assignment of a party's rights and obligations under this Agreement and the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole (*i.e.*, the assignment of a party's rights and obligations under this Agreement and all Ancillary Agreements all at the same time) in connection with a change of control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party.

10.4 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement and each Ancillary Agreement of any IAC Indemnitee or SpinCo Indemnitee in their respective capacities as such and the release under Section 4.1 of any Person provided therein , (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and (b) there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

10.5 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent, applicable and unless otherwise provided therein, under each of the Ancillary Agreements shall be in writing and shall be deemed given if delivered personally (notice deemed given upon receipt) or by electronic mail (notice deemed given upon the earlier of (a) confirmation of receipt or (b) in the event that confirmation of receipt is not delivered, if such electronic mail is sent prior to 5:00 p.m., Eastern Time, on a business day, on such business day, and if such electronic mail is sent on or after 5:00 p.m., Eastern Time, on a business day or sent not on a business day, the next business day) or sent by a nationally recognized overnight courier service, such as Federal Express (notice deemed given upon receipt of proof of delivery), to the Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.5):

If to IAC, to:

IAC/InterActiveCorp
555 West 18th Street
New York, NY 10011
Attention: Kendall Handler, Senior Vice President and General Counsel
Email: kendall.handler@iac.com

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

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Andrew J. Nussbaum
Jenna E. Levine
Email: ajnussbaum@wlrk.com
jelevine@wlrk.com

If to SpinCo (prior to the Mandatory Exchange Effective Time), to:

Vimeo, Inc.
555 West 18th Street
New York, NY 10011
Attention: Kendall Handler, Senior Vice President and General Counsel
Email: kendall.handler@iac.com

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

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Andrew J. Nussbaum
Jenna E. Levine
Email: ajnussbaum@wlrk.com
jelevine@wlrk.com

If to SpinCo (from and after the Mandatory Exchange Effective Time), to:

Vimeo, Inc.
555 West 18th Street
New York, NY 10011
Attention: Michael Cheah, General Counsel and Secretary
Email: michael@vimeo.com

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

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Andrew J. Nussbaum
Jenna E. Levine
Email: ajnussbaum@wlrk.com
jelevine@wlrk.com

A Party may, by notice to the other Party, change the address to which such notices are to be given.

10.6 Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

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

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

10.9 Expenses. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all fees, costs and expenses incurred on or prior to the Mandatory Exchange Effective Time in connection with the preparation, execution, delivery and implementation of this Agreement, including the Spin-off, and any Ancillary Agreement, the Form S-4, the Plan of Reorganization and the consummation of the transactions contemplated hereby and thereby will be borne by the Party or its applicable Subsidiary incurring such fees, costs or expenses. The Parties agree that certain specified costs and expenses shall be allocated between the Parties as set forth on Schedule 10.9.

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

10.11 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and Liability for the breach of any obligations contained herein, shall survive the Spin-off and shall remain in full force and effect.

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

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

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

10.15 Interpretation. In this Agreement and any Ancillary Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement); (c) Article, Section, Schedule, Exhibit and Appendix references are to the Articles, Sections, Schedules, Exhibits and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement and each Ancillary Agreement) shall be deemed to include the exhibits, schedules and annexes (including all Schedules, Exhibits and Appendixes) to such agreement; (e) the word “including” and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean “including, without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) unless otherwise specified in a particular case, the word “days” refers to calendar days; (h) references to “business day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or New York, New York; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; (j) unless expressly stated to the contrary in this Agreement or in any Ancillary Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to May 24, 2021 and (k) the word “extent” and the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such word or phrase shall not merely mean “if.”

10.16 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, neither SpinCo or any member of the SpinCo Group, on the one hand, nor IAC or any member of the IAC Group, on the other hand, shall be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby, other than any such Liability paid or actually payable with respect to a Third-Party Claim.

10.17 Performance. IAC will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the IAC Group. SpinCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the SpinCo Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party’s obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

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

[Remainder of page intentionally left blank]

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

IAC/INTERACTIVECORP

By: /s/ Kendall Handler

Name: Kendall Handler

Title: Senior Vice President, General Counsel and Secretary

VIMEO, INC.

By: /s/ Kendall Handler

Name: Kendall Handler

Title: Vice President

[Signature Page to Separation Agreement]

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
VIMEO, INC.**

Vimeo, Inc. (hereinafter called the “Corporation”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. The name of the Corporation is: Vimeo, Inc. Vimeo, Inc. was originally incorporated under the name Vimeo Holdings, Inc., and the original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on December 15, 2020 and subsequently amended on May 21, 2021 and amended and restated effective as of 12:01a.m., Eastern time, on May 25, 2021.

2. This Amended and Restated Certificate of Incorporation has been duly adopted by the Board of Directors of the Corporation in accordance with Sections 103, 242 and 245 of the General Corporation Law of the State of Delaware, and has been duly approved by the written consent of the sole stockholder of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware, and is to become effective upon filing.

3. The text of the Certificate of Incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

ARTICLE I

The name of the Corporation is Vimeo, Inc.

ARTICLE II

The address of the Corporation’s registered office in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle, State of Delaware 19801. The name of the Corporation’s registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law.

ARTICLE IV

The Corporation shall have the authority to issue one billion six hundred million (1,600,000,000) shares of \$0.01 par value Common Stock, four hundred million (400,000,000) shares of \$0.01 par value Class B Common Stock, and one hundred million (100,000,000) shares of \$0.01 par value Preferred Stock.

A statement of the designations of each class and the powers, preferences and rights, and qualifications, limitations or restrictions thereof is as follows:

A. COMMON STOCK

(1) The holders of the Common Stock shall be entitled to receive, share for share with the holders of shares of Class B Common Stock, such dividends if, as and when declared from time to time by the Board of Directors.

(2) In the event of the voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Common Stock shall be entitled to receive, share for share with the holders of shares of Class B Common Stock and any other class or series of stock entitled to share therewith, all the assets of the Corporation of whatever kind available for distribution to stockholders, after the rights of the holders of the Preferred Stock have been satisfied.

(3) Each holder of Common Stock shall be entitled to vote one vote for each share of Common Stock held as of the applicable date on any matter that is submitted to a vote or to the consent of the holders of the Common Stock. Except as otherwise provided herein or by the General Corporation Law of the State of Delaware, the holders of Common Stock and the holders of Class B Common Stock and any other class or series entitled to vote with the Common Stock and Class B Common Stock as a class shall at all times vote on all matters (including the election of directors) together as one class.

B. CLASS B COMMON STOCK

(1) The holders of the Class B Common Stock shall be entitled to receive, share for share with the holders of shares of Common Stock, such dividends if, as and when declared from time to time by the Board of Directors.

(2) In the event of the voluntary or involuntary liquidation, dissolution, distribution of assets or winding-up of the Corporation, the holders of the Class B Common Stock shall be entitled to receive, share for share with the holders of shares of Common Stock and any other class or series of stock entitled to share therewith, all the assets of the Corporation of whatever kind available for distribution to stockholders, after the rights of the holders of the Preferred Stock have been satisfied.

(3) Each holder of Class B Common Stock shall be entitled to vote ten votes for each share of Class B Common Stock held as of the applicable date on any matter that is submitted to a vote or to the consent of the holders of the Class B Common Stock. Except as otherwise provided herein or by the General Corporation Law of the State of Delaware, the holders of Common Stock and the holders of Class B Common Stock and any other class or series entitled to vote with the Common Stock and Class B Common Stock as a class shall at all times vote on all matters (including the election of directors) together as one class.

C. OTHER MATTERS AFFECTING SHAREHOLDERS OF COMMON STOCK AND CLASS B COMMON STOCK

(1) In no event shall any stock dividends or stock splits or combinations of stock be declared or made on Common Stock or Class B Common Stock unless the shares of Common Stock and Class B Common Stock at the time outstanding are treated equally and identically.

(2) Shares of Class B Common Stock shall be convertible into shares of the Common Stock of the Corporation at the option of the holder thereof at any time on a share for share basis. Such conversion ratio shall in all events be equitably preserved in the event of any recapitalization of the Corporation by means of a stock dividend on, or a stock split or combination of, outstanding Common Stock or Class B Common Stock, or in the event of any merger, consolidation or other reorganization of the Corporation with another corporation.

(3) Upon the conversion of Class B Common Stock into shares of Common Stock, the Corporation shall take all necessary action so that said shares of Class B Common Stock shall be retired and shall not be subject to reissue.

(4) Notwithstanding anything to the contrary in this Certificate of Incorporation, the holders of Common Stock, acting as a single class, shall be entitled to elect twenty-five percent (25%) of the total number of directors, and in the event that twenty-five percent (25%) of the total number of directors shall result in a fraction of a director, then the holders of the Common Stock, acting as a single class, shall be entitled to elect the next higher whole number of directors.

D. PREFERRED STOCK

The Board of Directors is authorized, by resolution, to designate the voting powers, preferences, rights and qualifications, limitations and restrictions of the Preferred Stock and any class or series thereof. Pursuant to subsection 242(b) of the Delaware General Corporation Law, the number of authorized shares of Preferred Stock or any class or series thereof may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the Corporation entitled to vote irrespective of such subsection.

ARTICLE V

The Board of Directors of the Corporation is expressly authorized to make, alter or repeal By-Laws of the Corporation, but the stockholders may make additional By-Laws and may alter or repeal any By-Law whether adopted by them or otherwise.

ARTICLE VI

Elections of directors need not be by written ballot except and to the extent provided in the By-Laws of the Corporation.

ARTICLE VII

The Corporation is to have perpetual existence.

ARTICLE VIII

Each person who is or was or had agreed to become a director or officer of the Corporation, or each such person who is or was serving or had agreed to serve at the request of the Board of Directors or an officer of the Corporation as an employee or agent of the Corporation or as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including the heirs, executors, administrators or estate of such person), shall be indemnified by the Corporation, in accordance with the By-Laws of the Corporation, to the full extent permitted from time to time by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) or any other applicable laws as presently or hereinafter in effect. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person that provide for indemnification greater or different than that provided in this Article VIII. Any amendment or repeal of this Article VIII shall not adversely affect any right or protection existing hereunder immediately prior to such amendment or repeal.

ARTICLE IX

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of 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 General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. Any amendment or repeal of this Article IX shall not adversely affect any right or protection of a director of the Corporation existing immediately prior to such amendment or repeal. The liability of a director shall be further eliminated or limited to the full extent permitted by Delaware law, as it may hereafter be amended.

ARTICLE X

Meetings of stockholders may be held within or without the State of Delaware, as determined by the Board of Directors. The books of the Corporation may be kept (subject to any provision contained in the Delaware General Corporation Law) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

ARTICLE XI

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 the Delaware General Corporation Law, and all rights conferred upon stockholders herein are granted subject to this reservation except that under no circumstances may such amendment be adopted except as prescribed by Article IV, above, and provided further that the rights of the Class B Common Stock may not be amended, altered, changed or repealed without the approval of the holders of the requisite number of said shares of Class B Common Stock.

ARTICLE XII

The number of directors of the Corporation shall be such number as shall be determined from time to time by resolution of the Board of Directors.

ARTICLE XIII

A. COMPETITION AND CORPORATE OPPORTUNITIES

(1) To the extent provided in the following sentence, the Corporation renounces any interest or expectancy of the Corporation or any of its Affiliated Companies in, or in being offered an opportunity to participate in, any Expedia Dual Opportunity about which an Expedia Dual Role Person acquires knowledge. An Expedia Dual Role Person shall have no duty to communicate or offer to the Corporation or any of its Affiliated Companies any Expedia Dual Opportunity that such Expedia Dual Role Person has communicated or offered to Expedia, shall not be prohibited from communicating or offering any Expedia Dual Opportunity to Expedia, and shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation, as the case may be, resulting from (i) the failure to communicate or offer to the Corporation or any of its Affiliated Companies any Expedia Dual Opportunity that such Expedia Dual Role Person has communicated or offered to Expedia or (ii) the communication or offer to Expedia of any Expedia Dual Opportunity, so long as (x) the Expedia Dual Opportunity does not become known to the Expedia Dual Role Person in his or her capacity as a director or officer of the Corporation, and (y) the Expedia Dual Opportunity is not presented by the Expedia Dual Role Person to any party other than Expedia, Match or IAC and the Expedia Dual Role Person does not pursue the Expedia Dual Opportunity individually.

(2) To the extent provided in the following sentence, the Corporation renounces any interest or expectancy of the Corporation or any of its Affiliated Companies in, or in being offered an opportunity to participate in, any Match Dual Opportunity about which a Match Dual Role Person acquires knowledge. A Match Dual Role Person shall have no duty to communicate or offer to the Corporation or any of its Affiliated Companies any Match Dual Opportunity that such Match Dual Role Person has communicated or offered to Match, shall not be prohibited from communicating or offering any Match Dual Opportunity to Match, and shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation, as the case may be, resulting from (i) the failure to communicate or offer to the Corporation or any of its Affiliated Companies any Match Dual Opportunity that such Match Dual Role Person has communicated or offered to Match or (ii) the communication or offer to Match of any Match Dual Opportunity, so long as (x) the Match Dual Opportunity does not become known to the Match Dual Role Person in his or her capacity as a director or officer of the Corporation, and (y) the Match Dual Opportunity is not presented by the Match Dual Role Person to any party other than Match, Expedia or IAC and the Match Dual Role Person does not pursue the Match Dual Opportunity individually.

(3) To the extent provided in the following sentence, the Corporation renounces any interest or expectancy of the Corporation or any of its Affiliated Companies in, or in being offered an opportunity to participate in, any IAC Dual Opportunity about which an IAC Dual Role Person acquires knowledge. An IAC Dual Role Person shall have no duty to communicate or offer to the Corporation or any of its Affiliated Companies any IAC Dual Opportunity that such IAC Dual Role Person has communicated or offered to IAC, shall not be prohibited from communicating or offering any IAC Dual Opportunity to IAC, and shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation, as the case may be, resulting from (i) the failure to communicate or offer to the Corporation or any of its Affiliated Companies any IAC Dual Opportunity that such IAC Dual Role Person has communicated or offered to IAC or (ii) the communication or offer to IAC of any IAC Dual Opportunity, so long as (x) the IAC Dual Opportunity does not become known to the IAC Dual Role Person in his or her capacity as a director or officer of the Corporation, and (y) the IAC Dual Opportunity is not presented by the IAC Dual Role Person to any party other than IAC, Expedia or Match and the IAC Dual Role Person does not pursue the IAC Dual Opportunity individually.

B. CERTAIN MATTERS DEEMED NOT CORPORATE OPPORTUNITIES

In addition to and notwithstanding the foregoing provisions of this Article XIII, the Corporation renounces any interest or expectancy of the Corporation or any of its Affiliated Companies in, or in being offered an opportunity to participate in, any business opportunity that the Corporation is not financially able or contractually permitted or legally able to undertake. Moreover, nothing in this Article XIII shall amend or modify in any respect any written contractual agreement between Expedia, Match or IAC on the one hand and the Corporation or any of its Affiliated Companies on the other hand.

C. CERTAIN DEFINITIONS

For purposes of this Article XIII:

“Affiliate” means with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of the foregoing definition, the term “controls,” “is controlled by,” or “is under common control with” means 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.

“Affiliated Company” means (i) with respect to the Corporation, any Person controlled by the Corporation, (ii) with respect to Expedia, any Person controlled by Expedia, (iii) with respect to Match, any Person controlled by Match, and (iv) with respect to IAC, any Person controlled by IAC.

“Expedia” means Expedia Group, Inc., a Delaware corporation, and its Affiliated Companies.

“Expedia Dual Opportunity” means any potential transaction or matter which may be a corporate opportunity for both Expedia, on the one hand, and the Corporation or any of its Affiliated Companies, on the other hand.

“Expedia Dual Role Person” means any individual who is an officer or director of both the Corporation and Expedia.

“IAC” means IAC/InterActiveCorp, a Delaware corporation, and its Affiliated Companies.

“IAC Dual Opportunity” means any potential transaction or matter which may be a corporate opportunity for both IAC, on the one hand, and the Corporation or any of its Affiliated Companies, on the other hand.

“IAC Dual Role Person” means any individual who is an officer or director of both the Corporation and IAC.

“Match” means Match Group, Inc., a Delaware corporation originally incorporated on July 28, 1986 under the name Silver King Broadcasting Company, Inc., and its Affiliated Companies.

“Match Dual Opportunity” means any potential transaction or matter which may be a corporate opportunity for both Match, on the one hand, and the Corporation or any of its Affiliated Companies, on the other hand.

“Match Dual Role Person” means any individual who is an officer or director of both the Corporation and Match.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

D. TERMINATION

The provisions of this Article XIII shall have no further force or effect (i) with respect to Expedia Dual Role Persons or Expedia Dual Opportunities at such time as (a) the Corporation and Expedia are no longer Affiliates and (b) none of the directors and officers of Expedia serve as directors or officers of the Corporation and its Affiliated Companies, (ii) with respect to Match Dual Role Persons and Match Dual Opportunities at such time as (a) the Corporation and Match are no longer Affiliates and (b) none of the directors and officers of Match serve as directors or officers of the Corporation and its Affiliated Companies and (iii) with respect to IAC Dual Role Persons and IAC Dual Opportunities at such time as (a) the Corporation and IAC are no longer Affiliates and (b) none of the directors and officers of IAC serve as directors or officers of the Corporation and its Affiliated Companies; provided, however, that any such termination shall not terminate the effect of such provisions with respect to any agreement, arrangement or other understanding between the Corporation or an Affiliated Company thereof on the one hand, and Expedia, Match or IAC, on the other hand, as applicable, that was entered into before such time or any transaction entered into in the performance of such agreement, arrangement or other understanding, whether entered into before or after such time.

E. DEEMED NOTICE

Any person or entity purchasing or otherwise acquiring or obtaining any interest in any capital stock of the Corporation shall be deemed to have notice and to have consented to the provisions of this Article XIII.

F. SEVERABILITY

The invalidity or unenforceability of any particular provision, or part of any provision, of this Article XIII shall not affect the other provisions or parts hereof, and this Article XIII shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.

4. This Amended and Restated Certificate of Incorporation shall become effective upon filing.

* * * * *

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be duly executed and acknowledged by its duly authorized officer this 25th day of May, 2021.

VIMEO, INC.

By: /s/ Michael Cheah

Name: Michael A. Cheah

Title: General Counsel and Secretary

[Signature Page to Amendment and Restated Certificate of Incorporation of Vimeo, Inc.]

AMENDED AND RESTATED BY-LAWS OF VIMEO, INC.

ARTICLE I

OFFICES

Section 1. Principal Office. The registered office of Vimeo, Inc. (the “Corporation”) shall be located in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

STOCKHOLDERS

Section 1. Place of Meeting. Meetings of stockholders may be held at such place, either within or without the State of Delaware, as may be designated by the Board of Directors. If no designation is made, the place of the meeting shall be the principal office of the Corporation.

Section 2. Annual Meeting. The annual meeting of the stockholders shall be held at such date and time as may be fixed by resolution of the Board of Directors.

Section 3. Special Meetings. Special meetings of the stockholders may be called by the Chair of the Board (the “Chair”) or a majority of the Board of Directors.

Section 4. Notice. Written notice stating the date, time and place, if any, of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and in case of a special meeting, the purpose or purposes thereof, shall be given to each stockholder entitled to vote thereat not less than ten (10) nor more than sixty (60) days prior thereto, either personally or by mail, facsimile, telegraph or other means of electronic communication, addressed to each stockholder at such stockholder’s address as it appears on the records of the Corporation; provided that notices to stockholders who share an address may be given in the manner permitted by the General Corporation Law of the State of Delaware. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be by facsimile, telegram, or other means of electronic communication, such notice shall be deemed to be given at the time provided in the General Corporation Law of the State of Delaware. Such further notice shall be given as may be required by law. Meetings may be held without notice if all stockholders entitled to vote are present (unless any such stockholders are present for the purpose of objecting to the meeting as lawfully called or convened), or if notice is waived by those not present. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be canceled, by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders.

Section 5. Adjourned Meetings. The chair of the meeting or a majority of the voting power of the shares so represented may adjourn the meeting from time to time, whether or not there is a quorum. When a meeting is adjourned to another time or place, except as required by law, notice of the adjourned meeting need not be given if the time, place, if any, thereof and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, are announced at the meeting at which the adjournment is taken, if the adjournment is for not more than thirty (30) days, and if no new record date is fixed for the adjourned meeting. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting.

Section 6. Quorum. Except as otherwise required by law, the holders of shares representing a majority of the voting power of the Corporation entitled to vote, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business; provided, however, that where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series shall constitute a quorum with respect to such vote. If a quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. If at such adjourned meeting, a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified.

Section 7. Voting. Except as otherwise provided in the Certificate of Incorporation, each stockholder shall at every meeting of the stockholders be entitled to vote in person or by proxy each share of the class of capital stock having voting power held by such stockholder.

Section 8. Procedure for Election of Directors; Required Vote. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot, and, subject to the rights of the holders of shares of Preferred Stock to elect directors under specified circumstances, a plurality of the votes cast thereat shall elect directors. Except as otherwise provided by law, the Certificate of Incorporation, or these By-Laws, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

Section 9. Inspectors of Elections; Opening and Closing the Polls.

The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the chair of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging the duties of an inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of the inspector's ability. The inspectors shall have the duties prescribed by law.

The chair of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

The Chair (or their designee) shall preside as chair at all meetings of the stockholders. If the Chair is not present and does not designate a presiding officer, the chair of the meeting shall be the Chief Executive Officer or a person designated by the Chief Executive Officer.

Section 10. Action Without Meeting. Any action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all of the shares entitled to vote thereon were present and voted, provided that prompt notice of such action shall be given to those stockholders who have not so consented in writing to such action without a meeting and who would have been entitled to notice of such meeting.

ARTICLE III

DIRECTORS

Section 1. Number and Tenure. The business and affairs of the Corporation shall be managed by the Board of Directors, the number thereof to be determined from time to time by resolution of the Board of Directors. Each director shall serve for a term of one year from the date of such director's election and until their successor is elected. Directors need not be stockholders.

Section 2. Resignation or Removal. Any director may at any time resign by delivering to the Board of Directors their resignation in writing. Any director or the entire Board of Directors may at any time be removed effective immediately, with or without cause, by the vote, either in person or represented by proxy, of a majority of the voting power of shares of stock issued and outstanding of the class or classes that elected such director and entitled to vote at a special meeting held for such purpose or by the written consent of a majority of the voting power of shares of stock issued and outstanding of the class or classes that elected such director.

Section 3. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the vote of a majority of the remaining directors elected by the stockholders who vote on such directorship, though less than a quorum, or a majority of the voting power of shares of such stock issued and outstanding and entitled to vote on such directorship at a special meeting held for such purpose or by the written consent of a majority of the voting power of shares of such stock issued and outstanding. The directors so chosen shall hold office until the next annual election and until their respective successors are duly elected.

Section 4. Chair of the Board of Directors. Except as otherwise provided in the Certificate of Incorporation, the Chair shall be elected by the Board of Directors from their own number. The Chair shall perform such duties and possess such powers as are customarily vested in the office of the chair of the Board of Directors of a corporation or as may be vested in him or her by the Board of Directors from time to time. During the time of any vacancy in the office of CEO or in the event of the absence or disability of the CEO, the Chair shall have the duties and powers of the CEO unless otherwise determined by the Board of Directors or otherwise specified herein. In no event shall any third party having dealings with the Corporation be bound to inquire as to any facts required by the terms of this Section 4 for the exercise by the Chair of the powers of the CEO. In addition, the Board of Directors may designate by resolution one or more Vice Chairmen of the Board with such duties as may from time to time be requested by the Board of Directors. The Chair shall preside as chair at all meetings of the Board of Directors and shall establish agendas for such meetings. In the absence of the Chair, a director selected by a majority of the directors present shall preside as chairman at such meeting of the Board of Directors.

Section 5. Regular Meetings. Regular meetings of the Board of Directors shall be held at such dates, times and places as may be designated by the Chair or as determined from time to time by resolution of the Board, and shall be held at least once each year.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chair or a majority of the directors. The person or persons calling a special meeting of the Board of Directors may fix a place and time within or without the State of Delaware for holding such meeting.

Section 7. Notice. Notice of any regular meeting or a special meeting shall be given to each director, either orally, by facsimile or other means of electronic communication or by hand delivery, addressed to each director at their address as it appears on the records of the Corporation. If notice be by facsimile or other means of electronic communication, such notice shall be deemed to be adequately delivered when the notice is transmitted at least twenty-four (24) hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least twenty-four (24) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Article IX of these By-Laws.

Section 8. Quorum. At all meetings of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business and, unless otherwise provided in the Certificate of Incorporation or these By- Laws, the affirmative vote of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors. If a quorum is not present at any meeting of the Board of Directors, the directors present may adjourn the meeting from time to time, without notice, until a quorum shall be present. A director present at a meeting shall be counted in determining the presence of a quorum, regardless of whether a contract or transaction between the Corporation and any other corporation, partnership, association, or other organization in which such director is a director or officer or has a financial interest, is authorized or considered at such meeting.

Section 9. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic communication and such written consent or consents and copies of such communication or communications are filed with the minutes of proceedings of the Board of Directors or committee.

Section 10. Action by Conference Telephone. Members of the Board of Directors or any committee thereof may participate in a meeting of such Board of Directors or committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 11. Committees. The Board of Directors may from time to time designate committees of the Board of Directors, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board of Directors and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of any committee and any alternate member in their place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Section 12. Compensation of Directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees may be allowed like compensation for attending committee meetings.

ARTICLE IV

OFFICERS

Section 1. Number and Salaries. The officers of the Corporation shall consist of a Chief Executive Officer (the “CEO”), a Secretary, a Treasurer, and such other officers and agents as may be deemed necessary by the Board of Directors. Any two (2) or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected by the Board of Directors at the first meeting of the Board of Directors following the stockholders’ annual meeting, and shall serve for a term of one (1) year and until a successor is elected by the Board of Directors. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, any officer appointed by the Board of Directors may be removed, with or without cause, at any time by the CEO or the Board of Directors. Each officer shall hold office until their successor is appointed or until their earlier resignation, removal from office, or death. All officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. The Board of Directors or any committee thereof may from time to time elect, or the CEO may appoint, such other officers (including a President, a Chief Financial Officer and one or more Vice Presidents) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these By-Laws or as may be prescribed by the Board of Directors or such committee or by the CEO, as the case may be.

Section 3. The Chief Executive Officer. The Board of Directors may elect a CEO. The CEO shall be responsible for the general management of the affairs of the Corporation and shall perform all duties incidental to their office. The CEO shall be empowered to sign all certificates, contracts and other instruments of the Corporation, and to do all acts that are authorized by the Board of Directors, and shall, in general, have such other duties and responsibilities as are assigned consistent with the authority of a Chief Executive Officer of a corporation. The CEO may be removed, with or without cause, by the Board of Directors.

Section 4. The President. The Board of Directors or the CEO may elect a President to have such duties and responsibilities as from time to time may be assigned to him by the Chair, the CEO or the Board of Directors. The President shall be empowered to sign all certificates, contracts and other instruments of the Corporation, and to do all acts which are authorized by the CEO or the Board of Directors, and shall, in general, have such other duties and responsibilities as are assigned consistent with the authority of a President of a corporation.

Section 5. Chief Financial Officer. The Chief Financial Officer (if any) shall act in an executive financial capacity. The Chief Financial Officer shall assist the Chair, the CEO and the President in the general supervision of the Corporation's financial policies and affairs. The Chief Financial Officer shall be empowered to sign all certificates, contracts and other instruments of the Corporation, and to do all acts which are authorized by the CEO or the Board of Directors, and shall, in general, have such other duties and responsibilities as are assigned consistent with the authority of a Chief Financial Officer of a corporation.

Section 6. Vice Presidents. The Board of Directors or the CEO may from time to time name one or more Vice Presidents that may include the designation of Executive Vice Presidents and Senior Vice Presidents all of whom shall perform such duties as from time to time may be assigned to him or her by the CEO or the Board of Directors.

Section 7. The Secretary. The Secretary shall keep the minutes of the proceedings of the meetings of the stockholders and of the Board of Directors (or, in the event of the absence of the Secretary from any such meeting, the chair of such meeting shall designate an officer of the Corporation to keep such minutes); the Secretary shall give, or cause to be given, all notices in accordance with the provisions of these By-Laws or as required by law, shall be custodian of the corporate records and of the seal of the Corporation, and, in general, shall perform such other duties as may from time to time be assigned by the CEO or the Board of Directors.

Section 8. Treasurer. The Treasurer shall have the custody of the corporate funds and securities, shall keep, or cause to be kept, correct and complete books and records of account, including full and accurate accounts of receipts and disbursements in books belonging to the Corporation, shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors, and in general shall perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the CEO or the Board of Directors.

ARTICLE V

CERTIFICATES OF STOCK

Section 1. Signature By Officers. Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the Chair, the CEO or President, if any (or any Vice President), and by the Treasurer or the Secretary of the Corporation, certifying the number of shares owned by the stockholder in the Corporation. Shares of stock of the Corporation may be certificated or uncertificated, as provided under the General Corporation Law of the State of Delaware.

Section 2. Facsimile Signatures. The signature of the Chair, the CEO, President, Vice President, Treasurer or Secretary may be a facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the Corporation.

Section 3. Lost Certificates. The Board of Directors may direct that new certificate(s) be issued by the Corporation to replace any certificate(s) alleged to have been lost or destroyed, upon its receipt of an affidavit of that fact by the person claiming the certificate(s) of stock to be lost or destroyed. When authorizing such issue of new certificate(s), the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate(s), or such owner's legal representative, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate(s) alleged to have been lost or destroyed.

Section 4. Transfer of Stock. Upon surrender to the Corporation or its transfer agent of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 5. Closing of Transfer Books or Fixing of Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and, in the case of a meeting of stockholders, which record date shall not be more than sixty (60) nor less than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described; provided, however, that if no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at 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, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to consent to corporate action without a meeting (including by telegram, cablegram or other electronic communication as permitted by law), the Board of Directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall be not more than ten (10) days after the date upon which the resolution fixing the record date is adopted. If no record date has been fixed by the Board of Directors and no prior action by the Board of Directors is required by the General Corporation Law of the State of Delaware, the record date shall be the first date on which a consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by Article I, Section 10 hereof. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by the General Corporation Law of the State of Delaware with respect to the proposed action by consent of the stockholders without a meeting, the record date for determining stockholders entitled to consent to corporate action without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 6. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner. Except as otherwise provided by law, the Corporation shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person whether or not it shall have express or other notice thereof.

ARTICLE VI

CONTRACTS, CHECKS, AND DEPOSITS

Section 1. Contracts. When the execution of any contract or other instrument has been authorized by the Board of Directors without specification of the executing officers, the Chair, the CEO, the President, any Vice President, the Treasurer and the Secretary, may execute the same in the name of and on behalf of the Corporation and may affix the corporate seal thereto.

Section 2. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Accounts. Bank accounts of the Corporation shall be opened, and deposits made thereto, by such officers or other persons as the Board of Directors may from time to time designate.

ARTICLE VII

DIVIDENDS

Section 1. Declaration of Dividends. Subject to the provisions, if any, of the Certificate of Incorporation, dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or contractual rights, or in shares of the Corporation's capital stock.

Section 2. Reserves. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, thinks proper as a reserve or reserves to meet contingencies or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Corporation shall be established by the Board of Directors.

ARTICLE IX

WAIVER OF NOTICE

Whenever any notice whatever is required to be given by law, the Certificate of Incorporation or these By-Laws, a written waiver thereof, signed by the person or persons entitled to such notice, or a waiver by electronic communications by such person or persons whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be conducted at, nor the purpose of such meeting, need be specified in such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE X

SEAL

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

ARTICLE XI

AMENDMENTS

Except as expressly provided otherwise by the General Corporation Law of the State of Delaware, the Certificate of Incorporation, or other provisions of these By-Laws, these By-Laws may be altered, amended or repealed and new By-Laws adopted at any regular or special meeting of the Board of Directors by an affirmative vote of a majority of all directors.

ARTICLE XII

INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. (A) Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or a person of whom he is the legal representative is or was, at any time during which this By-Law is in effect (whether or not such person continues to serve in such capacity at the time any indemnification or payment of expenses pursuant hereto is sought or at the time any proceeding relating thereto exists or is brought), a director or officer of the Corporation, or is or was at any such time serving at the request of the Corporation as a director, officer or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation (each such person, an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer or trustee and shall inure to the benefit of their heirs, executors and administrators; provided, however, that except as provided in paragraph (C) of this By-Law, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this By-Law shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition, such advances to be paid by the Corporation within twenty (20) days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director or officer in their capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter, the "undertaking") by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal (a "final disposition") that such director or officer is not entitled to be indemnified for such expenses under this By-Law or otherwise. The rights conferred upon indemnitees in this By-Law shall be contract rights that vest at the time of such person's service to or at the request of the Corporation and such rights shall continue as to an indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

(B) To obtain indemnification under this By-Law, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this paragraph (B), a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is made by the claimant for a determination by Independent Counsel, (i) by the Board of Directors by a majority vote of the Disinterested Directors (as hereinafter defined), even though less than a quorum, or (ii) by a committee of Disinterested Directors designated by majority vote of the Disinterested Directors, even though less than a quorum, or (iii) if there are no Disinterested Directors or the Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the claimant, or (iv) if a quorum of Disinterested Directors so directs, by the stockholders of the Corporation. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within ten (10) days after such determination.

(C) If a claim under paragraph (A) of this By-Law is not paid in full by the Corporation within thirty (30) days after a written claim pursuant to paragraph (B) of this By-Law has been received by the Corporation (except in the case of a claim for advancement of expenses, for which the applicable period is twenty (20) days), the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standard of conduct which makes it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including the Disinterested Directors, Independent Counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including the Disinterested Directors, Independent Counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(D) If a determination shall have been made pursuant to paragraph (B) of this By-Law that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to paragraph (C) of this By-Law.

(E) The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to paragraph (C) of this By-Law that the procedures and presumptions of this By-Law are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this By-Law.

(F) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this By-Law (i) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Laws, agreement, vote of stockholders or Disinterested Directors or otherwise and (ii) cannot be terminated by the Corporation, the Board of Directors or the stockholders of the Corporation with respect to a person's service prior to the date of such termination. Any amendment, modification, alteration or repeal of this By-Law that in any way diminishes, limits, restricts, adversely affects or eliminates any right of an indemnitee or their successors to indemnification, advancement of expenses or otherwise shall be prospective only and shall not in any way diminish, limit, restrict, adversely affect or eliminate any such right with respect to any actual or alleged state of facts, occurrence, action or omission then or previously existing, or any action, suit or proceeding previously or thereafter brought or threatened based in whole or in part upon any such actual or alleged state of facts, occurrence, action or omission.

(G) The Corporation may, to the extent authorized from time to time by the Board of Directors, the Chair or the CEO, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any current or former employee or agent of the Corporation to the fullest extent of the provisions of this By-Law with respect to the indemnification and advancement of expenses of current or former directors and officers of the Corporation.

(H) If any provision or provisions of this By-Law shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this By-Law (including, without limitation, each portion of any paragraph of this By-Law containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this By-Law (including, without limitation, each such portion of any paragraph of this By-Law containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(I) For purposes of this By-Law:

(1) “Disinterested Director” means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(2) “Independent Counsel” means a law firm, a member of a law firm, or an independent practitioner, selected by the Disinterested Directors, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant’s rights under this By-Law.

(J) Any notice, request or other communication required or permitted to be given to the Corporation under this By- Law shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

Section 2. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any current or former director, officer, employee or agent of the Corporation and any current or former director, officer, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including any person who serves or served in any such capacity with respect to any employee benefit plan maintained or sponsored by the Corporation, against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

ARTICLE XIII

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, officer, other employee or agent or stockholder of the Corporation to the Corporation or 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, officer, other employee or agent or stockholder of the Corporation arising pursuant to any provision of the Delaware General Corporation Law or the Certificate of Incorporation or these By-Laws (as either may be amended from time to time), (iv) any action asserting a claim related to or involving the Corporation or any current or former director, officer, other employee or agent or stockholder 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, shall be the Delaware Court of Chancery located within the State of Delaware (or, if the Delaware Court of Chancery in the State of Delaware lacks jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Delaware).

Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, against any person in connection with any offering of the Corporation's securities, including, without limitation and for the avoidance of doubt, any auditor, underwriter, expert, control person, or other defendant.

Any person or entity purchasing or otherwise acquiring or obtaining any interest in any security of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article XIII.



May 26, 2021

Vimeo, Inc.
555 West 18th Street
New York, NY 10011

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

This opinion is furnished in connection with the filing with the Securities and Exchange Commission (the "SEC") of a Registration Statement on Form S-1 (the "Registration Statement") by Vimeo, Inc. (the "Company") under the Securities Act of 1933, as amended (the "Securities Act"), relating to the registration of 1,263,132 shares (the "Shares") of the Company's common stock, par value \$0.01 per share ("Common Stock"), that may be acquired upon the exercise of options ("Company Options") or stock appreciation rights ("Company SARs") to acquire shares of Common Stock held by (1) former employees of IAC/InterActiveCorp ("IAC") and its subsidiaries (excluding the Company and its subsidiaries), (2) current employees of IAC's subsidiaries, (3) former employees of the Company and its subsidiaries and (4) current and former employees of Match Group, Inc., who, in each case, are not employees of the Company or a subsidiary of the Company, and any such individual's donees, pledgees, permitted transferees, assignees, successors and others who come to hold any such equity award. The Company Options are outstanding under the Vimeo, Inc. 2021 Stock and Annual Incentive Plan and were converted from options to purchase shares of common stock of IAC ("IAC Options") in connection with the separation of the Company from IAC. The IAC Options were granted under the IAC/InterActiveCorp 2018 Stock and Annual Incentive Plan, the IAC/InterActiveCorp 2013 Stock and Annual Incentive Plan, the IAC/InterActiveCorp 2008 Stock and Annual Incentive Plan and the IAC/InterActiveCorp 2005 Stock and Annual Incentive Plan. The Company SARs are outstanding under the Vimeo, Inc. 2021 Stock and Annual Incentive Plan and were converted from stock appreciation rights covering shares of common stock of Vimeo.com, Inc. in connection with the separation of the Company from IAC. The Company SARs were granted under the Vimeo, LLC 2012 Incentive Plan, the Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2017 Incentive Plan and the Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2019 Incentive Plan (including the Israel Appendix). The Vimeo, Inc. 2021 Stock and Annual Incentive Plan, IAC/InterActiveCorp 2018 Stock and Annual Incentive Plan, IAC/InterActiveCorp 2013 Stock and Annual Incentive Plan, IAC/InterActiveCorp 2008 Stock and Annual Incentive Plan, the IAC/InterActiveCorp 2005 Stock and Annual Incentive Plan, Vimeo, LLC 2012 Incentive Plan, Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2017 Incentive Plan and the Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2019 Incentive Plan (including the Israel Appendix) together are the "Plans".

I have acted as counsel to the Company in connection with certain matters relating to the Plans and the registration of the Shares. I have reviewed such corporate proceedings relating thereto and have examined such records, certificates and other documents and considered such questions of law as I have deemed necessary in giving this opinion, including:

- (i) the Company's Amended and Restated certificate of incorporation, as of May 25, 2021 (the "Certificate of Incorporation");
- (ii) the Company's Amended and Restated by-laws, as of May 25, 2021 (the "By-laws");
- (iii) copies of the Plans; and
- (iv) the Registration Statement.

In examining the foregoing documents, I have assumed all signatures are genuine, that all documents purporting to be originals are authentic, that all copies of documents conform to the originals, that the representations and statements included therein are accurate and that there will be no changes in applicable law between the date of this opinion and the dates on which the Shares are issued or delivered pursuant to the Registration Statement.

I have relied as to certain matters on information obtained from public officials, officers of the Company and other sources I believe to be responsible.

Based on the foregoing, it is my opinion that when the Registration Statement has been declared effective by the SEC and the Shares have been issued, delivered and paid for in the manner contemplated by and upon the terms and conditions set forth in the Registration Statement and in accordance with the provisions of the Plans, the Shares will be validly issued, fully paid and non-assessable.



The Company is a Delaware corporation, and while I am not engaged in the practice of law in the State of Delaware, I am generally familiar with the Delaware General Corporation Law as presently in effect and have made such inquiries as I considered necessary to render this opinion. I am a member of the Bar of the State of New York and express no opinion as to the laws of any jurisdiction other than the federal laws of the United States, the laws of the State of New York and the Delaware General Corporation Law.

I hereby consent to the filing of this opinion as Exhibit 5.1 to the aforementioned Registration Statement and to the reference to my name under the heading "Legal Matters" in the Registration Statement and any amendments thereto. In giving such consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ Michael A. Cheah

Michael A. Cheah
General Counsel & Secretary

TAX MATTERS AGREEMENT

BY AND BETWEEN

IAC/INTERACTIVECORP

and

VIMEO, INC.

DATED AS OF MAY 24, 2021

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TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT, dated as of May 24, 2021 (this "Agreement"), is by and between IAC/InterActiveCorp, a Delaware corporation ("IAC") and Vimeo, Inc., a Delaware corporation formerly named "Vimeo Holdings, Inc." and a direct wholly owned subsidiary of IAC ("SpinCo") (together, the "Companies" and each a "Company").

RECITALS

WHEREAS, IAC and SpinCo have entered into a Separation Agreement, dated as of May 24, 2021 (the "Separation Agreement"), providing for the separation of the SpinCo Group from the IAC Group;

WHEREAS, pursuant to the terms of the Separation Agreement, among other things, IAC has taken, has caused to be taken, will take or will cause to be taken, the following actions: (i) contribute to SpinCo the shares of Vimeo.com, Inc., a Delaware corporation formerly named "Vimeo, Inc." and a subsidiary of IAC ("Vimeo"), capital stock owned by IAC Group, LLC, a Delaware limited liability company and a wholly owned Subsidiary of IAC, in actual or constructive exchange for the issuance by SpinCo to IAC of SpinCo Common Stock and SpinCo Class B Common Stock (the "IAC Group Transfer") and (ii) effect the Distribution;

WHEREAS, for Federal Income Tax purposes, it is intended that the Distribution (together with the IAC Group Transfer) shall qualify as a transaction that is generally tax free pursuant to Sections 355(a), 361 and 368(a)(1)(D) of the Code;

WHEREAS, as of the date hereof, IAC is the common parent of an affiliated group (as defined in Section 1504 of the Code) of corporations, including SpinCo, which has elected to file consolidated Federal Income Tax Returns (the "IAC Affiliated Group");

WHEREAS, IAC and Vimeo entered into a Tax Sharing Agreement, dated as of May 2, 2016 (such agreement, as it exists immediately prior to its termination pursuant to Section 11 hereof, the "Existing Tax Sharing Agreement"), setting forth their agreement with respect to certain Tax matters;

WHEREAS, as a result of the Distribution, SpinCo and its subsidiaries will cease to be members of the IAC Affiliated Group (the "Deconsolidation");

WHEREAS, the Parties desire to provide for and agree upon the allocation between the Parties of liabilities for Taxes arising prior to, as a result of, and subsequent to the Distribution, and to provide for and agree upon other matters relating to Taxes;

NOW THEREFORE, in consideration of the mutual agreements contained herein, the Parties hereby agree as follows:

Section 1. Definition of Terms. For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings, and capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Separation Agreement:

“Adjustment Request” shall mean any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for the adjustment, refund or credit of Taxes, including (a) any amended Tax Return claiming adjustment to the Taxes as reported on the Tax Return or, if applicable, as previously adjusted, (b) any claim for equitable recoupment or other offset, and (c) any claim for refund or credit of Taxes previously paid.

“Affiliate” shall mean any entity that is directly or indirectly “controlled” by either the Person in question or an Affiliate of such Person. “Control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise. The term Affiliate shall refer to Affiliates of a Person as determined immediately after the Distribution.

“Agreement” shall have the meaning provided in the Preamble.

“Capital Stock” shall mean all classes or series of capital stock, including (a) common stock, (b) all options, warrants and other rights to acquire such capital stock and (c) all instruments properly treated as stock for Federal Income Tax purposes.

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

“Companies” and “Company” shall have the meaning provided in the Preamble.

“Compensatory Equity Interests” shall have the meaning set forth in Section 6.02(a).

“Deconsolidation” shall have the meaning provided in the Recitals.

“Deconsolidation Date” shall mean the date on which the Mandatory Exchange Effective Time occurs.

“DGCL” shall mean the Delaware General Corporation Law.

“Distribution” shall mean (i) the issuance of IAC Series 1 Mandatorily Exchangeable Preferred Stock and IAC Series 2 Mandatorily Exchangeable Preferred Stock and (ii) the redemption of IAC Series 1 Mandatorily Exchangeable Preferred Stock in exchange for SpinCo Common Stock and the redemption of IAC Series 2 Mandatorily Exchangeable Preferred Stock in exchange for SpinCo Class B Common Stock, in the case of each of clauses (i) and (ii), pursuant to the IAC Reclassification, taken together.

“Federal Income Tax” shall mean any Tax imposed by Subtitle A of the Code, and any interest, penalties, additions to Tax or additional amounts in respect of the foregoing.

“Federal Other Tax” shall mean any Tax imposed by the federal government of the United States other than any Federal Income Taxes, and any interest, penalties, additions to Tax or additional amounts in respect of the foregoing.

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

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

“Foreign Income Tax” shall mean any Tax imposed by any foreign country or any possession of the United States, or by any political subdivision of any foreign country or United States possession, which is an income tax as defined in Treasury Regulations Section 1.901-2, and any interest, penalties, additions to tax or additional amounts in respect of the foregoing.

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

“Foreign Tax” shall mean any Foreign Income Taxes or Foreign Other Taxes.

“Former IAC Employee” shall have the meaning set forth in the Employee Matters Agreement.

“Former SpinCo Employee” shall have the meaning set forth in the Employee Matters Agreement.

“Group” shall mean the IAC Group, the SpinCo Group or both, as the context requires.

“IAC” shall have the meaning provided in the Preamble, and references herein to IAC shall include any entity treated as a successor to IAC.

“IAC Adjustment” shall mean any proposed adjustment by a Tax Authority or claim for refund asserted in a Tax Contest to the extent IAC would be exclusively liable for any resulting Tax under this Agreement or exclusively entitled to receive any resulting Tax Benefit under this Agreement.

“IAC Affiliated Group” shall have the meaning set forth in the Recitals.

“IAC Employee” shall have the meaning set forth in the Employee Matters Agreement.

“IAC Filing Date” shall have the meaning set forth in Section 7.05(d)(i).

“IAC Federal Consolidated Income Tax Return” shall mean any United States Federal Income Tax Return for the IAC Affiliated Group.

“IAC Foreign Combined Income Tax Return” shall mean a consolidated, combined or unitary or other similar Foreign Income Tax Return or any Foreign Income Tax Return with respect to any profit and/or loss sharing group, group payment or similar group or fiscal unity that actually includes, by election or otherwise, one or more members of the IAC Group together with one or more members of the SpinCo Group.

“IAC Group” shall mean IAC and each Person that is a Subsidiary of IAC immediately prior to the IAC Reclassification Effective Time, excluding any entity that is a member of the SpinCo Group.

“IAC Group Transfer” shall have the meaning set forth in the Recitals.

“IAC Separate Return” shall mean any Separate Return of IAC or any member of the IAC Group.

“IAC State Combined Income Tax Return” shall mean a consolidated, combined or unitary Tax Return with respect to State Income Taxes that actually includes, by election or otherwise, one or more members of the IAC Group and one or more members of the SpinCo Group.

“Income Tax” shall mean any Federal Income Tax, State Income Tax or Foreign Income Tax.

“IRS” shall mean the U.S. Internal Revenue Service.

“Joint Adjustment” shall mean any proposed adjustment by a Tax Authority or claim for refund asserted in a Tax Contest that is not a SpinCo Adjustment or an IAC Adjustment.

“Joint Return” shall mean any Return of a member of the IAC Group or the SpinCo Group that is not a Separate Return.

“Notified Action” shall have the meaning set forth in Section 7.04(a).

“Other Tax” shall mean any Federal Other Tax, State Other Tax or Foreign Other Tax.

“Parties” shall mean the parties to this Agreement.

“Past Practices” shall have the meaning set forth in Section 4.04(a).

“Payment Date” shall mean (a) with respect to any IAC Federal Consolidated Income Tax Return, the due date for any required installment of estimated Taxes determined under Section 6655 of the Code, the due date (determined without regard to extensions) for filing the Tax Return determined under Section 6072 of the Code, and the date the Tax Return is filed, and (b) with respect to any other Tax Return, the corresponding dates determined under applicable Tax Law; in each case, taking into account any automatic or validly elected extensions, deferrals or postponements of the due date for payment of any such estimated Taxes or any Tax shown on such Tax Return, as applicable.

“Payor” shall have the meaning set forth in Section 5.02(a).

“Person” shall mean any individual, partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization or a Governmental Authority or any department, agency or political subdivision thereof, without regard to whether any entity is treated as disregarded for Federal Income Tax purposes.

“Post-Deconsolidation Period” shall mean any Tax Period beginning after the Deconsolidation Date, and, in the case of any Straddle Period, the portion of such Straddle Period beginning the day after the Deconsolidation Date.

“Pre-Deconsolidation Period” shall mean any Tax Period ending on or prior to the Deconsolidation Date, and, in the case of any Straddle Period, the portion of such Straddle Period ending on the Deconsolidation Date.

“Privilege” shall mean any privilege that may be asserted under applicable law, including, any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes.

“Proposed Acquisition Transaction” shall mean, with respect to SpinCo, a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulations Section 1.355-7, or any other Treasury Regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by the management or shareholders of SpinCo, is a hostile acquisition, or otherwise, as a result of which SpinCo would merge or consolidate with any other Person or as a result of which any Person or Persons would (directly or indirectly) acquire, or have the right to acquire, from SpinCo and/or one or more holders of outstanding shares of Capital Stock of SpinCo, a number of shares of Capital Stock of SpinCo that would, when combined with any other changes in ownership of Capital Stock of SpinCo pertinent for purposes of Section 355(e) of the Code, comprise 45% or more of (a) the value of all outstanding shares of Capital Stock of SpinCo as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (b) the total combined voting power of all outstanding shares of voting stock of SpinCo as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (i) the adoption by SpinCo of a shareholder rights plan or (ii) issuances by SpinCo that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person’s performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulations Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition and the application thereof is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or Treasury Regulations promulgated under Section 355(e) of the Code shall be incorporated into this definition and its interpretation.

“Representation Letter” shall mean the representation letter and any other materials delivered by, or on behalf of, IAC, SpinCo or others to a Tax Advisor in connection with the issuance by such Tax Advisor of a Tax Opinion.

“Required Party” shall have the meaning set forth in Section 5.02(a).

“Responsible Company.” shall mean, with respect to any Tax Return, the Company having responsibility for filing such Tax Return.

“Restriction Period” shall mean the period beginning on the date hereof and ending on the two-year anniversary of the Distribution.

“Retention Date” shall have the meaning set forth in Section 9.01.

“Section 336(e) Election” shall have the meaning set forth in Section 7.06.

“Section 7.02(d) Acquisition Transaction” shall mean 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 30% instead of 45%.

“Separate Return” shall mean (a) in the case of any Tax Return of any member of the SpinCo Group (including any consolidated, combined or unitary return), any such Tax Return that does not include any member of the IAC Group and (b) in the case of any Tax Return of any member of the IAC Group (including any consolidated, combined or unitary return), any such Tax Return that does not include any member of the SpinCo Group.

“Separation Agreement” shall have the meaning set forth in the Recitals.

“SpinCo” shall have the meaning provided in the Preamble, and references herein to SpinCo shall include any entity treated as a successor to SpinCo.

“SpinCo Active Trade or Business” shall mean the active conduct (as defined in Section 355(b)(2) of the Code and the Treasury Regulations thereunder) by SpinCo and its “separate affiliated group” (as defined in Section 355(b)(3)(B) of the Code) of the trade or business(es) relied upon to satisfy Section 355(b) of the Code with respect to the Distribution (as described in the Representation Letter), as conducted immediately prior to the Distribution.

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

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

“SpinCo CFO Certificate” shall have the meaning set forth in Section 7.02(d).

“SpinCo Employee” shall have the meaning set forth in the Employee Matters Agreement.

“SpinCo Federal Consolidated Income Tax Return” shall mean any United States federal Income Tax Return for the affiliated group (as defined in Section 1504 of the Code) of which SpinCo is the common parent.

“SpinCo Group” shall mean SpinCo and each Person that is a Subsidiary of SpinCo (including Vimeo), as determined immediately after the Mandatory Exchange Effective Time.

“SpinCo Separate Return” shall mean any Separate Return of SpinCo or any member of the SpinCo Group.

“State Income Tax” shall mean any Tax imposed by any State of the United States (or by any political subdivision of any such State) or the District of Columbia, or any city or municipality located therein, which is imposed on or measured by net income, including state and local franchise or similar Taxes measured by net income, and any interest, penalties, additions to tax or additional amounts in respect of the foregoing.

“State Other Tax” shall mean any Tax imposed by any State of the United States (or by any political subdivision of any such State) or the District of Columbia, or any city or municipality located therein, other than any State Income Taxes, and any interest, penalties, additions to tax or additional amounts in respect of the foregoing.

“Straddle Period” shall mean any Tax Period that begins on or before and ends after the Deconsolidation Date.

“Tax” or “Taxes” shall mean any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation, unemployment, disability, property, *ad valorem*, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other tax (including any fee, assessment or other charge in the nature of or in lieu of any tax) imposed by any Governmental Authority or political subdivision thereof, and any interest, penalties, additions to tax or additional amounts in respect of the foregoing.

“Tax Advisor” shall mean any Tax counsel or accountant of recognized national standing in the United States.

“Tax Advisor Dispute” shall have the meaning set forth in Section 14.

“Tax Attribute” shall mean a net operating loss, net capital loss, unused investment credit, unused foreign tax credit, excess charitable contribution, general business credit or any other Tax Item that could reduce a Tax.

“Tax Authority” shall mean, with respect to any Tax, the Governmental Authority or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision.

“Tax Benefit” shall mean any reduction in liability for Tax as a result of any loss, deduction, refund, credit or other item reducing Taxes otherwise payable.

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

“Tax-Free Status” shall mean, with respect to the Distribution (taken together with the IAC Group Transfer), the qualification thereof (a) as a transaction described in Section 368(a)(1)(D) and Section 355(a) of the Code, (b) as a transaction in which the stock distributed thereby is “qualified property” for purposes of Sections 355(c)(2) and 361(c)(2) of the Code and (c) as a transaction in which IAC, SpinCo and the members of their respective Groups (as relevant) recognize no income or gain for Federal Income Tax purposes pursuant to Sections 355, 361 and 1032 of the Code, other than intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code.

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

“Tax Law” shall mean the law of any Governmental Authority or political subdivision thereof relating to any Tax.

“Tax Opinion” shall mean each opinion of a Tax Advisor delivered or issued to IAC in connection with, and regarding the Federal Income Tax treatment of the Distribution (taken together with the IAC Group Transfer).

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

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

“Tax-Related Losses” shall mean (a) all federal, state, local and foreign Taxes imposed pursuant to any settlement, Final Determination, judgment or otherwise; (b) all accounting, legal and other professional fees and court costs incurred in connection with such Taxes; and (c) all costs, expenses and damages associated with stockholder litigation or controversies and any amount paid by IAC (or any IAC Affiliate) or SpinCo (or any SpinCo Affiliate) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Governmental Authority, in each case, resulting from the failure of the Distribution (taken together with the IAC Group Transfer) to have Tax-Free Status.

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

“Transaction-Related Tax Contest” shall mean any Tax Contest in which the IRS, another Tax Authority or any other Person asserts a position that could reasonably be expected to adversely affect the Tax-Free Status of the Distribution (taken together with the IAC Group Transfer).

“Transactions” shall mean the IAC Group Transfer, the Distribution and the other transactions contemplated by the Separation Agreement (excluding the Vimeo Merger).

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

“Unqualified Tax Opinion” shall mean an unqualified opinion of a Tax Advisor on which IAC may rely to the effect that a transaction will not (a) affect the Tax-Free Status of the Distribution (taken together with the IAC Group Transfer) or (b) adversely affect any of the conclusions set forth in any Tax Opinion regarding the Tax-Free Status of the Distribution (taken together with the IAC Group Transfer); *provided*, that any tax opinion obtained in connection with a proposed acquisition of Capital Stock of SpinCo entered into during the Restriction Period shall not qualify as an Unqualified Tax Opinion unless such Tax opinion concludes that such proposed acquisition will not be treated as “part of a plan (or series of related transactions),” within the meaning of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, that includes the Distribution. Any such opinion must assume that the Distribution (taken together with the IAC Group Transfer) would have qualified for Tax-Free Status if the transaction in question did not occur.

“Vimeo” shall have the meaning provided in the Recitals, and references herein to Vimeo shall include any entity treated as a successor to Vimeo.

“Vimeo Federal Consolidated Income Tax Sharing Payments” shall have the meaning set forth in Section 2.02(a).

“Vimeo Foreign Combined Income Tax Sharing Payments” shall have the meaning set forth in Section 2.04(a).

“Vimeo State Combined Income Tax Sharing Payments” shall have the meaning set forth in Section 2.03(a).

“Vimeo Merger” shall mean the merger of Stream Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of SpinCo, with and into Vimeo, with Vimeo as the surviving corporation.

Section 2. Allocation of Tax Liabilities.

Section 2.01 *General Rule.*

(a) *IAC Liability.* IAC shall be liable for, and shall indemnify and hold harmless the SpinCo Group from and against any liability for, Taxes that are allocated to IAC under this Section 2.

(b) *SpinCo Liability.* SpinCo shall be liable for, and shall indemnify and hold harmless the IAC Group from and against any liability for, Taxes that are allocated to SpinCo under this Section 2.

Section 2.02 *Allocation of United States Federal Income Tax and Federal Other Tax.* Except as otherwise provided in Section 2.05, Federal Income Tax and Federal Other Tax shall be allocated as follows:

(a) *Allocation of Tax Relating to IAC Federal Consolidated Income Tax Returns.* With respect to any IAC Federal Consolidated Income Tax Return (i) for any Pre-Deconsolidation Period, (A) IAC shall be responsible for any and all Federal Income Taxes due or required to be reported on any such Tax Return (including any increase in such Tax as a result of a Final Determination) reduced by any amounts in respect of such Federal Income Taxes for which Vimeo is or would be responsible with respect to such period pursuant to the Existing Tax Sharing Agreement (without giving effect to the termination thereof pursuant to Section 11 hereof) (“Vimeo Federal Consolidated Income Tax Sharing Payments”), and (B) SpinCo shall be responsible for any and all Vimeo Federal Consolidated Income Tax Sharing Payments (including any increase thereof as a result of a Final Determination); and (ii) for any Post-Deconsolidation Period, IAC shall be responsible for any and all Federal Income Taxes due or required to be reported on any such Tax Return (including any increase in such Tax as a result of a Final Determination).

(b) *Allocation of Tax Relating to Federal Separate Income Tax Returns.* (i) IAC shall be responsible for any and all Federal Income Taxes due with respect to or required to be reported on any IAC Separate Return and (ii) SpinCo shall be responsible for any and all Federal Income Taxes due with respect to or required to be reported on any SpinCo Separate Return (in each case, including any increase in such Tax as a result of a Final Determination).

(c) *Allocation of Federal Other Tax.* IAC shall be responsible for any and all Federal Other Taxes attributable to the IAC Business (including any increase in such Tax as a result of a Final Determination). SpinCo shall be responsible for any and all Federal Other Taxes attributable to the SpinCo Business (including any increase in such Tax as a result of a Final Determination).

Section 2.03 *Allocation of State Income and State Other Taxes.* Except as otherwise provided in Section 2.05, State Income Tax and State Other Tax shall be allocated as follows:

(a) *Allocation of Tax Relating to IAC State Combined Income Tax Returns.* With respect to any IAC State Combined Income Tax Return (i) for any Pre-Deconsolidation Period, (A) IAC shall be responsible for any and all State Income Taxes due with respect to or required to be reported on any such Tax Return (including any increase in such Tax as a result of a Final Determination) reduced by any amounts in respect of such State Income Taxes for which Vimeo is or would be responsible with respect to such period pursuant to the Existing Tax Sharing Agreement (without giving effect to the termination thereof pursuant to Section 11 hereof) (“Vimeo State Combined Income Tax Sharing Payments”), and (B) SpinCo shall be responsible for any and all Vimeo State Combined Income Tax Sharing Payments (including any increase thereof as a result of a Final Determination); and (ii) for any Post-Deconsolidation Period, IAC shall be responsible for any and all State Income Taxes due or required to be reported on any such Tax Return (including any increase in such Tax as a result of a Final Determination).

(b) *Allocation of Tax Relating to State Separate Income Tax Returns.* (i) IAC shall be responsible for any and all State Income Taxes due with respect to or required to be reported on any IAC Separate Return and (ii) SpinCo shall be responsible for any and all State Income Taxes due with respect to or required to be reported on any SpinCo Separate Return (in each case, including any increase in such Tax as a result of a Final Determination).

(c) *Allocation of State Other Tax.* IAC shall be responsible for any and all State Other Taxes attributable to the IAC Business (including any increase in such Tax as a result of a Final Determination). SpinCo shall be responsible for any and all State Other Taxes attributable to the SpinCo Business (including any increase in such Tax as a result of a Final Determination).

Section 2.04 *Allocation of Foreign Taxes.* Except as otherwise provided in Section 2.05, Foreign Income Tax and Foreign Other Tax shall be allocated as follows:

(a) *Allocation of Tax Relating to IAC Foreign Combined Income Tax Returns.* With respect to any IAC Foreign Combined Income Tax Return (i) for any Pre-Deconsolidation Period, (A) IAC shall be responsible for any and all Foreign Income Taxes due with respect to or required to be reported on such Tax Return (including any increase in such Tax as a result of a Final Determination) reduced by any amounts in respect of such Foreign Income Taxes for which Vimeo is or would be responsible with respect to such period pursuant to the Existing Tax Sharing Agreement (without giving effect to the termination thereof pursuant to Section 11 hereof) (“Vimeo Foreign Combined Income Tax Sharing Payments”), and (B) SpinCo shall be responsible for any and all Vimeo Foreign Combined Income Tax Sharing Payments (including any increase thereof as a result of a Final Determination); and (ii) for any Post-Deconsolidation Period, IAC shall be responsible for any and all Foreign Income Taxes due or required to be reported on any such Tax Return (including any increase in such Tax as a result of a Final Determination).

(b) *Allocation of Tax Relating to Foreign Separate Income Tax Returns.* (i) IAC shall be responsible for any and all Foreign Income Taxes due with respect to or required to be reported on any IAC Separate Return and (ii) SpinCo shall be responsible for any and all Foreign Income Taxes due with respect to or required to be reported on any SpinCo Separate Return (in each case, including any increase in such Tax as a result of a Final Determination).

(c) *Allocation of Foreign Other Tax.* IAC shall be responsible for any and all Foreign Other Taxes attributable to the IAC Business (including any increase in such Tax as a result of a Final Determination). SpinCo shall be responsible for any and all Foreign Other Taxes attributable to the SpinCo Business (including any increase in such Tax as a result of a Final Determination).

Section 2.05 *Certain Transaction and Other Taxes.*

(a) *SpinCo Liability.* SpinCo shall be liable for, and shall indemnify and hold harmless the IAC Group from and against any liability for:

(i) any stamp, sales and use, gross receipts or other transfer Taxes imposed by any Tax Authority on any member of the SpinCo Group (if such member is primarily liable for such Tax) on the transfers occurring pursuant to the Transactions;

(ii) any value-added or goods and services Tax imposed by any Tax Authority on any transfer occurring pursuant to the Transactions to the extent any member of the SpinCo Group is the transferee with respect to the relevant transfer;

(iii) any Tax (other than Tax-Related Losses) resulting from a breach by SpinCo of any covenant made by SpinCo (or any other member of the SpinCo Group) in this Agreement, the Separation Agreement or any Ancillary Agreement; and

(iv) any Tax-Related Losses for which SpinCo is responsible pursuant to Section 7.05.

The amounts for which SpinCo is liable pursuant to Sections 2.05(a)(i), (ii), and (iii) shall include all accounting, legal and other professional fees and court costs incurred in connection with the relevant Taxes.

(b) *IAC Liability.* IAC shall be liable for, and shall indemnify and hold harmless SpinCo Group from and against any liability for:

(i) Any stamp, sales and use, gross receipts or other transfer Taxes imposed by any Tax Authority on any member of the IAC Group (if such member is primarily liable for such Tax) on the transfers occurring pursuant to the Transactions;

(ii) any value-added or goods and services Tax imposed by any Tax Authority on any transfer occurring pursuant to the Transactions to the extent any member of the IAC Group is the transferee with respect to the relevant transfer;

(iii) any Tax (other than Tax-Related Losses) resulting from a breach by IAC of any covenant made by IAC (or any other member of the IAC Group) in this Agreement, the Separation Agreement or any Ancillary Agreement; and

(iv) any Tax-Related Losses for which IAC is responsible pursuant to Section 7.05.

The amounts for which IAC is liable pursuant to Sections 2.05(b)(i), (ii), and (iii) shall include all accounting, legal and other professional fees and court costs incurred in connection with the relevant Taxes.

Section 2.06 Attribution of Taxes. For purposes of Section 2.02(c), Section 2.03(c), and Section 2.04(c), a Tax and any Tax Items shall be considered attributable to the IAC Business on the one hand and the SpinCo Business on the other (but not both) to the extent that such Tax and/or Tax Item would result if such Tax Return were prepared on a separate basis taking into account only the operations and assets of the IAC Business on the one hand and only the operations and assets of the SpinCo Business on the other hand (but not both), as applicable. IAC shall determine in good faith and otherwise in accordance with this Agreement which Tax Items are properly attributable to assets or activities of the SpinCo Business (and in the case of a Tax Item that is properly attributable to both the IAC Business and the SpinCo Business, the allocation of such Tax Item between the IAC Business and the SpinCo Business).

Section 3. Proration of Taxes for Straddle Periods.

(a) *General Method of Proration.* In the case of any Straddle Period, Tax Items shall be apportioned between Pre-Deconsolidation Periods and Post-Deconsolidation Periods in accordance with the principles of Treasury Regulations Section 1.1502-76(b) as reasonably interpreted and applied by IAC. With respect to the IAC Federal Consolidated Income Tax Return for the Tax Period that includes the Distribution, IAC may determine in its sole discretion whether to make a ratable allocation election under Treasury Regulations Section 1.1502-76(b)(2)(ii) with respect to SpinCo. SpinCo shall, and shall cause each member of the SpinCo Group to, take all actions necessary to give effect to such election.

(b) *Transactions Treated as Extraordinary Item.* In determining the apportionment of Tax Items between Pre-Deconsolidation Periods and Post-Deconsolidation Periods, any Tax Items relating to the Transactions shall be treated as extraordinary items described in Treasury Regulations Section 1.1502-76(b)(2)(ii)(C) and shall (to the extent arising on or prior to the Deconsolidation Date) be allocated to the Pre-Deconsolidation Period, and any Taxes related to such items shall be treated under Treasury Regulations Section 1.1502-76(b)(2)(iv) as relating to such extraordinary item and shall (to the extent arising on or prior to the Deconsolidation Date) be allocated to the Pre-Deconsolidation Period.

Section 4. Preparation and Filing of Tax Returns.

Section 4.01 General. Except as otherwise provided in this Section 4, Tax Returns shall be prepared and filed when due (taking into account extensions) by the Person obligated to file such Tax Returns under the Code or applicable Tax Law. The Companies shall, and shall cause their respective Affiliates to, provide assistance and cooperation to one another in accordance with Section 8 with respect to the preparation and filing of Tax Returns (including by providing information required to be provided pursuant to Section 8).

Section 4.02 *IAC's Responsibility.* IAC has the exclusive obligation and right to prepare and file, or to cause to be prepared and filed:

(a) IAC Federal Consolidated Income Tax Returns for any Tax Periods ending before, on or after the Deconsolidation Date;

(b) IAC State Combined Income Tax Returns, IAC Foreign Combined Income Tax Returns and any other Joint Returns that IAC reasonably determines are required to be filed (or that IAC chooses to be filed) by the Companies or any of their Affiliates for Tax Periods ending before, on or after the Deconsolidation Date; and

(c) IAC Separate Returns and SpinCo Separate Returns that IAC reasonably determines are required to be filed by the Companies or any of their Affiliates for Tax Periods ending before, on or after the Deconsolidation Date (limited, in the case of SpinCo Separate Returns, to such Tax Returns as are required to be filed on or before the Deconsolidation Date).

Section 4.03 *SpinCo's Responsibility.* SpinCo shall prepare and file, or shall cause to be prepared and filed, all Tax Returns required to be filed by or with respect to members of the SpinCo Group other than those Tax Returns that IAC is required or entitled to prepare and file under Section 4.02. The Tax Returns required to be prepared and filed by SpinCo under this Section 4.03 shall include (a) any SpinCo Federal Consolidated Income Tax Return for Tax Periods ending after the Deconsolidation Date and (b) SpinCo Separate Returns required to be filed after the Deconsolidation Date.

Section 4.04 *Tax Accounting Practices.*

(a) *General Rule.* Except as otherwise provided in Section 4.04(b), with respect to any Tax Return that SpinCo has the obligation and right to prepare and file, or cause to be prepared and filed, under Section 4.03, for any Pre-Deconsolidation Period or any Straddle Period (or any Tax Period beginning after the Deconsolidation Date to the extent items reported on such Tax Return could reasonably be expected to affect items reported on any Tax Return that IAC has the obligation or right to prepare and file for any Pre-Deconsolidation Period or any Straddle Period), such Tax Return shall be prepared in accordance with past practices, accounting methods, elections or conventions ("Past Practices") used with respect to the Tax Returns in question (unless there is no reasonable basis for the use of such Past Practices), and to the extent any items are not covered by Past Practices (or in the event that there is no reasonable basis for the use of such Past Practices), in accordance with reasonable Tax accounting practices selected by SpinCo. Except as otherwise provided in Section 4.04(b), IAC shall prepare any Tax Return that it has the obligation and right to prepare and file, or cause to be prepared and filed, under Section 4.02, in accordance with reasonable Tax accounting practices selected by IAC.

(b) *Reporting of Transactions.* Except to the extent otherwise required (x) by a change in applicable law or (y) as a result of a Final Determination, (i) neither IAC nor SpinCo shall (and neither shall permit or cause any member of its respective Group to) take any position that is inconsistent with the treatment of the Distribution (together with the IAC Group Transfer) as having Tax-Free Status (or analogous status under state or local law), and (ii) SpinCo shall not (and shall not permit or cause any member of the SpinCo Group to) take any position with respect to any material item of income, deduction, gain, loss, or credit on a Tax Return, or otherwise treat such item in a manner that is inconsistent with the manner such item is reported on a Tax Return required to be prepared or filed by IAC pursuant to Section 4.02 (including, without limitation, the claiming of a deduction previously claimed on any such Tax Return).

Section 4.05 *Consolidated or Combined Tax Returns.* SpinCo will elect and join, and will cause its Affiliates to elect and join, in filing any IAC State Combined Income Tax Returns and any Joint Returns that IAC determines are required to be filed or that IAC chooses to file pursuant to Section 4.02(b). With respect to any Tax Returns relating to any Tax Period (or portion thereof) ending on or prior to the Deconsolidation Date, which Tax Return would otherwise be a SpinCo Separate Return, SpinCo will elect and join, and will cause its respective Affiliates to elect and join, in filing consolidated, unitary, combined or other similar joint Tax Returns, to the extent each entity is eligible to join in such Tax Returns, upon IAC's request.

Section 4.06 *Right to Review Tax Returns.*

(a) *General.* The Company that has responsibility for preparing and filing any material Tax Return under this Agreement shall make such Tax Return (or the relevant portions thereof) and related workpapers available for review by the other Company, if requested, to the extent the requesting party (i) is or would reasonably be expected to be liable for Taxes reflected on such Tax Return, (ii) is or would reasonably be expected to be liable for any additional Taxes owing as a result of adjustments to the amount of such Taxes reported on such Tax Return, (iii) has or would reasonably be expected to have a claim for Tax Benefits under this Agreement in respect of items reflected on such Tax Return, or (iv) reasonably requires such documents to confirm compliance with the terms of this Agreement; *provided, however*, that notwithstanding anything in this Agreement to the contrary, IAC shall not be required to make any IAC Federal Consolidated Income Tax Return available for review by SpinCo. The Company that has responsibility for preparing or filing such Tax Return under this Agreement shall use reasonable efforts to make such Tax Return (or the relevant portions thereof) and related workpapers available for review as required under this paragraph sufficiently in advance of the due date for filing such Tax Return to provide the requesting Party with a meaningful opportunity to review and comment on such Tax Return and shall consider such comments in good faith. The Companies shall attempt in good faith to resolve any material disagreement arising out of the review of such Tax Return and, failing such resolution, any material disagreement shall be resolved in accordance with the provisions of Section 14 as promptly as practicable.

(b) *Execution of Returns Prepared by Other Party.* In the case of any Tax Return that is required to be prepared by one Company under this Agreement and that is required by law to be signed by another Company (or by its authorized representative), the Company that is legally required to sign such Tax Return shall not be required to sign such Tax Return under this Agreement unless there is at least a "reasonable basis" (or comparable standard under state, local or foreign law) for the Tax treatment of each material item reported on the Tax Return.

Section 4.07 *SpinCo Carrybacks and Claims for Refund.* SpinCo hereby agrees that, unless IAC consents in writing, (i) no Adjustment Request with respect to any Joint Return (or any Tax Return of Other Taxes reflecting Taxes for which both IAC and SpinCo are responsible under Section 2) shall be filed, and (ii) any available elections to waive the right to claim in any Pre-Deconsolidation Period with respect to any Joint Return (or any Tax Return of Other Taxes reflecting Taxes for which both IAC and SpinCo are responsible under Section 2) any SpinCo Carryback arising in a Post-Deconsolidation Period shall be made, and no affirmative election shall be made to claim any such SpinCo Carryback; *provided, however*, that the Parties agree that any such Adjustment Request shall be made with respect to any SpinCo Carryback related to Federal or State Income Taxes, upon the reasonable request of SpinCo, if (x) such SpinCo Carryback is necessary to prevent the loss of the Federal and/or State Income Tax Benefit of such SpinCo Carryback (including, but not limited to, an Adjustment Request with respect to a SpinCo Carryback of a federal or state capital loss arising in a Post-Deconsolidation Period to a Pre-Deconsolidation Period) and (y) such Adjustment Request, based on IAC's sole determination, will cause no Tax detriment to IAC, the IAC Group or any member of the IAC Group. Any Adjustment Request to which IAC consents under this Section 4.07 shall be prepared and filed by the Responsible Company with respect to the Tax Return to be adjusted.

Section 4.08 *Apportionment of Earnings and Profits and Tax Attributes.*

(a) If the IAC Affiliated Group has a Tax Attribute, the portion, if any, of such Tax Attribute apportioned to SpinCo or any member of the SpinCo Group and treated as a carryover to the first Post-Deconsolidation Period of SpinCo (or such member) shall be determined by IAC in accordance with Treasury Regulations Sections 1.1502-21, 1.1502-21T, 1.1502-22, 1.1502-79 and, if applicable, 1.1502-79A.

(b) No Tax Attribute with respect to consolidated Federal Income Tax of the IAC Affiliated Group, other than those described in Section 4.08(a), and no Tax Attribute with respect to any consolidated, combined or unitary State or Foreign Income Tax, in each case, arising in respect of a Joint Return shall be apportioned to SpinCo or any member of the SpinCo Group, except as IAC (or such member of the IAC Group as IAC shall designate) determines is otherwise required under applicable law.

(c) IAC shall use commercially reasonable efforts to determine or cause its designee to determine the portion, if any, of any Tax Attribute that must (absent a Final Determination to the contrary) be apportioned to SpinCo or any member of the SpinCo Group in accordance with this Section 4.08 and applicable law and the amount of Tax basis and earnings and profits to be apportioned to SpinCo or any member of the SpinCo Group in accordance with this Section 4.08 and applicable law, and shall provide written notice of the calculation thereof to SpinCo as soon as reasonably practicable after IAC or its designee prepares such calculation. For the absence of doubt, IAC shall not be liable to SpinCo or any member of the SpinCo Group for any failure of any determination under this Section 4.08 to be accurate or sustained under applicable law, including as the result of any Final Determination.

(d) Any written notice delivered by IAC pursuant to Section 4.08(c) shall be binding on SpinCo and each member of the SpinCo Group and shall not be subject to dispute resolution. Except to the extent otherwise required by a change in applicable law or pursuant to a Final Determination, SpinCo shall not take any position (whether on a Tax Return or otherwise) that is inconsistent with the information contained in any such written notice.

Section 5. Tax Payments.

Section 5.01 *Payment of Taxes with Respect to Tax Returns.* Subject to Section 5.02, (i) the Responsible Company with respect to any Tax Return shall pay any Tax required to be paid to the applicable Tax Authority on or before the relevant Payment Date, and (ii) in the case of any adjustment pursuant to a Final Determination with respect to any Tax Return, the Responsible Company shall pay to the applicable Tax Authority when due (taking into account any automatic or validly elected extensions, deferrals or postponements) any additional Tax due with respect to such Tax Return required to be paid as a result of such adjustment pursuant to a Final Determination.

Section 5.02 *Indemnification Payments.*

(a) If any Company (the “Payor”) is required pursuant to Section 5.01 (or otherwise under applicable Tax Law) to pay to a Tax Authority a Tax for which another Company (the “Required Party”) is liable, in whole or in part, under this Agreement (including for the avoidance of doubt, any administrative or judicial deposit required to be paid by the Payor to a Tax Authority or other Governmental Authority to pursue any Tax Contest, to the extent the Required Party would be liable under this Agreement for any Tax resulting from such Tax Contest), the Required Party shall reimburse the Payor within 15 days of delivery by the Payor to the Required Party of an invoice for the amount due from the Required Party, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. If the amount to be paid by the Required Party pursuant to this Section 5.02 is in excess of \$1 million, then, the Required Party shall pay the Payor no later than the later of (i) seven business days after delivery by the Payor to the Required Party of an invoice for the amount due, accompanied by a statement detailing the Taxes required to be paid and describing in reasonable detail the particulars relating thereto, and (ii) three business days prior to the due date for the payment of such Tax (taking into account any automatic or validly elected extensions, deferrals or postponements).

(b) All indemnification payments under this Agreement shall be made by IAC directly to SpinCo and by SpinCo directly to IAC; *provided, however*, that if the Companies mutually agree with respect to any such indemnification payment, (i) any member of the IAC Group may make such indemnification payment to any member of the SpinCo Group and (ii) any member of the SpinCo Group may make such indemnification payment to any member of the IAC Group.

Section 6. Tax Benefits.

Section 6.01 *Tax Benefits.*

(a) Except as set forth below, (i) IAC shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Income Taxes and Other Taxes for which IAC is liable hereunder, (ii) SpinCo shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Income Taxes and Other Taxes for which SpinCo is liable hereunder, and (iii) a Company receiving a refund to which another Company is entitled hereunder in whole or in part shall pay over such refund (or portion thereof), net of cost (including Taxes) resulting therefrom, to such other Company within 30 days after such refund is received; it being understood that, with respect to any refund (or interest thereon received from the applicable Tax Authority) of Taxes for which both Companies are liable under Section 7.05(c)(i), each Company shall be entitled to the portion of such refund (or interest thereon) that reflects its proportionate liability for such Taxes.

(b) If (i) a member of the SpinCo Group actually realizes in cash any Tax Benefit as a result of an adjustment pursuant to a Final Determination or reporting required by clause (x) or clause (y) of Section 4.04(b), in each case, that increases Taxes for which a member of the IAC Group is liable hereunder (or reduces any Tax Attribute of a member of the IAC Group) and such Tax Benefit would not have arisen but for such adjustment or reporting (determined on a “with and without” basis) or (ii) a member of the IAC Group actually realizes in cash any Tax Benefit as a result of an adjustment pursuant to a Final Determination or reporting required by clause (x) or clause (y) of Section 4.04(b) that increases Taxes for which a member of the SpinCo Group is liable hereunder (or reduces any Tax Attribute of a member of the SpinCo Group) and such Tax Benefit would not have arisen but for such adjustment or reporting (determined on a “with and without” basis), then, SpinCo or IAC, as the case may be, shall make a payment to IAC or SpinCo, as appropriate, within 30 days following such actual realization of the Tax Benefit, in an amount equal to such Tax Benefit actually realized in cash (including any Tax Benefit actually realized as a result of the payment); *provided, however*, that no Company (or any Affiliates of any Company) shall be obligated to make a payment otherwise required pursuant to this Section 6.01(b) to the extent making such payment would place such Company (or any of its Affiliates) in a less favorable net after-Tax position than such Company (or such Affiliate) would have been in if the relevant Tax Benefit had not been realized. If a Company or one of its Affiliates pays over any amount pursuant to the preceding sentence and such Tax Benefit is subsequently disallowed or adjusted, the Parties shall promptly make appropriate payments (including in respect of any interest paid or imposed by any Tax Authority) to reflect such disallowance or adjustment.

(c) No later than 30 days after a Tax Benefit described in Section 6.01(b) is actually realized in cash by a member of the IAC Group or a member of the SpinCo Group, IAC (if a member of the IAC Group actually realizes such Tax Benefit) or SpinCo (if a member of the SpinCo Group actually realizes such Tax Benefit) shall provide the other Company with a written calculation of the amount payable to such other Company by IAC or SpinCo pursuant to this Section 6. In the event that IAC or SpinCo disagrees with any such calculation described in this Section 6.01(c), IAC or SpinCo shall so notify the other Company in writing within 30 days of receiving the written calculation set forth above in this Section 6.01(c). IAC and SpinCo shall endeavor in good faith to resolve such disagreement, and, failing that, the amount payable under this Section 6 shall be determined in accordance with the provisions of Section 14 as promptly as practicable.

(d) SpinCo shall be entitled to any refund that is attributable to, and would not have arisen but for, a SpinCo Carryback pursuant to the proviso set forth in Section 4.07; *provided, however*, that SpinCo shall indemnify and hold the members of the IAC Group harmless from and against any and all collateral Tax consequences resulting from or caused by any such Carryback, including (but not limited to) the loss or postponement of any benefit from the use of Tax Attributes generated by a member of the IAC Group or an Affiliate thereof if (x) such Tax Attributes expire unutilized, but would have been utilized but for such Carryback, or (y) the use of such Tax Attributes is postponed to a later Tax Period than the Tax Period in which such Tax Attributes would have been utilized but for such Carryback. Any such payment of such refund made by IAC to SpinCo pursuant to this Section 6.01(d) shall be recalculated in light of any Final Determination (or any other facts that may arise or come to light after such payment is made, such as a carryback of an IAC Group Tax Attribute to a Tax Period in respect of which such refund is received) that would affect the amount to which SpinCo is entitled, and an appropriate adjusting payment shall be made by SpinCo to IAC such that the aggregate amount paid pursuant to this Section 6.01(d) equals such recalculated amount.

Section 6.02 *IAC and SpinCo Income Tax Deductions in Respect of Certain Equity Awards and Incentive Compensation.*

(a) *Allocation of Deductions.* To the extent permitted by applicable law, Income Tax deductions arising by reason of exercises of options or vesting or settlement of stock appreciation rights, restricted stock units or restricted stock, in each case, following the Distribution, with respect to IAC stock or SpinCo stock (such options, stock appreciation rights, restricted stock units and restricted stock, collectively, "Compensatory Equity Interests") held by any Person shall be claimed (i) in the case of an IAC Employee or Former IAC Employee, solely by the IAC Group, (ii) in the case of a SpinCo Employee or Former SpinCo Employee, solely by the SpinCo Group, and (iii) in the case of a non-employee director (solely with respect to Compensatory Equity Interests received in his or her capacity as a director), by the Company for which the director serves as a director following the Distribution (provided that, in the case of any director who serves on the board of directors of both IAC and SpinCo, each Company shall be entitled only to the deductions arising in respect of such Compensatory Equity Interests denominated in its own stock).

(b) *Withholding and Reporting.* Each Company entitled to claim the Tax deductions described in Section 6.02(a) with respect to Compensatory Equity Interests shall be responsible for all applicable Taxes (including, but not limited to, withholding and excise Taxes) and shall satisfy, or shall cause to be satisfied, all applicable Tax reporting obligations with respect to such Compensatory Equity Interests; *provided, however*, that such Company shall be entitled to receive, within 10 days following the event giving rise to the relevant deduction, any amounts collected (or deemed collected) by the issuing corporation or any of its Affiliates or agents from or on behalf a holder of the applicable Compensatory Equity Interests in respect of Taxes required to be paid by such holder in connection with the exercise, vesting or settlement thereof (including any payments made by such holder to the issuing corporation, any proceeds from the sale of underlying equity securities on behalf of such holder, or the fair market value of any equity securities withheld by the issuing corporation in respect of such holder's Taxes by way of "net" settlement).

Section 7. Tax-Free Status.

Section 7.01 *Representations.*

(a) Each of IAC and SpinCo hereby represents and warrants that (A) it has reviewed the Representation Letter and the Tax Opinion and (B) subject to any qualifications therein, all information, representations and covenants contained therein that relate to such Company or any member of its Group are true, correct and complete.

(b) SpinCo hereby represents and warrants that it has no plan or intention of taking any action, or failing to take any action (or causing or permitting any member of its Group to take or fail to take any action), that could reasonably be expected to cause any representation, covenant or factual statement made in this Agreement, the Separation Agreement, the Representation Letter, any of the Ancillary Agreements or the Tax Opinion to be untrue.

(c) SpinCo hereby represents and warrants that, during the two-year period ending on the Deconsolidation Date, there was no “agreement, understanding, arrangement, substantial negotiations or discussions” (as such terms are defined in Treasury Regulations Section 1.355-7(h)) by any one or more officers or directors of any member of the SpinCo Group or by any other Person or Persons with the implicit or explicit permission of one or more of such officers or directors regarding an acquisition of all or a significant portion of the SpinCo Capital Stock (or the Capital Stock of any SpinCo predecessor); *provided, however*, that no representation is made regarding any “agreement, understanding, arrangement, substantial negotiations or discussions” (as such terms are defined in Treasury Regulations 1.355-7(h)) by any one or more officers or directors of IAC who are not officers or directors of SpinCo.

Section 7.02 *Restrictions on SpinCo.*

(a) SpinCo agrees that it will not take or fail to take, and will not cause or permit any of its respective Affiliates to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any material, information, covenant or representation in this Agreement, the Separation Agreement, any of the Ancillary Agreements, the Representation Letter or the Tax Opinion. SpinCo agrees that it will not take or fail to take, and will not cause permit any of its respective Affiliates to take or fail to take, any action where such action or failure to act would, or could reasonably be expected to, prevent Tax-Free Status.

(b) SpinCo agrees that, from the date hereof until the first day after the Restriction Period, it will (and will cause its “separate affiliated group” (as defined in Section 355(b)(3)(B) of the Code) to) (i) maintain the active conduct (as defined in Section 355(b)(2) of the Code and the Treasury Regulations promulgated thereunder) of the SpinCo Active Trade or Business and (ii) not engage in any transaction that would result in it ceasing to be engaged in such SpinCo Active Trade or Business for purposes of Section 355(b)(2) of the Code.

(c) SpinCo agrees that, from the date hereof until the first day after the Restriction Period, it will not:

(i) enter into any Proposed Acquisition Transaction or, to the extent SpinCo has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur (whether by (1) redeeming rights under a shareholder rights plan, (2) finding a tender offer to be a “permitted offer” under any such plan or otherwise causing any such plan to be inapplicable or neutralized with respect to any Proposed Acquisition Transaction, or (3) approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the DGCL or any similar corporate statute, any “fair price” or other provision of SpinCo’s charter or bylaws or otherwise),

(ii) merge or consolidate with any other Person or liquidate or partially liquidate,

(iii) in a single transaction or series of transactions (1) sell or transfer (other than sales or transfers of inventory in the ordinary course of business) all or substantially all of the assets that were transferred to SpinCo pursuant to the IAC Group Transfer, (2) sell or transfer to any Person that is not a member of SpinCo's "separate affiliated group" (as defined in Section 355(b)(3)(B) of the Code) 50% or more of the gross assets of the SpinCo Active Trade or Business, or (3) sell or transfer 30% or more of the consolidated gross assets of SpinCo and its Affiliates,

(iv) redeem or otherwise repurchase (directly or through a SpinCo Affiliate) any SpinCo Capital Stock, or rights to acquire SpinCo Capital Stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment by Revenue Procedure 2003-48),

(v) 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 SpinCo Capital Stock (including, without limitation, through the conversion of one class of SpinCo Capital Stock into another class of SpinCo Capital Stock), or

(vi) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation or covenant made in the Representation Letter or Tax Opinion) that, in the aggregate (and taking into account any other transactions described in this subparagraph (c)), would be reasonably likely to have the effect of causing or permitting one or more persons to acquire, directly or indirectly, SpinCo Capital Stock representing a Fifty-Percent or Greater Interest in SpinCo or otherwise jeopardize the Tax-Free Status of the Distribution

unless, in each case, prior to taking any such action set forth in the foregoing clauses (i) through (vi), (x) SpinCo shall have requested that IAC obtain a private letter ruling (or, if applicable, a supplemental private letter ruling) from the IRS and/or any other applicable Tax Authority in accordance with Section 7.04(b) and (d) to the effect that such transaction will not affect the Tax-Free Status of the Distribution (taken together with the IAC Group Transfer) and IAC shall have received such a private letter ruling in form and substance satisfactory to IAC in its sole and absolute discretion (and in determining whether a private letter ruling is satisfactory, IAC may consider, among other factors, the appropriateness of any underlying assumptions and management's representations made in connection with such private letter ruling), (y) SpinCo shall have provided IAC with an Unqualified Tax Opinion in form and substance satisfactory to IAC in its sole and absolute discretion (and in determining whether an opinion is satisfactory, IAC may consider, among other factors, the appropriateness of any underlying assumptions and management's representations if used as a basis for the opinion and IAC may determine that no opinion would be acceptable to IAC) or (z) IAC shall have waived the requirement to obtain such private letter ruling or Unqualified Tax Opinion.

(d) *Certain Acquisitions of SpinCo Capital Stock.* If SpinCo proposes to enter into any Section 7.02(d) Acquisition Transaction or, to the extent SpinCo has the right to prohibit any Section 7.02(d) Acquisition Transaction, proposes to permit any Section 7.02(d) Acquisition Transaction to occur, in each case, during the period from the date hereof until the first day after the Restriction Period, SpinCo shall provide IAC, no later than ten days following the signing of any written agreement with respect to the Section 7.02(d) Acquisition Transaction, with a written description of such transaction (including the type and amount of SpinCo Capital Stock to be issued in such transaction) and a certificate of the chief financial officer of SpinCo to the effect that the Section 7.02(d) Acquisition Transaction is not a Proposed Acquisition Transaction or any other transaction to which the requirements of Section 7.02(c) apply (a “SpinCo CFO Certificate”).

Section 7.03 *Restrictions on IAC.* IAC agrees that it will not take or fail to take, or cause or permit any member of the IAC Group to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any material, information, covenant or representation in this Agreement, the Separation Agreement, any of the Ancillary Agreements, the Representation Letter, or the Tax Opinion. IAC agrees that it will not take or fail to take, or cause or permit any member of the IAC Group to take or fail to take, any action where such action or failure to act would or could reasonably be expected to prevent Tax-Free Status.

Section 7.04 *Procedures Regarding Opinions and Rulings.*

(a) If SpinCo notifies IAC that it desires to take one of the actions described in clauses (i) through (vi) of Section 7.02(c), as applicable (a “Notified Action”), IAC and SpinCo shall reasonably cooperate to attempt to obtain the private letter ruling or Unqualified Tax Opinion referred to in Section 7.02(c) unless IAC shall have waived the requirement to obtain such private letter ruling or Unqualified Tax Opinion.

(b) *Rulings or Unqualified Tax Opinions at SpinCo’s Request.* At the reasonable request of SpinCo pursuant to Section 7.02(c), IAC shall cooperate with SpinCo and use commercially reasonable efforts to seek to obtain, as expeditiously as reasonably practicable, a private letter ruling from the IRS (and/or any other applicable Tax Authority, or if applicable, a supplemental private letter ruling) or an Unqualified Tax Opinion for the purpose of permitting SpinCo to take the Notified Action. Further, in no event shall IAC be required to file any request for a private letter ruling under this Section 7.04(b) unless SpinCo represents that (i) it has reviewed the request for such private letter ruling, and (ii) all information and representations, if any, relating to any member of the SpinCo Group, contained in the related documents are (subject to any qualifications therein) true, correct and complete. SpinCo shall reimburse IAC for all reasonable costs and expenses incurred by the IAC Group in obtaining a private letter ruling or Unqualified Tax Opinion requested by SpinCo within ten business days after receiving an invoice from IAC therefor.

(c) *Rulings or Unqualified Tax Opinions at IAC's Request.* IAC shall have the right to seek a private letter ruling (or other ruling) from the IRS (and/or any other applicable Tax Authority, or if applicable, a supplemental private letter ruling or other ruling) concerning any of the Transactions (including the impact of any transaction thereon) or an Unqualified Tax Opinion (or other opinion of a Tax Advisor with respect to any of the Transactions) at any time in its sole and absolute discretion. If IAC determines to seek such a private letter ruling (or other ruling) or an Unqualified Tax Opinion (or other opinion), SpinCo shall (and shall cause each of its Affiliates to) cooperate with IAC and take any and all actions reasonably requested by IAC in connection with obtaining the private letter ruling (or other ruling) or Unqualified Tax Opinion (or other opinion) (including, without limitation, by making any representation or covenant or providing any materials or information requested by the IRS (and/or any other applicable Tax Authority) or any Tax Advisor; *provided*, that SpinCo shall not be required to make (or cause any of its Affiliate to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control). IAC and SpinCo shall each bear its own costs and expenses in obtaining such a private letter ruling (or other ruling) or an Unqualified Tax Opinion (or other opinion) requested by IAC.

(d) *Ruling Process Control.* SpinCo hereby agrees that IAC shall have sole and exclusive control over the process of obtaining any private letter ruling (or other ruling), and that only IAC shall apply for such a private letter ruling (or other ruling). In connection with obtaining a private letter ruling pursuant to Section 7.04(b), IAC shall (i) keep SpinCo informed in a timely manner of all material actions taken or proposed to be taken by IAC in connection therewith; (ii) (A) reasonably in advance of the submission of any related private letter ruling documents provide SpinCo with a draft copy thereof, (B) reasonably consider SpinCo's comments on such draft copy, and (C) provide SpinCo with a final copy of such documents; and (iii) provide SpinCo with notice reasonably in advance of, and SpinCo shall have the right to attend, any formally scheduled meetings with the IRS (subject to the approval of the IRS) that relate to such private letter ruling. Neither SpinCo nor any of its directly or indirectly controlled Affiliates shall seek any guidance from the IRS or any other Tax Authority (whether written, verbal or otherwise) at any time concerning the Transactions (including the impact of any transaction thereon).

Section 7.05 *Liability for Tax-Related Losses.*

(a) Notwithstanding anything in this Agreement or the Separation Agreement to the contrary, subject to Section 7.05(c), SpinCo shall be responsible for, and shall indemnify and hold harmless IAC, its Affiliates and its officers, directors and employees from and against, 100% of any Tax-Related Losses that are attributable to or result from any one or more of the following: (A) the acquisition, after the Mandatory Exchange Effective Time, of all or a portion of SpinCo's Capital Stock and/or its or its subsidiaries' assets by any means whatsoever by any Person, (B) any action or failure to act by SpinCo or any SpinCo Affiliate after the Mandatory Exchange Effective Time (including, without limitation, any amendment to SpinCo's certificate of incorporation (or other organizational documents), whether through a stockholder vote or otherwise) affecting the voting rights of SpinCo Capital Stock (including, without limitation, through the conversion of one class of SpinCo Capital Stock into another class of SpinCo Capital Stock), (C) any act or failure to act or breach of any covenant by SpinCo or any SpinCo Affiliate described in Section 7.02 (regardless of whether such act or failure to act is covered by a private letter ruling, Unqualified Tax Opinion or waiver described in clause (x), (y) or (z) of Section 7.02(c) or a SpinCo CFO Certificate described in Section 7.02(d)), or (D) any breach by SpinCo of its agreement and representations set forth in Section 7.01 (other than Section 7.01(a)).

(b) Notwithstanding anything in this Agreement or the Separation Agreement to the contrary, subject to Section 7.05(c), IAC shall be responsible for, and shall indemnify and hold harmless SpinCo, its Affiliates and its officers, directors and employees from and against, 100% of any Tax-Related Losses that are attributable to, or result from any one or more of the following: (A) the acquisition, after the Mandatory Exchange Effective Time, of all or a portion of IAC's Capital Stock and/or its or its subsidiaries' assets by any means whatsoever by any Person, or (B) any act or failure to act or breach of any covenant by IAC or a member of the IAC Group described in Section 7.03.

(c)

(i) To the extent that any Tax-Related Loss is subject to indemnity under both of Section 7.05(a) and Section 7.05(b), responsibility for such Tax-Related Loss shall be shared by SpinCo and IAC according to relative fault.

(ii) Notwithstanding anything in Section 7.05(a) or Section 7.05(b) or any other provision of this Agreement or the Separation Agreement to the contrary:

(A) with respect to any Tax-Related Loss, in each case, resulting, in whole or in part, from an acquisition after the Distribution of any Capital Stock or assets of SpinCo (or any SpinCo Affiliate) by any means whatsoever by any Person or any action or failure to act by SpinCo affecting the voting rights of SpinCo, SpinCo shall be responsible for, and shall indemnify and hold harmless IAC, its Affiliates, and its officers, directors and employees from and against, 100% of such Tax-Related Loss;

(B) for purposes of calculating the amount and timing of any Tax-Related Loss for which SpinCo is responsible under this Section 7.05, Tax-Related Losses shall be calculated by assuming that IAC, the IAC Affiliated Group, and each member of the IAC Group (1) pay Tax at the highest marginal corporate Tax rates in effect in each relevant Tax Period and (2) have no Tax Attributes in any relevant Tax Period; and

(iii) Notwithstanding anything in Section 7.05(a), Section 7.05(b) or any other provision of this Agreement or the Separation Agreement to the contrary, with respect to any Tax-Related Loss, in each case, resulting, in whole or in part, from an acquisition after the Distribution of any stock or assets of IAC (or any IAC Affiliate) by any means whatsoever by any Person, IAC shall be responsible for, and shall indemnify and hold harmless SpinCo, its Affiliates and its officers, directors and employees from and against, 100% of such Tax-Related Loss.

(d) Notwithstanding any other provision of this Agreement or the Separation Agreement to the contrary:

(i) SpinCo shall pay IAC the amount for which SpinCo has an indemnification obligation under this Section 7.05: (A) in the case of Tax-Related Losses described in clause (a) of the definition of Tax-Related Losses, no later than the later of (x) seven business days after delivery by IAC to SpinCo of an invoice for the amount of such Tax-Related Losses or (y) three business days prior to the date IAC files, or causes to be filed, the applicable Tax Return for the year of the relevant transaction, as applicable (the "IAC Filing Date") (*provided*, that if such Tax-Related Losses arise pursuant to a Final Determination described in clause (a), (b) or (c) of the definition of "Final Determination," then SpinCo shall pay IAC no later than the later of (x) seven business days after delivery by IAC to SpinCo of an invoice for the amount of such Tax-Related Losses or (y) three business days prior to the date for making payment with respect to such Final Determination) and (B) in the case of (1) Tax-Related Losses described in clause (b) or (c) of the definition of Tax-Related Losses, no later than the later of (x) seven business days after delivery by IAC to SpinCo of an invoice for the amount of such Tax-Related Losses or (y) two business days after the date IAC pays such Tax-Related Losses.

(ii) IAC shall pay SpinCo the amount for which IAC has an indemnification obligation under this Section 7.05: (A) in the case of Tax-Related Losses described in clause (a) of the definition of Tax-Related Losses, no later than the later of (x) seven business days after delivery by SpinCo to IAC of an invoice for the amount of such Tax-Related Losses or (y) three business days prior to the date SpinCo files, or causes to be filed, the applicable Tax Return for the year of the relevant transaction, as applicable (the "SpinCo Filing Date") (*provided* that if such Tax-Related Losses arise pursuant to a Final Determination described in clause (a), (b) or (c) of the definition of "Final Determination," then IAC shall pay SpinCo no later than the later of (x) seven business days after delivery by SpinCo to IAC of an invoice for the amount of such Tax-Related Losses or (y) three business days prior to the date for making payment with respect to such Final Determination); and (B) in the case of (1) Tax-Related Losses described in clause (b) or (c) of the definition of Tax-Related Losses, no later than the later of (x) seven business days after delivery by SpinCo to IAC of an invoice for the amount of such Tax-Related Losses or (y) two business days after the date SpinCo pays such Tax-Related Losses.

Section 7.06 *Section 336(e) Election*. If IAC determines, in its sole discretion, that one or more protective elections under Section 336(e) of the Code (each, a "Section 336(e) Election") shall be made with respect to the Distribution, SpinCo shall (and shall cause any relevant member of the SpinCo Group to) join with IAC and/or any relevant member of the IAC Group in the making of any such election and shall take any action reasonably requested by IAC or that is otherwise necessary to give effect to any such election (including making any other related election). If a Section 336(e) Election is made with respect to the Distribution, then this Agreement shall be amended in such a manner as is determined by IAC in good faith to take into account such Section 336(e) Election, including by requiring that, in the event (i) the IAC Group Transferor the Distribution fails to have Tax-Free Status and (ii) the Company (or such Company's Group) that does not have exclusive responsibility pursuant to this Agreement for the Tax-Related Losses arising from such failure actually realizes in cash a Tax Benefit from the step-up in Tax basis resulting from the relevant Section 336(e) Election(s), such Company shall pay over to the Company that has exclusive responsibility pursuant to this Agreement for such Tax-Related Losses any such Tax Benefits realized (*provided*, that, if such Tax-Related Losses are Taxes for which more than one Company is liable under Section 7.05(c)(i), the Company that actually realizes in cash the Tax Benefit resulting from the relevant Section 336(e) Election shall pay over to the other Company responsible for such Taxes the percentage of any such Tax Benefits realized that corresponds to such other Company's percentage share of such Tax-Related Losses).

Section 8. Assistance and Cooperation.

Section 8.01 *Assistance and Cooperation.*

(a) Each of the Companies shall provide (and shall cause its Affiliates to provide) the other Company and its agents, including accounting firms and legal counsel, with such cooperation or information as they may reasonably request in connection with (i) preparing and filing Tax Returns, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns, and (iv) any administrative or judicial proceeding in respect of Taxes assessed or proposed to be assessed. Such cooperation shall include making available, upon reasonable notice, all information and documents in their possession relating to the other Company and its Affiliates as provided in Section 9. Each of the Companies shall also make available to the other Company, as reasonably requested and available, personnel (including employees and agents of the Companies or their respective Affiliates) responsible for preparing, maintaining and interpreting information and documents relevant to Taxes.

(b) Any information or documents provided under this Section 8 or Section 9 shall be kept confidential by the Company receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes. Notwithstanding any other provision of this Agreement or any other agreement, (i) neither IAC nor any IAC Affiliate shall be required to provide SpinCo or its Affiliates or any other Person access to or copies of any information other than information that relates solely to SpinCo, the business or assets of SpinCo or any Affiliate of SpinCo and (ii) in no event shall IAC or any IAC Affiliate be required to provide SpinCo, its Affiliates 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. In addition, in the event that IAC determines that the provision of any information to SpinCo or its Affiliates could be commercially detrimental, violate any law or agreement or waive any Privilege, the Parties shall use reasonable best efforts to permit compliance with their obligations under this Section 8 or Section 9 in a manner that avoids any such harm or consequence.

Section 8.02 *Income Tax Return Information.* IAC and SpinCo acknowledge that time is of the essence in relation to any request for information, assistance or cooperation made by SpinCo or IAC pursuant to Section 8.01 or this Section 8.02. IAC and SpinCo acknowledge that failure to comply with the deadlines set forth herein or reasonable deadlines otherwise set by SpinCo or IAC could cause irreparable harm. Each Company shall provide to the other Company information and documents relating to its Group required by the other Company to prepare its Tax Returns. Any information or documents required by the Company that is responsible for preparing such Tax Returns under this Agreement shall be provided in such form as the preparing Company reasonably requests and in sufficient time for such Tax Returns to be filed on a timely basis; *provided*, that, this Section 8.02 shall not apply to information governed by Section 4.08.

Section 8.03 *Reliance by IAC.* If any member of the SpinCo Group supplies information to a member of the IAC Group in connection with a Tax liability and an officer of a member of the IAC Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then, upon the written request of such member of the IAC Group identifying the information being so relied upon, the chief financial officer of SpinCo (or any officer of SpinCo as designated by the chief financial officer of SpinCo) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete. SpinCo agrees to indemnify and hold harmless each member of the IAC Group and its directors, officers and employees from and against any fine, penalty or other cost or expense of any kind attributable to a member of the SpinCo Group having supplied, pursuant to this Section 8, a member of the IAC Group with inaccurate or incomplete information in connection with a Tax liability; *provided*, that, this Section 8.02 shall not apply to information governed by Section 4.08.

Section 8.04 *Reliance by SpinCo.* If any member of the IAC Group supplies information to a member of the SpinCo Group in connection with a Tax liability and an officer of a member of the SpinCo Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then, upon the written request of such member of the SpinCo Group identifying the information being so relied upon, the chief financial officer of IAC (or any officer of IAC as designated by the chief financial officer of IAC) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete. IAC agrees to indemnify and hold harmless each member of the SpinCo Group and its directors, officers and employees from and against any fine, penalty or other cost or expense of any kind attributable to a member of the IAC Group having supplied, pursuant to this Section 8, a member of the SpinCo Group with inaccurate or incomplete information in connection with a Tax liability; *provided*, that, this Section 8.02 shall not apply to information governed by Section 4.08.

Section 9. Tax Records.

Section 9.01 *Retention of Tax Records.* Each Company shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for the Pre-Deconsolidation Period, and IAC shall preserve and keep all other Tax Records relating to Taxes of the Groups for the Pre-Deconsolidation Period, for so long as the contents thereof may become material in the administration of any matter under the Code or other applicable Tax Law, but in any event until the later of (a) the expiration of any applicable statutes of limitations, or (b) seven years after the Deconsolidation Date (such later date, the "Retention Date"). After the Retention Date, each Company may dispose of such Tax Records upon 90 days' prior written notice to the other Company. If, prior to the Retention Date, a Company reasonably determines that any Tax Records that it would otherwise be required to preserve and keep under this Section 9 are no longer material in the administration of any matter under the Code or other applicable Tax Law and the other Company agrees, then such first Company may dispose of such Tax Records upon 90 days' prior notice to the other Company. Any notice of an intent to dispose given pursuant to this Section 9.01 shall include a list of the Tax Records to be disposed of describing in reasonable detail the files, books or other records being disposed. The notified Company shall have the opportunity, at its cost and expense, to copy or remove, within such 90-day period, all or any part of such Tax Records.

Section 9.02 *Access to Tax Records.* The Companies and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records for Pre-Deconsolidation Periods to the extent reasonably required by the other Company in connection with the preparation of financial accounting statements, audits, litigation or the resolution of items under this Agreement.

Section 10. Tax Contests.

Section 10.01 *Notice.* Each of the Companies shall provide prompt notice to the other of any written communication from a Tax Authority regarding any pending or threatened Tax audit, assessment or proceeding or other Tax Contest for which it may be entitled to indemnification by the other Company hereunder. Such notice shall include copies of the pertinent portion of any written communication from a Tax Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail. The failure of one Company to notify the other of such communication in accordance with the immediately preceding sentences shall not relieve the other Company of any liability or obligation to pay such Tax or make indemnification payments under this Agreement, except to the extent that the failure timely to provide such notification actually prejudices the ability of such other Company to contest such Tax liability or increases the amount of such Tax liability.

Section 10.02 *Control of Tax Contests.*

(a) *Separate Company Taxes.* In the case of any Tax Contest with respect to any Separate Return (other than any Separate Return of Other Taxes reflecting Taxes for which both IAC and SpinCo are responsible under Section 2), the Company having liability for the Tax shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability, subject to Section 10.02(e).

(b) *IAC Federal Consolidated Income Tax Return and IAC State Combined Income Tax Return.* In the case of any Tax Contest with respect to any IAC Federal Consolidated Income Tax Return or IAC State Combined Income Tax Return, IAC shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability, subject to Section 10.02(e)(i).

(c) *IAC Foreign Combined Income Tax Return.* In the case of any Tax Contest with respect to any IAC Foreign Combined Income Tax Return, IAC shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability, subject to Section 10.02(e)(i).

(d) *Other Joint Returns and Certain Other Returns.* In the case of any Tax Contest with respect to (x) any Joint Return (other than any IAC Federal Consolidated Income Tax Return, IAC State Combined Income Tax Return or IAC Foreign Combined Income Tax Return) or (y) any Separate Return of Other Taxes reflecting Taxes for which both IAC and SpinCo are responsible under Section 2, (i) IAC shall control the defense or prosecution of the portion of the Tax Contest, if any, directly and exclusively related to any IAC Adjustment, including settlement of any such IAC Adjustment, (ii) SpinCo shall control the defense or prosecution of the portion of the Tax Contest, if any, directly and exclusively related to any SpinCo Adjustment, including settlement of any such SpinCo Adjustment, and (iii) IAC and SpinCo shall jointly control the defense or prosecution of Joint Adjustments and any and all administrative matters not directly and exclusively related to any IAC Adjustment or SpinCo Adjustment. In the event of any disagreement regarding any matter described in clause (iii), the provisions of Section 14 shall apply.

(e) *Transaction-Related Tax Contests.*

(i) In the event of any:

(A) Transaction-Related Tax Contest as a result of which SpinCo could reasonably be expected to become liable for any Tax or Tax-Related Losses and which IAC has the right to administer and control pursuant to Section 10.02(b) or (c) above, (1) IAC shall consult with SpinCo reasonably in advance of taking any significant action in connection with such Tax Contest, (2) IAC shall offer SpinCo a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such Tax Contest, (3) IAC shall defend such Tax Contest diligently and in good faith as if it were the only party in interest in connection with such Tax Contest, and (4) IAC shall provide SpinCo copies of any written materials relating to such Tax Contest received from the relevant Tax Authority. Notwithstanding anything in the preceding sentence to the contrary, the final determination of the positions taken, including with respect to settlement or other disposition, in any Transaction-Related Tax Contest described in the preceding sentence, shall be made in the sole discretion of IAC and shall be final and not subject to the dispute resolution provisions of Article VII of the Separation Agreement.

(B) Transaction-Related Tax Contest as a result of which SpinCo could reasonably be expected to become liable for any portion of any Tax or Tax-Related Losses pursuant to Section 7.05(c)(i) and which IAC has the right to administer and control pursuant to Section 10.02(b) or (c), (1) IAC shall keep SpinCo reasonably informed with respect to such Tax Contest, (2) IAC shall defend such Tax Contest diligently and in good faith as if it were the only party in interest in connection with such Tax Contest, and (3) IAC shall provide SpinCo copies of any written materials relating to such Tax Contest received from the relevant Tax Authority.

(ii) In the event of any Transaction-Related Tax Contest with respect to any SpinCo Separate Return as a result of which IAC could reasonably be expected to become liable for any Tax or Tax-Related Losses, (A) SpinCo shall consult with IAC reasonably in advance of taking any significant action in connection with such Tax Contest, (B) SpinCo shall consult with IAC and offer IAC a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such Tax Contest, (C) SpinCo shall defend such Tax Contest diligently and in good faith as if it were the only party in interest in connection with such Tax Contest, (D) IAC shall be entitled to participate in such Tax Contest and receive copies of any written materials relating to such Tax Contest received from the relevant Tax Authority, and (E) SpinCo shall not settle, compromise or abandon any such Tax Contest without obtaining the prior written consent of IAC which consent shall not be unreasonably withheld; *provided, however*, that in the case of any Transaction-Related Tax Contest as a result of which IAC could reasonably be expected to become liable for any Tax or Tax-Related Losses pursuant to Section 7.05(b) or Section 7.05(c)(i) and which SpinCo has the right to administer and control pursuant to Section 10.02(a), IAC shall have the right to elect to assume control of such Tax Contest, in which case the provisions of Section 10.02(e)(i)(B) shall apply.

(f) *Power of Attorney.* SpinCo shall (and shall cause each member of the SpinCo Group to) execute and deliver to IAC (or such member of the IAC Group as IAC shall designate) any power of attorney or other similar document reasonably requested by IAC (or such designee) in connection with any Tax Contest controlled by IAC described in this Section 10.

Section 11. Effective Date; Termination of Prior Intercompany Tax Allocation Agreements. This Agreement shall be effective as of the Mandatory Exchange Effective Time. As of the Mandatory Exchange Effective Time, (a) all prior intercompany Tax allocation agreements or arrangements solely between or among IAC and/or any of its Subsidiaries, on the one hand, and SpinCo and/or members of the SpinCo Group, on the other hand, including the Existing Tax Sharing Agreement, shall be terminated, and (b) amounts due under such agreements or arrangements as of the date on which the Mandatory Exchange Effective Time occurs shall be settled. Subject to clause (b) of the preceding sentence, upon such termination and settlement, no further payments by or to IAC or such Subsidiaries or by or to SpinCo or such members of the SpinCo Group, with respect to such agreements or arrangements shall be made, and all other rights and obligations resulting from such agreements or arrangements shall cease at such time. Any payments pursuant to such agreements or arrangements shall be disregarded for purposes of computing amounts due under this Agreement; *provided* that to the extent appropriate, as determined by IAC, payments made pursuant to such agreements or arrangements shall be credited to SpinCo or IAC, respectively, in computing their respective obligations pursuant to this Agreement, in the event that such payments relate to a Tax liability that is the subject matter of this Agreement for a Tax Period that is the subject matter of this Agreement.

Section 12. Survival of Obligations. The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

Section 13. Treatment of Payments; Tax Gross Up.

Section 13.01 *Treatment of Tax Indemnity and Tax Benefit Payments.* In the absence of any change in Tax treatment under the Code or other applicable Tax Law, for all Income Tax purposes, the Companies agree to treat, and to cause their respective Affiliates to treat, (a) any indemnity payment required by this Agreement or by the Separation Agreement to be made (i) by IAC to SpinCo as a contribution by IAC to SpinCo occurring immediately prior to the Distribution and (ii) by SpinCo to IAC as reasonably determined by IAC; and (b) any payment of interest or State Income Taxes by or to a Tax Authority, as taxable or deductible, as the case may be, to the Company entitled under this Agreement to retain such payment or required under this Agreement to make such payment. The Parties shall cooperate in good faith (including, where relevant, by using commercially reasonable efforts to establish local payment arrangements between each Party's Subsidiaries) to minimize or eliminate, to the extent permissible under applicable law, any Tax that would otherwise be imposed with respect to any payment required by this Agreement or by the Separation Agreement (or maximize the ability to obtain a credit for, or refund of, any such Tax).

Section 13.02 *Tax Gross Up.* If notwithstanding the manner in which payments described in Section 13.01(a) were reported, there is a Tax liability or an adjustment to a Tax liability of a Company as a result of its receipt of a payment pursuant to this Agreement or the Separation Agreement, such payment shall be appropriately adjusted so that the amount of such payment, reduced by the amount of all Income Taxes payable with respect to the receipt thereof (but taking into account all correlative Tax Benefits resulting from the payment of such Income Taxes), shall equal the amount of the payment that the Company receiving such payment would otherwise be entitled to receive.

Section 13.03 *Interest.* Anything herein to the contrary notwithstanding, to the extent one Company makes a payment of interest to another Company under this Agreement with respect to the period from (a) the date that the payor was required to make a payment to the payee to (b) the date that the payor actually made such payment, the interest payment shall be treated as interest expense to the payor (deductible to the extent provided by law) and as interest income by the payee (includible in income to the extent provided by law). The amount of the payment shall not be adjusted to take into account any associated Tax Benefit to the payor or increase in Tax to the payee.

Section 14. Disagreements. The Companies desire that collaboration will continue between them. Accordingly, they will try, and they will cause their respective Group members to try, to resolve in good faith all disagreements regarding their respective rights and obligations under this Agreement, including any amendments hereto. In furtherance thereof, in the event of any dispute or disagreement (a "Tax Advisor Dispute") between any member of the IAC Group and any member of the SpinCo Group as to the interpretation of any provision of this Agreement or the performance of obligations hereunder, representatives of the Tax departments of the Companies shall negotiate in good faith to resolve the Tax Advisor Dispute. If such good faith negotiations do not resolve the Tax Advisor Dispute, then such Tax Advisor Dispute shall be resolved pursuant to the procedures set forth in Article VII of the Separation Agreement; *provided*, that any arbitrator selected in accordance with Article VII of the Separation Agreement must be a Tax Advisor. Nothing in this Section 14 will prevent either Company from seeking injunctive relief if any delay resulting from the efforts to resolve the Tax Advisor Dispute through the procedures set forth in Article VII of the Separation Agreement could result in serious and irreparable injury to such Company. Notwithstanding anything to the contrary in this Agreement, the Separation Agreement or any Ancillary Agreement, IAC and SpinCo are the only members of their respective Groups entitled to commence a dispute resolution procedure under this Agreement, and each of IAC and SpinCo will cause its respective Group members not to commence any dispute resolution procedure other than through such Party as provided in this Section 14.

Section 15. Late Payments. Any amount owed by one Party to another Party under this Agreement that is not paid when due shall bear interest at the Prime Rate plus two percent from the due date of the payment to the date paid. To the extent interest required to be paid under this Section 15 duplicates interest required to be paid under any other provision of this Agreement, interest shall be computed at the higher of the interest rate provided under this Section 15 or the interest rate provided under such other provision.

Section 16. Expenses. Except as otherwise provided in this Agreement, each Party and its Affiliates shall bear their own expenses incurred in connection with the preparation of Tax Returns, Tax Contests, and other matters related to Taxes under the provisions of this Agreement.

Section 17. General Provisions.

Section 17.01 *Addresses and Notices.* All notices, requests, claims, demands or other communications under this Agreement shall be in writing and shall be deemed given if delivered personally (notice deemed given upon receipt) or by electronic mail (notice deemed given upon the earlier of (a) confirmation of receipt or (b) in the event that confirmation of receipt is not delivered, if such electronic mail is sent prior to 5:00 p.m., Eastern Time, on a business day, on such business day, and if such electronic mail is sent on or after 5:00 p.m., Eastern Time, on a business day or sent not on a business day, the next business day) or sent by a nationally recognized overnight courier service, such as Federal Express (notice deemed given upon receipt or proof of delivery), to the Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 17.01):

If to IAC, to:

IAC/InterActiveCorp
555 West 18th Street
New York, NY 10011
Attention: Senior Vice President, Tax
E-mail: David.Flynn@iac.com

with a copy to:

IAC/InterActiveCorp
555 West 18th Street
New York, NY 10011
Attention: General Counsel
E-mail: Kendall.Handler@iac.com

If to SpinCo (prior to the Mandatory Exchange Effective Time), to:

Vimeo, Inc.
555 West 18th Street
New York, NY 10011
Attention: Senior Vice President, Tax
E-mail: David.Flynn@iac.com

with a copy to:

Vimeo, Inc.
555 West 18th Street
New York, NY 10011
Attention: General Counsel
E-mail: Kendall.Handler@iac.com

If to SpinCo (from and after the Mandatory Exchange Effective Time), to:

Vimeo, Inc.
555 West 18th Street
New York, NY 10011
Attention: Senior Director, Tax
E-mail: halona.wong@vimeo.com

with a copy to:

Vimeo, Inc.
555 West 18th Street
New York, NY 10011
Attention: General Counsel and Secretary
E-mail: michael@vimeo.com

A Party may, by notice to the other Party, change the address to which such notices are to be given.

Section 17.02 *Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 17.03 *Waiver.* Waiver by a Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 17.04 *Severability.* If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 17.05 *Authority*. IAC represents on behalf of itself and each other member of the IAC Group and SpinCo represents on behalf of itself and each other member of the SpinCo Group, as follows:

(a) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement; and

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

Section 17.06 *Further Action*. Prior to, on, and after the Mandatory Exchange Effective Time, each Party hereto shall cooperate with the other Party, at the expense of the requesting Party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including the execution and delivery to the other Party and its Affiliates and representatives of such powers of attorney or other authorizing documentation as is reasonably necessary or appropriate in connection with Tax Contests (or portions thereof) under the control of such other Party in accordance with Section 10, and to make all filings with any Governmental Authority, and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement, in order to effectuate the provisions and purposes of this Agreement.

Section 17.07 *Integration*. This Agreement, together with each of the exhibits and schedules appended hereto and the specific agreements contemplated hereby, contains the entire agreement between the Parties with respect to the subject matter hereof, supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein and in the Separation Agreement, the Merger Agreement and the other Ancillary Agreements. This Agreement, the Separation Agreement, the Merger Agreement and the other Ancillary Agreements together govern the arrangements in connection with the Transactions and the Vimeo Merger and would not have been entered into independently. In the event of any inconsistency between this Agreement and the Separation Agreement, or any other agreements relating to the transactions contemplated by the Separation Agreement, with respect to matters addressed herein, the provisions of this Agreement shall control.

Section 17.08 *Construction*. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning and shall not be strictly construed for or against any Party. The captions, titles and headings included in this Agreement are for convenience only, and do not affect this Agreement's construction or interpretation. Unless otherwise indicated, all "Section" references in this Agreement are to sections of this Agreement.

Section 17.09 *No Double Recovery*. No provision of this Agreement shall be construed to provide an indemnity or other recovery for any costs, damages or other amounts for which the damaged Party has been fully compensated under any other provision of this Agreement or under any other agreement or action at law or equity. Unless expressly required in this Agreement, a Party shall not be required to exhaust all remedies available under other agreements or at law or equity before recovering under the remedies provided in this Agreement.

Section 17.10 *Counterparts*. Each Party acknowledges that it and the other Party may execute this Agreement by facsimile, stamp or mechanical signature, and that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature or by any other electronic means designed to preserve the original graphic and pictorial appearance of a document (including DocuSign)) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp, mechanical or other electronic signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date hereof) and delivered in person, by mail or by courier. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party.

Section 17.11 *Governing Law*. This Agreement (and any claims or disputes arising out of or related hereto or to the inducement of any party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware irrespective of the choice of laws principles of the State of Delaware including all matters of validity, construction, effect, enforceability, performance and remedies. All disputes that are not subject to mandatory arbitration pursuant to Section 14 (including an action to enforce Section 14) shall be commenced exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal or state court of competent jurisdiction located in the State of Delaware, and, each party (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts and (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party, in each case in respect of such claims.

Section 17.12 *Amendment*. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

Section 17.13 *SpinCo Subsidiaries*. If, at any time, SpinCo acquires or creates one or more subsidiaries that are includable in the SpinCo Group, they shall be subject to this Agreement and all references to the SpinCo Group herein shall thereafter include a reference to such subsidiaries.

Section 17.14 *Successors.* This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets or otherwise, to any of the Parties (including but not limited to any successor of IAC or SpinCo succeeding to the Tax Attributes of either under Section 381 of the Code), to the same extent as if such successor had been an original Party to this Agreement.

Section 17.15 *Injunctions.* In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any Action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

[Remainder of page intentionally left blank]

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

IAC/INTERACTIVECORP

By: /s/ Kendall Handler

Name: Kendall Handler

Title: Senior Vice President, General Counsel and Secretary

VIMEO, INC.

By: /s/ Kendall Handler

Name: Kendall Handler

Title: Vice President

EMPLOYEE MATTERS AGREEMENT

by and between

IAC/INTERACTIVECORP

and

VIMEO, INC.

Dated as of

May 24, 2021

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EMPLOYEE MATTERS AGREEMENT

This Employee Matters Agreement, dated as of May 24, 2021, is entered into by and between IAC/InterActiveCorp (“IAC”), a Delaware corporation, and Vimeo, Inc. (“SpinCo”), a Delaware corporation.

RECITALS:

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

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

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

ARTICLE I DEFINITIONS

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

- 1.1 “Affiliate” has the meaning given that term in the Separation Agreement.
 - 1.2 “Agreement” means this Employee Matters Agreement, including all the Schedules hereto.
 - 1.3 “Ancillary Agreements” has the meaning given that term in the Separation Agreement.
 - 1.4 “Approved Leave of Absence” means an absence from active service pursuant to an approved leave policy with a guaranteed right of reinstatement.
 - 1.5 “Auditing Party” has the meaning set forth in Section 7.4(a).
 - 1.6 “Benefits Participation End Date” means December 31, 2021.
 - 1.7 “Benefit Plan” means, with respect to an entity or any of its Subsidiaries, (a) each “employee welfare benefit plan” (as defined in Section 3(1) of ERISA) and all other employee or director benefits arrangements, policies or payroll practices (including, without limitation, severance pay, sick leave, vacation pay, salary continuation, disability, retirement, deferred compensation, bonus, stock option or other equity-based compensation, hospitalization, medical insurance or life insurance) sponsored or maintained by such entity or by any of its Subsidiaries (or to which such entity or any of its Subsidiaries contributes or is required to contribute) and (b) all “employee pension benefit plans” (as defined in Section 3(2) of ERISA), occupational pension plan or arrangement or other pension arrangements sponsored, maintained or contributed to by such entity or any of its Subsidiaries (or to which such entity or any of its Subsidiaries contributes or is required to contribute). For the avoidance of doubt, “Benefit Plans” includes Health and Welfare Plans and Executive Benefit Plans. When immediately preceded by “IAC,” Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by IAC or an IAC Entity or any Benefit Plan with respect to which IAC or an IAC Entity is a party. When immediately preceded by “SpinCo,” Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by SpinCo or any SpinCo Entity or any Benefit Plan with respect to which SpinCo or a SpinCo Entity is a party.
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1.8 “Code” means the Internal Revenue Code of 1986, as amended, or any successor federal income tax law. Reference to a specific Code provision also includes any proposed, temporary or final regulation in force under that provision.

1.9 “Effective Time” shall have the meaning given to it in the Merger Agreement, as amended from time to time.

1.10 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific provision of ERISA also includes any proposed, temporary or final regulation in force under that provision.

1.11 “Former IAC Employee” means (a) any individual who as of immediately prior to the Mandatory Exchange Effective Time is a former employee of the IAC Group or the SpinCo Group, and whose last employment with the IAC Group or SpinCo Group was with an IAC Entity, or (b) any individual who is an IAC Employee as of immediately prior to the Mandatory Exchange Effective Time who ceases to be an employee of the IAC Group following the Mandatory Exchange Effective Time.

1.12 “Former SpinCo Employee” means (a) any individual who as of immediately prior to the Mandatory Exchange Effective Time is a former employee of the IAC Group or the SpinCo Group, and whose last employment with the IAC Group or SpinCo Group was with a SpinCo Entity, or (b) any individual who is a SpinCo Employee as of immediately prior to the Mandatory Exchange Effective Time who ceases to be an employee of the SpinCo Group following the Mandatory Exchange Effective Time.

1.13 “Health and Welfare Plans” means any plan, fund or program which was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical (including PPO, EPO and HDHP coverages), dental, prescription, vision, short-term disability, long-term disability, life and AD&D, employee assistance, group legal services, wellness, cafeteria (including premium payment, health flexible spending account and dependent care flexible spending account components), travel reimbursement, transportation, or other benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs or day care centers, scholarship funds, or prepaid legal services, including any such plan, fund or program as defined in Section 3(1) of ERISA.

1.14 “IAC” has the meaning set forth in the recitals.

1.15 “IAC 401(k) Plan” means the IAC/InterActiveCorp Retirement Savings Plan as in effect as of the time relevant to the applicable provision of this Agreement.

1.16 “IAC Common Stock” means, (a) during the period prior to the Mandatory Exchange Effective Time, shares of common stock, \$0.001 par value per share, of IAC, and (b) from and after the Mandatory Exchange Effective Time, shares of common stock, \$0.0001 par value per share, of IAC.

1.17 “IAC Employee” means (a) any individual who, immediately prior to the Mandatory Exchange Effective Time, is either actively employed by, or then on Approved Leave of Absence from, any IAC Entity, and (b) any individual who becomes an employee of any IAC Entity after the Mandatory Exchange Effective Time.

1.18 “IAC Entity” means any member of the IAC Group.

1.19 “IAC Executive Benefit Plans” means the executive benefit and nonqualified plans, programs, agreements, and arrangements established, sponsored, maintained, or agreed upon, by any IAC Entity for the benefit of employees and former employees of any IAC Entity. For the avoidance of doubt, the term “IAC Executive Benefit Plans” shall not include any Health and Welfare Plans or the IAC Long-Term Incentive Plans.

1.20 “IAC Flexible Benefit Plan” means the flexible benefit plan maintained by IAC as in effect as of the time relevant to the applicable provision of this Agreement.

1.21 “IAC Incentive Plans” means any of the annual or short term incentive plans of IAC, all as in effect as of the time relevant to the applicable provisions of this Agreement.

1.22 “IAC Group” has the meaning set forth in the Separation Agreement.

1.23 “IAC Long-Term Incentive Plans” means any of the IAC/InterActiveCorp 2018 Stock and Annual Incentive Plan, the IAC/InterActiveCorp 2013 Stock and Annual Incentive Plan, the IAC/InterActiveCorp 2008 Stock and Annual Incentive Plan, or the IAC/InterActiveCorp 2005 Stock and Annual Incentive Plan, each as in effect as of the time relevant to the applicable provisions of this Agreement.

1.24 “IAC Post-Separation Value” shall equal “A” *minus* (“B” *times* “C”)

where

“A” equals the IAC Pre-Separation Value
“B” equals the SpinCo Post-Separation Value
“C” equals the Spin-off Exchange Ratio

- 1.25 “IAC Pre-Separation Value” means the closing per share price of IAC Common Stock as listed on the NASDAQ as of 4:00 P.M. New York City time on the last full trading session preceding the occurrence of the Mandatory Exchange Effective Time.
- 1.26 “IAC Ratio” means (a) the IAC Pre-Separation Value divided by (b) the IAC Post-Separation Value.
- 1.27 “Liability” has the meaning given that term in the Separation Agreement.
- 1.28 “Mandatory Exchange Effective Time” has the meaning given that term in the Separation Agreement.
- 1.29 “Medical Plan” when immediately preceded by “IAC,” means the Benefit Plan under which medical benefits are provided to IAC Employees established and maintained by IAC. When immediately preceded by “SpinCo,” Medical Plan means the Benefit Plan under which medical benefits are provided to SpinCo Employees to be established by SpinCo pursuant to Article IV.
- 1.30 “Merger Agreement” means the Amended and Restated Agreement and Plan of Merger by and among SpinCo, Stream Merger Sub, Inc., and Vimeo.com, Inc. (f/k/a Vimeo, Inc.), dated as of March 12, 2021.
- 1.31 “Merger Exchange Ratio” has the meaning given that term in the Merger Agreement.
- 1.32 “Non-parties” has the meaning set forth in Section 7.4(b).
- 1.33 “Option” when immediately preceded by “IAC” means an option (either nonqualified or incentive) to purchase shares of IAC Common Stock pursuant to an IAC Long-Term Incentive Plan. When immediately preceded by “SpinCo,” Option means an option (either nonqualified or incentive) to purchase shares of SpinCo Common Stock pursuant to a SpinCo Long-Term Incentive Plan.
- 1.34 “Participating Company” means (a) IAC and (b) any other Person (other than an individual) that participates in a plan sponsored by any IAC Entity.
- 1.35 “Parties” means IAC and SpinCo and “Party” means either of IAC and SpinCo.
- 1.36 “Person” has the meaning given that term in the Separation Agreement.
- 1.37 “RSU Award” (a) when immediately preceded by “IAC,” means an award of restricted stock units issued under an IAC Long-Term Incentive Plan representing a general unsecured promise by IAC to pay the value of shares of IAC Common Stock in cash or shares of IAC Common Stock, (b) when immediately preceded by “SpinCo,” means an award of restricted stock units issued under a SpinCo Long-Term Incentive Plan representing a general unsecured promise by SpinCo to pay the value of shares of SpinCo Common Stock in cash or shares of SpinCo Common Stock and (c) when immediately preceded by “Vimeo,” means an award of restricted stock units issued under a Vimeo Long-Term Incentive Plan representing a general unsecured promise by Vimeo.com, Inc. to pay the value of shares of common stock of Vimeo.com, Inc. in cash or shares of IAC Common Stock or shares of Vimeo.com, Inc. common stock.

- 1.38 “SpinCo” has the meaning set forth in the recitals.
- 1.39 “SpinCo 401(k) Plan Trust” means a trust relating to the SpinCo 401(k) Plan intended to qualify under Section 401(a) and be exempt under Section 501(a) of the Code.
- 1.40 “SpinCo 401(k) Plan” means a 401(k) plan established by SpinCo.
- 1.41 “SpinCo Common Stock” has the meaning given that term in the Separation Agreement.
- 1.42 “SpinCo Employee” means (a) any individual who, immediately prior to the Mandatory Exchange Effective Time, is either actively employed by, or then on Approved Leave of Absence from, a SpinCo Entity, and (b) any individual who becomes an employee of any SpinCo Entity from and after the Mandatory Exchange Effective Time.
- 1.43 “SpinCo Entity” means any member of the SpinCo Group.
- 1.44 “SpinCo Executive Benefit Plans” means the executive benefit and nonqualified plans, programs, and arrangements established, sponsored, maintained, or agreed upon, by any SpinCo Entity for the benefit of employees and former employees of any SpinCo Entity. For the avoidance of doubt, the term “SpinCo Executive Benefit Plans” shall not include any Health and Welfare Plans or the SpinCo Long-Term Incentive Plans.
- 1.45 “SpinCo Group” has the meaning set forth in the Separation Agreement,
- 1.46 “SpinCo Long-Term Incentive Plan” means the SpinCo 2021 Stock and Annual Incentive Plan.
- 1.47 “SpinCo Post-Separation Value” means the closing per share price of SpinCo Common Stock trading on a “when issued” basis as listed on the NASDAQ as of 4:00 p.m. New York City time on the last full trading session prior to the occurrence of the Mandatory Exchange Effective Time.
- 1.48 “SpinCo Ratio” means (a) the IAC Pre-Separation Value divided by (b) SpinCo Post-Separation Value.
- 1.49 “Spin-off Exchange Ratio” has the meaning given that term in the Separation Agreement.
- 1.50 “Subsidiary” has the meaning given that term in the Separation Agreement.
- 1.51 “Separation Agreement” has the meaning set forth in the recitals to this Agreement.

1.52 “U.S.” means the 50 United States of America and the District of Columbia.

1.53 “Vimeo Long-Term Incentive Plans” means (a) the Vimeo, LLC 2012 Incentive Plan, (b) the Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2017 Incentive Plan, and (c) the Vimeo.com, Inc. (f/k/a Vimeo, Inc.) 2019 Incentive Plan (including the Israel Appendix), each as amended from time to time.

1.54 “Vimeo SAR” means a stock appreciation right corresponding to shares of common stock of Vimeo.com, Inc. granted under a Vimeo Long-Term Incentive Plan.

ARTICLE II GENERAL PRINCIPLES

2.1 Employment of SpinCo Employees. All SpinCo Employees shall continue to be employees of SpinCo or another SpinCo Entity, as the case may be, immediately after the Mandatory Exchange Effective Time.

2.2 Assumption and Retention of Liabilities; Related Assets.

(a) As of the Mandatory Exchange Effective Time, except as expressly provided in this Agreement, the IAC Entities shall assume or retain and IAC hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all Liabilities under all IAC Benefit Plans with respect to all IAC Employees, Former IAC Employees and their dependents and beneficiaries, (ii) all Liabilities with respect to the employment or termination of employment of all IAC Employees and Former IAC Employees, in each case to the extent arising in connection with or as a result of employment with or the performance of services to any IAC Entity, and (iii) any other Liabilities expressly assigned to IAC under this Agreement. All assets held in trust to fund the IAC Benefit Plans and all insurance policies funding the IAC Benefit Plans shall be IAC Assets (as defined in the Separation Agreement), except to the extent specifically provided otherwise in this Agreement.

(b) From and after the Mandatory Exchange Effective Time, except as expressly provided in this Agreement, SpinCo and the SpinCo Entities shall assume or retain, as applicable, and SpinCo hereby agrees to pay, perform, fulfill and discharge, in due course in full, (i) all Liabilities under all SpinCo Benefit Plans, (ii) all Liabilities with respect to the employment or termination of employment of all SpinCo Employees and Former SpinCo Employees, in each case to the extent arising in connection with or as a result of employment with or the performance of services to any SpinCo Entity, and (iii) any other Liabilities expressly assigned to SpinCo or any SpinCo Entity under this Agreement.

2.3 SpinCo Participation in IAC Benefit Plans. Except as otherwise expressly provided herein, effective as of the Mandatory Exchange Effective Time, SpinCo and each other SpinCo Entity shall cease to be a Participating Company in any IAC Benefit Plan, and IAC and SpinCo shall take all necessary action to effectuate such cessation as a Participating Company.

2.4 Commercially Reasonable Efforts. IAC and SpinCo shall use commercially reasonable efforts to (a) enter into any necessary agreements and adopt any necessary amendments to any applicable benefit plans to accomplish the assumptions and transfers contemplated by this Agreement; and (b) provide for the maintenance of the necessary participant records, the appointment of the trustees and the engagement of recordkeepers, investment managers, providers, insurers, and other third parties reasonably necessary to maintaining and administering the IAC Benefit Plans and the SpinCo Benefit Plans.

2.5 Regulatory Compliance. IAC and SpinCo shall, in connection with the actions taken pursuant to this Agreement, reasonably cooperate in making any and all appropriate filings required under the Code, ERISA and any applicable securities laws, implementing all appropriate communications with participants, transferring appropriate records and taking all such other actions as the requesting party may reasonably determine to be necessary or appropriate to implement the provisions of this Agreement in a timely manner.

ARTICLE III 401(K) PLAN MATTERS

3.1 From the Mandatory Exchange Effective Time and continuing until the Benefits Participation End Date, SpinCo adopts, and shall participate in as an Adopting Employer (as defined in the IAC 401(k) Plan), the IAC 401(k) Plan for the benefit of SpinCo Employees and Former SpinCo Employees, and IAC consents to such adoption and maintenance, in accordance with the terms of the IAC 401(k) Plan. Each of the Parties agrees and acknowledges that until the Benefits Participation End Date, SpinCo shall make timely direct contributions (including matching contributions) to the IAC 401(k) Plan on behalf of such SpinCo participating employees in accordance with the terms of the IAC 401(k) Plan and in accordance with (and no less promptly than) the timing of contributions made by IAC prior to the Mandatory Exchange Effective Time.

3.2 Each of the Parties agrees that, no later than the Benefits Participation End Date, the trustee of the IAC 401(k) Plan shall (a) sell all shares of SpinCo Common Stock held in the accounts of IAC Employees and Former IAC Employees, and (b) sell all shares of IAC Common Stock held in the accounts of SpinCo Employees and Former SpinCo Employees.

3.3 On and after the Mandatory Exchange Effective Time and until the completion of the sales contemplated by Section 3.2, shares of SpinCo Common Stock shall be held in a SpinCo Common Stock Fund under the IAC 401(k) Plan and shares of IAC Common Stock shall be held in an IAC Common Stock Fund under the IAC 401(k) Plan. Following the Mandatory Exchange Effective Time, (a) IAC Employees and Former IAC Employees shall not be permitted to acquire shares of SpinCo Common Stock under the IAC 401(k) Plan, and (b) SpinCo Employees and Former SpinCo Employees shall not be permitted to acquire shares of IAC Common Stock under the IAC 401(k) Plan.

3.4 Effective as of the date immediately following the Benefits Participation End Date, SpinCo shall establish the SpinCo 401(k) Plan and the SpinCo 401(k) Plan Trust. As soon as practical following the establishment of the SpinCo 401(k) Plan and the SpinCo 401(k) Plan Trust, IAC shall cause the accounts of the SpinCo Employees and Former SpinCo Employees in the IAC 401(k) Plan to be transferred to the SpinCo 401(k) Plan and the SpinCo 401(k) Plan Trust in cash or such other assets as mutually agreed by IAC and SpinCo, and SpinCo shall cause the SpinCo 401(k) Plan to assume and be solely responsible for all Liabilities under the SpinCo 401(k) Plan to or relating to SpinCo Employees and Former SpinCo Employees whose accounts are transferred from the IAC 401(k) Plan. IAC and SpinCo agree to cooperate in making all appropriate filings and taking all reasonable actions required to implement the provisions of this Section 3.1; provided that SpinCo acknowledges that it will be responsible for complying with any requirements and applying for any determination letters with respect to the SpinCo 401(k) Plan.

3.5 IAC and SpinCo shall each separately assume sole responsibility for ensuring that its respective savings plan(s) are maintained in compliance with applicable laws with respect to holding shares of their respective common stock and common stock of the other entity.

ARTICLE IV HEALTH AND WELFARE PLANS

4.1 H&W Continuation Period.

(a) IAC will cause the IAC Health and Welfare Plans in effect at the Mandatory Exchange Effective Time (“IAC H&W Plans”) to provide coverage to SpinCo Employees and Former SpinCo Employees (and, in each case, their beneficiaries and dependents) from and after the date on which the Mandatory Exchange Effective Time occurs until the Benefits Participation End Date (such period, the “H&W Continuation Period”). Coverage following the Mandatory Exchange Effective Time shall be on the same basis as immediately prior to the Mandatory Exchange Effective Time and in accordance with the terms of IAC’s Health and Welfare Plans. Following the Mandatory Exchange Effective Time, SpinCo shall pay to IAC fees in respect of IAC covering such SpinCo Employees and Former SpinCo Employees under the IAC Health and Welfare Plans, such fees to be based on the per-employee budgeted rates set forth on **Schedule A** to this Agreement. The fees contemplated by this Section 4.1(a) shall be payable in advance each month (*i.e.*, not later than the first day of any month during which coverage applies) during the H&W Continuation Period and shall be based on the prior month’s enrollment, with appropriate, subsequent adjustments in each succeeding month to reflect actual enrollment, consistent with the practices in effect prior to the Mandatory Exchange Effective Time. In addition, SpinCo shall be subject to the same policies with respect to “catch up” premium payments and “premium holidays” applicable to other IAC companies participating in the IAC H&W Plans, consistent with the practices in effect prior to the Mandatory Exchange Effective Time. In the event that SpinCo fails to pay in a timely manner the fees contemplated by this Section 4.1(a), IAC shall have no obligation to continue, and may cease, to provide the coverage contemplated by this Section 4.1(a) to the SpinCo Employees and Former SpinCo Employees commencing on the fifteenth day that any such fees are past due; provided that IAC shall provide SpinCo with written notice of default and a cure period of ten (10) Business Days before terminating any coverage.

(b) Following each calendar year during the H&W Continuation Period, but not later than one hundred eighty (180) days thereafter, IAC shall calculate in good faith the total costs and expenses of the IAC Health and Welfare Plans for such calendar year (including without limitation claims paid and costs and expenses associated with the administration of the IAC Health and Welfare Plans (as determined by IAC in its good faith discretion) and IAC’s good faith estimate of claims incurred in such calendar year but not reported (such estimate to be prepared based on historical claims reporting patterns and history) (the “Annual H&W Expenses”), and IAC promptly shall provide to SpinCo the Annual H&W Expenses following such calculation. To the extent Annual H&W Expenses exceed the aggregate fees paid by IAC and SpinCo in respect of coverage during the applicable calendar year of IAC Employees and Former IAC Employees and SpinCo Employees and Former SpinCo Employees, SpinCo shall be required to pay to IAC by wire transfer its ratable portion (calculated on the basis of the number of SpinCo Employees relative to the total number of IAC Employees and SpinCo Employees taken together) of the fees deficit. Any payment to be made pursuant to the immediately preceding sentence shall be made no later than July 15 following the applicable calendar year. Any calculations made by IAC pursuant to this Section 4.1(b) shall be final and binding upon SpinCo and the calculations contemplated by this Section 4.1(b) shall be adjusted to take into account any calendar year in which participation by SpinCo Employees and Former SpinCo Employees in the IAC Health and Welfare Plans is for less than the full calendar year.

4.2 Establishment of Health and Welfare Plans.

(a) Effective as of the date following the Benefits Participation End Date, SpinCo shall adopt Health and Welfare Plans for the benefit of SpinCo Employees and Former SpinCo Employees, and SpinCo shall be responsible for all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of SpinCo Employees and Former SpinCo Employees or their covered dependents under the SpinCo Health and Welfare Plans after the Benefits Participation End Date.

(b) Notwithstanding anything to the contrary in this Section 4.2:

(i) with respect to any SpinCo Employee who becomes entitled to receive long-term disability benefits under the terms of the IAC Health and Welfare Plans prior to the Benefits Participation End Date, such SpinCo Employee shall continue to receive long-term disability benefits under the IAC Health and Welfare Plans after the Benefits Participation End Date in accordance with the terms of the IAC Health and Welfare Plans; and

(ii) with respect to any SpinCo Employee who is receiving short-term disability benefits under the IAC Health and Welfare Plans as of the Benefits Participation End Date, SpinCo shall be responsible, as of the first day following the Benefits Participation End Date, for providing to such SpinCo Employee short term disability benefits and long-term disability benefits under the SpinCo Health and Welfare Plans.

4.3 Retention of Sponsorship and Liabilities. Following the Mandatory Exchange Effective Time, IAC shall retain:

(a) sponsorship of all IAC Health and Welfare Plans and any trust or other funding arrangement established or maintained with respect to such plans, including any assets held as of the Mandatory Exchange Effective Time with respect to such plans; and

(b) all Liabilities under the IAC Health and Welfare Plans, subject to the obligations of SpinCo described in Section 4.1.

IAC shall not assume any Liability under any SpinCo Health and Welfare Plan, and all such claims shall be satisfied pursuant to Section 4.2(a).

4.4 Flexible Benefit Plan. IAC will continue to maintain on behalf of SpinCo Employees the health care flexible spending account program, the commuter benefit program and the dependent care flexible spending program of the IAC Flexible Spending Benefit Plans (all of such accounts, "IAC Flexible Benefit Plan") for claims incurred on or prior to the Benefits Participation End Date on the same basis as immediately prior to the Mandatory Exchange Effective Time and in accordance with the terms of the IAC Flexible Benefit Plan. Following the Mandatory Exchange Effective Time, until such time as SpinCo ceases to participate in the IAC Flexible Benefit Plan and has satisfied all of its obligations thereunder, SpinCo shall pay to IAC the amounts claimed by SpinCo Employees under the IAC Flexible Benefit Plan in addition to SpinCo's share of the administrative cost of the IAC Flexible Benefit Plan (based on IAC historical allocations), such amounts to be paid by SpinCo on a one-month lagging basis (*i.e.*, claims made and administrative costs incurred during a particular month shall be billed in the immediately succeeding month); provided, that SpinCo shall remit payment to IAC no later than the fifth Business Day following delivery by IAC of an invoice to SpinCo. SpinCo Employees shall not participate in the IAC Flexible Benefit Plan after the Benefits Participation End Date.

4.5 Workers' Compensation Liabilities. All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by an IAC Employee, Former IAC Employee, SpinCo Employee and Former SpinCo Employee that results from an accident occurring, or from an occupational disease which becomes manifest, on or before the Mandatory Exchange Effective Time shall be retained by IAC; provided, however, that SpinCo promptly shall reimburse IAC for any such Liabilities relating to SpinCo Employees or Former SpinCo Employees borne by IAC following the date on which the Mandatory Exchange Effective Time occurs. All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by an IAC Employee or Former IAC Employee shall be retained by IAC. All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by a SpinCo Employee or Former SpinCo Employee that results from an accident occurring, or from an occupational disease which becomes manifest, on or after the Mandatory Exchange Effective Time shall be retained by SpinCo. For purposes of this Agreement, a compensable injury shall be deemed to be sustained upon the occurrence of the event giving rise to eligibility for workers' compensation benefits or at the time that an occupational disease becomes manifest, as the case may be. IAC, SpinCo and the other SpinCo Entities shall cooperate with respect to any notification to appropriate governmental agencies of the Mandatory Exchange Effective Time and the issuance of new, or the transfer of existing, workers' compensation insurance policies and claims handling contracts.

4.6 Payroll Taxes and Reporting of Compensation. IAC and SpinCo shall, and shall cause the other IAC Entities and the other SpinCo Entities to, respectively, take such action as may be reasonably necessary or appropriate in order to minimize Liabilities related to payroll taxes after the Mandatory Exchange Effective Time. IAC and SpinCo shall, and shall cause the other IAC Entities and the other SpinCo Entities to, respectively, each bear its responsibility for payroll tax obligations and for the proper reporting to the appropriate governmental authorities of compensation earned by their respective employees after the Mandatory Exchange Effective Time, including compensation related to the exercise of Options, Vimeo SARs and SpinCo SARs.

ARTICLE V
EXECUTIVE BENEFITS AND OTHER BENEFITS

5.1 Assumption of Obligations. Except as provided in this Agreement, effective as of the date on which the Mandatory Exchange Effective Time occurs, SpinCo shall assume and be solely responsible for all Liabilities to or relating to SpinCo Employees and Former SpinCo Employees under all IAC Executive Benefit Plans and SpinCo Executive Benefit Plans. For the avoidance of doubt, IAC shall retain all Liabilities under the IAC Executive Benefit Plans for all IAC Employees and Former IAC Employees. The Parties hereto agree that none of the transactions contemplated by the Separation Agreement or any of the Ancillary Agreements, including, without limitation, this Agreement, constitutes a “change in control,” “change of control” or similar term, as applicable, within the meaning of any Benefit Plan, any IAC Long-Term Incentive Plan or any SpinCo Long-Term Incentive Plan.

5.2 Severance. (a) A SpinCo Employee shall not be deemed to have terminated employment for purposes of determining eligibility for severance benefits in connection with or in anticipation of the consummation of the transactions contemplated by the Separation Agreement. SpinCo shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination or alleged termination of any SpinCo Employee or Former SpinCo Employee’s employment that occurs prior to, as a result of, in connection with or following the consummation of the transactions contemplated by the Separation Agreement, including any amounts required to be paid (including any payroll or other taxes), and the costs of providing benefits, under any applicable severance, separation, redundancy, termination or similar plan, program, practice, contract, agreement, law or regulation (such benefits to include any medical or other welfare benefits, outplacement benefits, accrued vacation, and taxes).

(b) An IAC Employee shall not be deemed to have terminated employment for purposes of determining eligibility for severance benefits in connection with or in anticipation of the consummation of the transactions contemplated by the Separation Agreement. IAC shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination or alleged termination of any IAC Employee or Former IAC Employee’s employment that occurs prior to, as a result of, in connection with or following the consummation of the transactions contemplated by the Separation Agreement, including any amounts required to be paid (including any payroll or other taxes), and the costs of providing benefits, under any applicable severance, separation, redundancy, termination or similar plan, program, practice, contract, agreement, law or regulation (such benefits to include any medical or other welfare benefits, outplacement benefits, accrued vacation, and taxes).

5.3 Certain Equity Award Matters. SpinCo shall reimburse IAC for the cost of any IAC RSU Awards or IAC Options held by SpinCo Employees or Former SpinCo Employees that vest (in the case of IAC RSU Awards) or are exercised (in the case of IAC Options) on or after the date on which the Mandatory Exchange Effective Time occurs with such cost equal to the taxable income that arises from the applicable vesting or exercise event, net of withholding taxes (payment for which SpinCo shall be solely responsible) (the “IAC Award Cost”). No later than ten (10) Business Days following invoice therefor, SpinCo shall pay to IAC the IAC Award Cost in cash.

ARTICLE VI

EQUITY AWARD ADJUSTMENTS

6.1 IAC Long-Term Incentive Plans. IAC and SpinCo shall take all actions necessary or appropriate so that each outstanding IAC Option and IAC RSU Award granted under any IAC Long-Term Incentive Plan held by any individual shall be adjusted as set forth in this ARTICLE VI. The adjustments set forth below shall be the sole adjustments made with respect to IAC Options and IAC RSU Awards in connection with the transactions contemplated by the Separation Agreement.

(a) Outstanding IAC Options. As determined by the Compensation and Human Resources Committee of the IAC Board of Directors (the "IAC Committee") pursuant to its authority under the applicable IAC Long-Term Incentive Plan, each IAC Option that is outstanding as of immediately prior to the Mandatory Exchange Effective Time shall be converted into both an IAC Option and a SpinCo Option and shall otherwise be subject to the same terms and conditions after the Mandatory Exchange Effective Time as the terms and conditions applicable to such IAC Option immediately prior to the Mandatory Exchange Effective Time; provided, however, that from and after the Mandatory Exchange Effective Time:

(i) (A) the number of shares of IAC Common Stock subject to such IAC Option shall be equal to the same number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Mandatory Exchange Effective Time, and (B) the per share exercise price of such IAC Option, rounded up to the nearest one one hundredth of a cent (i.e., to the fourth decimal place), shall be equal to the quotient obtained by dividing (I) the per share exercise price of such IAC Option immediately prior to the Mandatory Exchange Effective Time by (II) the IAC Ratio; and

(ii) (A) the number of shares of SpinCo Common Stock subject to such SpinCo Option, rounded down to the nearest whole share, shall be equal to the product obtained by multiplying (I) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Mandatory Exchange Effective Time by (II) the Spin-off Exchange Ratio, and (B) the per share exercise price of such SpinCo Option, rounded up to the nearest one one hundredth of a cent (i.e., to the fourth decimal place), shall be equal to the quotient obtained by dividing (I) the per share exercise price of such IAC Option immediately prior to the Mandatory Exchange Effective Time by (II) the SpinCo Ratio.

(b) IAC RSU Awards. As determined by the IAC Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, each IAC RSU Award shall be subject to the same terms and conditions immediately after the Mandatory Exchange Effective Time as the terms and conditions applicable to such IAC RSU Award immediately prior to the Mandatory Exchange Effective Time; provided, however, that from and after the Mandatory Exchange Effective Time, the number of shares of IAC Common Stock covered by each IAC RSU Award, rounded to the nearest whole share, shall be equal to the product of (i) the number of shares of IAC Common Stock covered by such IAC RSU Award immediately prior to the Mandatory Exchange Effective Time and (ii) the IAC Ratio.

(c) Foreign Grants/Awards.

(i) To the extent that any of the IAC Options or IAC RSU Awards are granted to non-U.S. employees under any domestic or foreign equity-based incentive program sponsored by an IAC Entity, IAC and SpinCo shall use their commercially reasonable efforts to preserve, at and after the Mandatory Exchange Effective Time, the value and tax treatment accorded to such IAC Options and such IAC RSU Awards granted to non-U.S. employees under any domestic or foreign equity-based incentive program sponsored by an IAC Entity.

(ii) To the extent that any of the SpinCo Options or SpinCo RSU Awards are granted to non-U.S. employees under any domestic or foreign equity-based incentive program sponsored by a SpinCo Entity, IAC and SpinCo shall use their commercially reasonable efforts to preserve, at and after the Mandatory Exchange Effective Time, the value and tax treatment accorded to such SpinCo Options and such SpinCo RSU Awards granted to non-U.S. employees under any domestic or foreign equity-based incentive program sponsored by a SpinCo Entity.

6.2 Vimeo.com, Inc. Equity Awards.

(a) Spin-off. As determined by the IAC Committee and the Board of Directors of Vimeo.com, Inc. pursuant to its authority under the Vimeo Long-Term Incentive Plans, from and after the Mandatory Exchange Effective Time, Vimeo SARs and Vimeo RSUs shall not be settled in shares of IAC Common Stock and IAC shall have no further obligations regarding Vimeo SARs and Vimeo RSUs, which shall, until the occurrence of the Effective Time, be settled in cash or shares of SpinCo Common Stock consistent with the principles set forth in the applicable Vimeo Long-Term Incentive Plan.

(b) Merger.

(i) As determined by the IAC Committee and the Board of Directors of Vimeo.com, Inc. pursuant to its authority under the Vimeo Long-Term Incentive Plans, each Vimeo SAR held by a SpinCo Employee or a Former SpinCo Employee shall be converted into a SpinCo SAR and shall otherwise be subject to the same terms and conditions after the Effective Time as the terms and conditions applicable to such Vimeo SAR immediately prior to the Effective Time; provided, however, that from and after the Effective Time: (A) the number of shares of SpinCo Common Stock subject to such SpinCo SAR, rounded down to the nearest whole share, shall be equal to the product of (I) the number of shares of Vimeo Common Stock subject to such Vimeo SAR immediately prior to the Effective Time *multiplied by* (II) the Merger Exchange Ratio, (B) the per share exercise price of such SpinCo SAR, rounded up to the nearest one one hundredth of a cent (i.e., to the fourth decimal place), shall be equal to the quotient of (I) the per share exercise price of such Vimeo SAR immediately prior to the Effective Time *divided by* (II) the Merger Exchange Ratio, and (C) each SpinCo SAR converted pursuant to this Section 6.2(b)(i) shall be exercisable and shall be settled in a manner consistent with stock appreciation rights of a publicly traded company as set forth in the SpinCo Long-Term Incentive Plan (with such modifications and lock-up periods as may be reasonably determined by the SpinCo Board of Directors from time to time).

(ii) As determined by the Board of Directors of Vimeo.com, Inc. pursuant to its authority under the Vimeo Long-Term Incentive Plans, each Vimeo RSU held by a SpinCo Employee or a Former SpinCo Employee shall be converted into a SpinCo RSU and shall otherwise be subject to the same terms and conditions after the Effective Time as the terms and conditions applicable to such Vimeo RSU immediately prior to the Effective Time; provided, however, that, from and after the Effective Time: (A) the number of shares of SpinCo Common Stock subject to such SpinCo RSU, rounded to the nearest whole share, shall be equal to the product of (I) the number of shares of Vimeo Common Stock subject to such Vimeo RSU immediately prior to the Effective Time multiplied by (II) the Merger Exchange Ratio, and (B) each SpinCo RSU converted pursuant to this Section 6.2(b)(ii) shall be settled in a manner consistent with restricted stock units of a publicly traded company as set forth in the Vimeo Long-Term Incentive Plan (with such modifications and lock-up periods as may be reasonably determined by the SpinCo Board of Directors from time to time).

(iii) Following the Effective Time, for any award adjusted under this Section 6.2, any reference to a “change in control,” “change of control,” or similar definition in an award agreement, employment agreement, or the applicable Vimeo Long-Term Incentive plan shall be deemed to refer to a Change in Control (as defined in the SpinCo Long-Term Incentive Plan).

6.3 Miscellaneous Option and Other Award Terms.

(a) IAC Options and IAC RSU Awards adjusted pursuant to Section 6.1, regardless of by whom held, shall be settled by IAC pursuant to the terms of the applicable IAC Long-Term Incentive Plan, and SpinCo RSUs, SpinCo Options and SpinCo SARs, regardless of by whom held, shall be settled by SpinCo pursuant to the terms of the applicable SpinCo Long-Term Incentive Plan.

(b) It is intended that, to the extent of the issuance of SpinCo Options, SpinCo SARs and SpinCo RSUs in connection with the adjustment provisions of Section 6.1 or Section 6.2, the applicable SpinCo Long-Term Incentive Plan shall be considered a successor to each of the IAC Long-Term Incentive Plans and each of the Vimeo Long-Term Incentive Plans, as applicable, and SpinCo shall be considered to have assumed the obligations of the applicable IAC Long-Term Incentive Plan and the applicable Vimeo Long-Term Incentive Plan, as applicable, to make the adjustments set forth in Section 6.1 and Section 6.2.

(c) The Mandatory Exchange Effective Time shall not constitute a termination of employment for any IAC Employee for purposes of any SpinCo Option and, employment with IAC shall be treated as employment with SpinCo with respect to SpinCo Options held by IAC Employees.

(d) The Mandatory Exchange Effective Time shall not constitute a termination of employment for any employee of the Match Group, Inc. (“Match”) for purposes of any SpinCo Option and, employment with Match shall be treated as employment with SpinCo with respect to SpinCo Options held by Match employees.

(e) The Mandatory Exchange Effective Time shall not constitute a termination of employment for any SpinCo Employee for purposes of any IAC Option and, employment with SpinCo shall be treated as employment with IAC with respect to IAC Options held by SpinCo Employees.

(f) Termination of employment following the Mandatory Exchange Effective Time from (i) all IAC Entities shall be treated as a termination of employment with respect to any SpinCo Options held by an IAC Employee, (ii) Match and its subsidiaries shall be treated as a termination of employment with respect to any SpinCo Options held by a Match employee, and (iii) all SpinCo Entities shall be treated as a termination of employment with respect to any IAC Options held by a SpinCo Employee.

(g) **Schedule B** to this Agreement sets forth a list of IAC Employees who hold IAC Options (a portion of which will convert into SpinCo Options in accordance with this Article VI) that contain post-termination exercise periods that are longer than the default post-termination exercise periods set forth in the applicable IAC Long-Term Incentive Plan. For the avoidance of doubt, as required by Section 6.1(a) of this Agreement, SpinCo Options resulting from the adjustments contemplated by Section 6.1(a) of this Agreement shall have the same post-termination exercise periods as the corresponding IAC Options. If, after the date of this Agreement, IAC extends the post-termination exercise period applicable to any IAC Option that is adjusted pursuant to Section 6.1(a) of this Agreement, then, subject to IAC providing written notice to SpinCo of such extension, SpinCo will provide for the same extended post-termination exercise period for the corresponding SpinCo Option.

6.4 **Waiting Period for Exercisability of Options and Settlement of RSU Awards.** The IAC Options and SpinCo Options shall not be exercisable during a period beginning on a date prior to the Mandatory Exchange Effective Time determined by IAC in its sole discretion, and continuing until the IAC Post-Separation Value and the SpinCo Post-Separation Value are determined, or such longer period as IAC, with respect to IAC Options, and SpinCo, with respect to SpinCo Options, determines is necessary to implement the provisions of this Article VI. The IAC RSU Awards and SpinCo RSU Awards shall not be settled during a period beginning on a date prior to the Mandatory Exchange Effective Time determined by IAC in its sole discretion, and continuing until the IAC Post-Separation Value and the SpinCo Post-Separation Value are determined immediately after the Mandatory Exchange Effective Time, or such longer period as IAC, with respect to IAC RSU Awards, and SpinCo, with respect to SpinCo RSU Awards, determines is necessary to implement the provisions of this Article VI.

**ARTICLE VII
GENERAL AND ADMINISTRATIVE**

7.1 Sharing of Participant Information.

(a) IAC and SpinCo shall share, and IAC shall cause each other IAC Entity to share, and SpinCo shall cause each other SpinCo Entity to share with each other and their respective agents and vendors (without obtaining releases) all participant information necessary for the efficient and accurate administration of each of the SpinCo Benefit Plans and the IAC Benefit Plans.

(b) IAC and SpinCo and their respective authorized agents shall, subject to applicable laws and the entry into such agreements as shall be reasonably necessary or appropriate to comply with all applicable data protection laws, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the other Party, to the extent necessary for such administration. Until the Benefits Participation End Date and for such reasonable period thereafter as is reasonably necessary or appropriate to fulfill the purposes and intent of this Agreement, all participant information shall be provided in a manner and medium as may be mutually agreed to by IAC and SpinCo.

7.2 Reasonable Efforts/Cooperation. Each of the Parties hereto will use its commercially reasonable efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement. Each of the Parties hereto shall cooperate fully on any issue relating to the transactions contemplated by this Agreement for which the other Party seeks a determination letter or private letter ruling from the Internal Revenue Service, an advisory opinion from the Department of Labor or any other filing (including, but not limited to, securities filings (remedial or otherwise)), consent or approval with respect to or by a governmental agency or authority in any jurisdiction in the U.S. or abroad.

7.3 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and is not intended to confer upon any other Persons any rights or remedies hereunder. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude IAC or any other IAC Entity, at any time after the Mandatory Exchange Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any IAC Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any IAC Benefit Plan. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude SpinCo or any other SpinCo Entity, at any time Mandatory Exchange Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any SpinCo Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any SpinCo Benefit Plan.

7.4 Audit Rights With Respect to Information Provided.

(a) Each of IAC and SpinCo, and their duly authorized representatives, shall have the right to conduct reasonable audits (but not in excess of one audit per fiscal quarter) with respect to all information required to be provided to it by the other Party under this Agreement. The Party conducting the audit (the "Auditing Party") may adopt reasonable procedures and guidelines for conducting audits and the selection of audit representatives under this Section 7.4. The Auditing Party shall have the right to make copies of any records at its expense, subject to any restrictions imposed by applicable laws and to any confidentiality provisions set forth in the Separation Agreement, which are incorporated by reference herein. The Party being audited shall provide the Auditing Party's representatives with reasonable access during normal business hours to its operations, computer systems and paper and electronic files, and provide workspace to its representatives. After any audit is completed, the Party being audited shall have the right to review a draft of the audit findings and to comment on those findings in writing within thirty Business Days after receiving such draft.

(b) The Auditing Party's audit rights under this Section 7.4 shall include the right to audit, or participate in an audit facilitated by the Party being audited, of any Subsidiaries and Affiliates of the Party being audited and to require the other Party to request any benefit providers and third parties with whom the Party being audited has a relationship, or agents of such Party, to agree to such an audit to the extent any such Persons are affected by or addressed in this Agreement (collectively, the "Non-parties"). The Party being audited shall, upon written request from the Auditing Party, provide an individual (at the Auditing Party's expense) to supervise any audit of a Non-party. The Auditing Party shall be responsible for supplying, at the Auditing Party's expense, additional personnel sufficient to complete the audit in a reasonably timely manner. The responsibility of the Party being audited shall be limited to providing, at the Auditing Party's expense, a single individual at each audited site for purposes of facilitating the audit.

7.5 Fiduciary Matters. It is acknowledged that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

7.6 Consent of Third Parties. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor) and such consent is withheld, the Parties hereto shall use commercially reasonable efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the Parties hereto shall negotiate in good faith to implement the provision in a mutually satisfactory manner. The phrase "commercially reasonable efforts" as used herein shall not be construed to require any Party to incur any non-routine or unreasonable expense or Liability or to waive any right.

**ARTICLE VIII
MISCELLANEOUS**

8.1 Effectiveness. This Agreement shall become effective immediately prior to the Mandatory Exchange Effective Time.

8.2 Effect If Mandatory Exchange Effective Time Does Not Occur. If the Separation Agreement is terminated in accordance with its terms prior to the Mandatory Exchange Effective Time, then this Agreement shall terminate and all actions and events that are, under this Agreement, to be taken or occur effective immediately prior to or as of the Mandatory Exchange Effective Time, shall not be taken or occur.

8.3 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of the Parties, shall be deemed to create any relationship between the Parties other than the relationship set forth herein.

8.4 Affiliates. Each of IAC and SpinCo shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by another IAC Entity or a SpinCo Entity, respectively.

8.5 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed given to a Party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and facsimile numbers and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number or person as a Party may designate by notice to the other Parties):

(a) if to IAC:

IAC/InterActiveCorp
555 West 18th Street
New York, NY 10011
Attention: Kendall Handler, Senior Vice President and General Counsel
Email: kendall.handler@iac.com

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Andrew J. Nussbaum, Esq.
Jenna Levine, Esq.
Email: ajnussbaum@wlrk.com
jelevine@wlrk.com

(b) if to SpinCo (prior to the Mandatory Exchange Effective Time) to:

Vimeo, Inc.
555 West 18th Street
New York, NY 10011
Attention: Kendall Handler, Senior Vice President and General Counsel
Email: kendall.handler@iac.com

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Andrew J. Nussbaum, Esq.
Jenna Levine, Esq.
Email: ajnussbaum@wlrk.com
jelevine@wlrk.com

if to SpinCo (from and after the Mandatory Exchange Effective Time), to:

Vimeo, Inc.
555 West 18th Street
New York, NY 10011
Attention: Michael Cheah, General Counsel and Secretary
Email: michael@vimeo.com

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

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Andrew J. Nussbaum
Jenna E. Levine
Email: ajnussbaum@wlrk.com
jelevine@wlrk.com

8.6 Incorporation of Separation Agreement Provisions. The following provisions of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein mutatis mutandis: Article IV (relating to Mutual Releases, Indemnification) Article VI (relating to Exchange of Information; Confidentiality); Article VII (relating to Dispute Resolution); Article VIII (relating to Further Assurances and Additional Covenants); and Article X (relating to Miscellaneous).

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IN WITNESS WHEREOF, the Parties have caused this Employee Matters Agreement to be duly executed as of the day and year first above written.

IAC/INTERACTIVECORP

By: /s/ Kendall Handler

Name: Kendall Handler

Title: Senior Vice President, General Counsel and Secretary

VIMEO, INC.

By: /s/ Kendall Handler

Name: Kendall Handler

Title: Vice President

TRANSITION SERVICES AGREEMENT

BY AND BETWEEN

IAC/INTERACTIVECORP

AND

VIMEO, INC.

DATED AS OF MAY 24, 2021

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TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT, dated as of May 24, 2021, is entered into by and between IAC/InterActiveCorp, a Delaware corporation ("IAC"), and Vimeo, Inc., a Delaware corporation (formerly known as Vimeo Holdings, Inc., "SpinCo"). IAC and SpinCo are sometimes hereinafter collectively referred to as the "Parties" and individually as a "Party."

RECITALS:

WHEREAS, the board of directors of IAC has determined that it is in the best interests of IAC and its stockholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in order to effectuate the Spin-off, IAC and SpinCo have entered into a Separation Agreement, dated as of even date herewith (the "Separation Agreement");

WHEREAS, in order to facilitate and provide for an orderly transition in connection with the Spin-off, the Parties desire to enter into this Agreement to set forth the terms and conditions pursuant to which IAC will provide Services to SpinCo and other members of the SpinCo Group, and SpinCo will provide services to IAC and the other member of the IAC Group, in each case for a transitional period; and

WHEREAS, the Parties acknowledge that this Agreement, the Separation Agreement, and the other Ancillary Agreements represent the integrated agreement of IAC and SpinCo relating to the Spin-off, are being entered together, and would not have been entered independently.

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

ARTICLE I

Definitions

Section 1.1 Defined Terms. For the purposes of this Agreement, (a) unless otherwise defined herein capitalized terms used herein shall have the meanings assigned to them in the Separation Agreement and (b) the following terms shall have the meanings hereinafter specified:

"Agreement" shall mean this Transition Services Agreement, including the Schedules hereto, as the same may be amended, supplemented or otherwise modified from time to time.

"Fee" shall have the meaning set forth in Section 2.1(c).

“Force Majeure Event” shall have the meaning set forth in Section 5.1.

“IAC” shall have the meaning set forth in the preamble of this Agreement.

“IAC Business” shall mean any line of business that was carried out by any member of the IAC Group during the Reference Period other than the SpinCo Business.

“IAC Provider” shall have the meaning set forth in Section 2.1(a).

“Licensee” shall have the meaning set forth in Section 8.1(a).

“Licensor” shall have the meaning set forth in Section 8.1(a).

“Omitted Services” shall have the meaning set forth in Section 2.1(b).

“Parties” and “Party” shall have the meaning set forth in the preamble of this Agreement.

“Provider” shall have the meaning set forth in Section 2.1(a).

“Recipient” shall mean SpinCo or any of the other members of the SpinCo Group, or IAC or any member of the IAC Group, as applicable, in its respective capacity as a recipient of Services hereunder, as described on Schedule A.

“Reference Period” shall mean the twelve-month period preceding the Reclassification Date.

“Sales Taxes” shall have the meaning set forth in Section 3.3.

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

“Services” shall have the meaning set forth in Section 2.1(a).

“Shared Contracts” shall have the meaning set forth in Section 2.2(a).

“SpinCo” shall have the meaning set forth in the preamble of this Agreement.

“SpinCo Business” shall mean any line of business that was carried out by the SpinCo Group during the Reference Period.

“SpinCo Provider” shall have the meaning set forth in Section 2.1(a).

“Term” shall have the meaning set forth in Section 4.1.

Section 1.2 Interpretation; Schedules. In this Agreement: (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules hereto) and not to any particular provision of this Agreement; (c) Article, Section and Schedule references are to the Articles, Sections and Schedules to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (f) the word “or” shall not be exclusive; (g) unless otherwise specified in a particular case, the word “days” refers to calendar days; (h) references to “business day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or New York, New York; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (j) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to May 24, 2021.

ARTICLE II

Agreement to Provide and Receive Services

Section 2.1 Provision of Services.

(a) On the terms and subject to the conditions contained herein, IAC shall provide, or shall cause the other members of the IAC Group (IAC and such other members of the IAC Group, in their capacity as providers of Services hereunder, collectively referred to as the “IAC Providers”) to provide, to SpinCo (or another member of the SpinCo Group designated by SpinCo) the services listed on Schedule A (the “IAC Services”). On the terms and subject to the conditions contained herein, SpinCo shall provide, or shall cause the other members of the SpinCo Group (SpinCo and such other members of the SpinCo Group, in their capacity as providers of Services hereunder, collectively referred to as the “SpinCo Providers” and, together the IAC Providers, the “Providers”) to provide, to IAC (or another member of the IAC Group designated by IAC) the services listed on Schedule B (the “SpinCo Services” and, together the IAC Services and any Omitted Services added to Schedule A or Schedule B pursuant to paragraph (b) below, the “Services”).

(b) In the event that SpinCo or IAC desires to have the applicable Provider provide services that are not set out on Schedule A or Schedule B (as applicable) (other than because it was specifically agreed that such services would not be provided under this Agreement) but were provided by such Provider to the SpinCo Business or the IAC Business (as applicable) during the Reference Period (“Omitted Services”), and such Recipient requests, within ninety days following the Reclassification Date, that such Provider provide such Omitted Services, the Parties shall negotiate in good faith to attempt to reach mutually agreed terms for the provision of such Omitted Service; provided that no Provider shall be obligated to provide a service if does not, in its reasonable judgment, have adequate resources to provide such service or if in doing so, it would interfere with the operation of its business. If agreement is reached, the Parties shall promptly enter into an amendment to this Agreement amending Schedule A or Schedule B (as applicable) to reflect such Omitted Service and such Omitted Service shall be deemed to be part of this Agreement and the Services from and after the date of such amendment.

(c) Each Service shall be provided to a Recipient in exchange for the fee set forth on Schedule A or Schedule B (as applicable) with respect to such Service (a “Fee”), which Fee shall, except as otherwise set forth on Schedule A or Schedule B, as applicable, be equal to the Provider’s calculation, based upon commercially reasonable metrics, of the actual cost, without mark-up, of providing such Service to the SpinCo Business or the IAC Business (as applicable). Except to the extent included in the Fees or as otherwise set forth in Schedule A or Schedule B (as applicable), the Recipient shall reimburse the Provider for any reasonable incremental and documented out-of-pocket expenses incurred by the Provider’s personnel in connection with performing the Services. Except as set forth in Schedule A or Schedule B (as applicable), for any Service where the Fee for the Services is expressed as a specified dollar amount per month, if such Services are provided for only a portion of the month, including as a result of circumstances described in Section 4.1 or Article V, the Fees for such Services shall be prorated to reflect the number of days such Services were actually provided during such month on the basis of a thirty-day month.

(d) Each Recipient and Provider providing Services to it hereunder will use good-faith efforts to reasonably cooperate with each other in all matters relating to the provision and receipt of Services. Such cooperation shall include obtaining all consents, licenses or approvals necessary to permit each Party to perform its obligations with respect to the other Party; provided, however, under no circumstances shall any Provider be required to make any payments (other than *de minimis* costs and expenses) to any third party in respect of any such consents, licenses or approvals. If, with respect to a Service, the Parties, despite their efforts, are unable to obtain such required consents, licenses or approvals, the Provider will use commercially reasonable efforts to perform the Service in a manner that does not require such consent, license or approval.

Section 2.2 Shared Contracts.

(a) For the term of this Agreement, with respect to any contract set forth on Schedule C (the “Shared Contracts”), the Parties agree to cause, subject to Section 2.1(d), the applicable members of the IAC Group and the applicable members of the SpinCo Group, to the extent reasonably requested by SpinCo or IAC, respectively, to use commercially reasonable efforts to (i) cause the applicable third party counterparty thereto to enter into one or more replacement contracts that would allow the applicable members of the IAC Group and applicable members of the SpinCo Group to obtain substantially similar benefits and have substantially similar obligations as under such Shared Contract or (ii) seek to divide or otherwise amend any such Shared Contract in a manner that would allow the party that is not party to such Shared Contract to continue to obtain the benefits of and have the obligations under such Shared Contract (including by working with the applicable third party or third parties to such Shared Contracts to accomplish the foregoing).

Section 2.3 Access. Each Party shall make available on a timely basis to the other Party all information and materials reasonably requested by such other Party to the extent reasonably necessary for the purposes of providing and receiving the Services. No Provider shall be liable for any delay or deficiency in the Services to the extent caused by the failure of such information or materials to be provided on a timely basis or inaccuracy or deficiency in such information or materials. A Recipient shall, upon reasonable notice, give the applicable Provider reasonable access, during regular business hours and at such other times as are reasonably required, to the relevant premises to the extent reasonably necessary for the purposes of providing Services.

Section 2.4 Books and Records. Each Party shall keep customary books and records of the Services provided. Upon Recipient's reasonable request, each Provider shall make such books and records and documentation (in each case, solely to the extent relating to the Services provided to the applicable Recipients) available to an independent third party auditor of such Recipient's choosing and at such Recipient's sole expense (i) upon reasonable prior written notice, during normal business hours, (ii) subject to the internal policies and procedures of the Provider generally applicable to third party auditors and other reasonably imposed security procedures and limitations and (iii) subject to compliance with the confidentiality obligations of the Parties under this Agreement and the Separation Agreement. In recognition that audits are disruptive and should be avoided if possible, such independent third party audits shall be performed (x) in a manner that will not unreasonably interfere with the normal business operations of the Provider and otherwise with a minimum of disruption by such independent third party and (y) no more than once for each given Service.

ARTICLE III

Services; Payment; Independent Contractor

Section 3.1 Service Quality.

(a) Unless otherwise agreed in writing by the Parties, Provider shall provide Services and, with respect to Services provided by third parties, shall use its commercially reasonable efforts to cause such Services to be provided, in a manner and quality that are consistent with the provision of such Services or other similar services to the SpinCo Business and the IAC Business during the Reference Period, and in any event in compliance with applicable Law. Without limiting a Provider's obligation to correct or reperform under Section 6.6, if the quality or performance of any Service provided by a Provider hereunder falls materially below the standard required by this Section 3.1(a), such substandard quality or performance shall be addressed through the dispute resolution process set forth in Article VII of the Separation Agreement.

(b) Each Recipient acknowledges that the applicable Provider is not in the business of providing the Services and is providing the Services to such Recipient solely for the purpose of facilitating the transactions contemplated by the Separation Agreement. Each Provider shall act under this Agreement solely as an independent contractor and not as an agent, employee or joint venture counterparty of any Recipient. All employees and representatives providing the Services shall be under the direction, control and supervision of the applicable Provider (and not of any Recipient), and such Provider shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of any Recipient.

(c) EXCEPT AS EXPRESSLY SET FORTH HEREIN, NO PROVIDER MAKES ANY OTHER REPRESENTATIONS, STATEMENTS, COVENANTS OR WARRANTIES WITH RESPECT TO THE SERVICES, WHETHER EXPRESS OR IMPLIED, AND ALL IMPLIED WARRANTIES, INCLUDING THOSE RELATING TO MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED.

Section 3.2 Payment. Invoices shall be delivered after the end of each month by IAC to SpinCo or by SpinCo to IAC, as applicable, for Services delivered during such month and for any other sums payable under Sections 2.1(c), 3.3 and 7.3. Each such invoice shall set forth a brief description of such Services and the amounts charged therefor. Except as the Parties may agree or as set forth on Schedule A or Schedule B, as applicable, unless subject to dispute in accordance with the last sentence of this Section 3.2, each invoice shall be payable in immediately available funds within thirty days after the date thereof. Any amount not paid within such thirty-day period shall be subject to late charges at the rate of prime rate (as published in *The Wall Street Journal* as of the date of payment) plus two percent (or the maximum legal rate, whichever is lower) from the due date until paid. All payments under this Agreement shall be made by electronic funds transfer of immediately available funds to the bank account specified by the Provider receiving the payment. Recipient may dispute any material errors set forth in such invoice in accordance with the dispute resolution process set forth in Article VII of the Separation Agreement.

Section 3.3 Sales Taxes. Any federal, state, local or foreign sales, use, value added, goods and services, or other similar Taxes sustained, incurred, or levied with respect to the sale, performance, provision or delivery of Services ("Sales Taxes") shall be payable by a Recipient to the applicable Provider in accordance with Section 3.2. The amounts set forth for each Service on Schedule A or Schedule B (as applicable) do not include Sales Taxes, and such Taxes shall be separately stated on the relevant invoice to the Recipient. Each Provider shall be solely responsible for payment of all such Sales Taxes to the applicable Governmental Authority on Services provided by such Provider hereunder. Each Provider shall timely prepare and file all Tax returns required to be filed by it with any Governmental Authority with respect to such Sales Taxes and, in the case of value-added taxes, timely provide the Recipient with valid value-added tax invoices in accordance with applicable Law. Notwithstanding the foregoing, no Recipient shall be obligated to pay Sales Taxes to the extent that such Recipient has provided to the relevant Provider valid exemption certificates or other applicable documentation that would eliminate or reduce the obligation to collect or pay such Sales Taxes.

Section 3.4 Uses of Services. No Recipient shall resell any Services to any Person whatsoever or permit the use of the Services by any Person other than in connection with such Recipient's operation of its business substantially as conducted during the Reference Period.

Section 3.5 No Violation of Laws. No Provider nor any third-party service provider shall be required to provide all or any part of any particular Service to the extent that providing such Service would require any Provider or any third-party service provider to violate any applicable Laws.

Section 3.6 Provision of Services. With respect to any Service, a Provider may, upon ten business days' prior written notice to the applicable Recipient, (i) outsource such Service to a third-party provider; (ii) in-source such Service being provided by a third-party provider; (iii) replace a third-party provider of such Service with a new third-party provider; or (iv) terminate or renegotiate the material terms of an agreement pursuant to which a third-party provider shall provide such Service; provided, that (x) the terms (including pricing) pursuant to which such Service will be provided shall be on terms no less favorable to the Recipient than those set forth in Schedule A or Schedule B (as applicable) and (y) with respect to clauses (i) and (iii), (A) such third party is in the business of providing such Service, and (B) such Provider shall notify each third-party provider performing any Service for the applicable Recipients of the confidentiality restrictions set forth herein and shall cause such third-party provider to comply with confidentiality restrictions at least as stringent as those set forth herein.

ARTICLE IV

Term of Services

Section 4.1 Term. The provision of each Service shall commence on the Reclassification Date and shall terminate on the last day that such Service, as set forth in Schedule A or Schedule B, is required to be provided (the period for which any Service is provided, including any extensions of the time period for the provision of such Service that may be agreed by the Parties hereto in writing consistent with Section 4.2, the "Term"), but in no event beyond twelve months from the Reclassification Date; provided, that a Recipient may cancel any Service upon ninety days' prior written notice to the applicable Provider of cancellation; and provided, further, that a Provider may (i) immediately terminate any individual Service provided to a Recipient in the event that the Recipient fails to make payments for such Service under Section 3.2 and has not cured such failure within thirty days of written notice of such failure from the applicable Provider, or (ii) upon sixty days written notice, terminate any Service provided to a Recipient at such time as the Provider no longer provides the same Service to itself for its own account; and provided, further, that, during the sixty day period prior to any termination pursuant to the foregoing clause (ii) with respect to a Service provided pursuant to a contract with a third party, Provider agrees, upon the reasonable request of Recipient, to use commercially reasonable efforts to assist Recipient with obtaining such underlying Service from such third party directly. Upon termination of any Service pursuant to this Article IV, a Recipient's obligation to pay the Provider for such Service shall cease except (i) as set forth in Section 7.3, and (ii) that, to the extent that the Service is terminated before the end of the Service term, the Recipient shall pay for (A) any liability or costs contracted for by the Provider with third parties on behalf of the Recipient in connection with such Service, and (B) any reasonable and documented out-of-pocket "wind-down costs" incurred by the Provider resulting from such early termination, provided, however, that any such costs described in clauses (A) and (B) that are not set forth on Schedule A or Schedule B, as applicable shall be made known by Provider to Recipient at Recipient's request.

Section 4.2 Term Extensions. To the extent a Recipient requires an extension to the Term of any Service outlined in Schedule A or Schedule B, as applicable, such Recipient may, with at least thirty days' written notice to the applicable Provider prior to the end of the Term of such Service as set forth in Schedule A or Schedule B, as applicable, request an extension of the Term of such Service and such request shall be considered in good faith by the applicable Provider. Any terms, conditions or costs or fees to be paid by the Recipient for Services provided during an extended term will be on terms mutually acceptable to the applicable Provider and Recipient. Unless the Parties mutually agree in writing, the full Term of any Service, as extended pursuant to this Section 4.2, shall not extend beyond twelve months from the Reclassification Date.

ARTICLE V

Force Majeure

Section 5.1 Force Majeure Event. Neither Party shall be liable for any interruption, delay or failure to perform any obligation under this Agreement resulting from causes beyond its reasonable control (or beyond the reasonable control of any Person acting on its behalf), including any strikes, lockouts, acts of any government, riot, insurrection or other hostilities, acts of the public enemy or terrorism, embargo, fuel or energy shortage, fire, flood, earthquake, tsunami, or acts of God (any such event, a "Force Majeure Event"). In the event of a Force Majeure Event, each Party's affected obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof. No Fees shall be incurred by a Recipient for Services that are suspended or delayed for the duration of such suspension or delay. A Recipient shall have the right, but not the obligation, to obtain replacement services for the duration of the Force Majeure Event from a third-party provider at its own cost.

Section 5.2 Consequences of Force Majeure Event. A Provider shall notify the applicable Recipient upon learning of the occurrence of a Force Majeure Event. At the option of the applicable Recipient, the Term of any affected Service shall be tolled until such Service is resumed in accordance with the standards set forth on Section 3.1(a). Upon the cessation of the Force Majeure Event, the applicable Provider shall use commercially reasonable efforts to resume its performance of any affected Service in accordance with the standards set forth in Section 3.1(a) with the least possible delay. If any Service is interrupted or suspended for more than thirty consecutive days, a Recipient may immediately terminate the affected Service, in whole or in part, upon written notice to the applicable Provider.

ARTICLE VI

Limitation of Liability; Indemnification

Section 6.1 Consequential and Other Damages. In no event shall either SpinCo or IAC, or any of the members of the SpinCo Group or IAC Group, or any of its or their shareholders, owners, officers, directors, employees, agents or representatives, be liable, whether in contract, in tort (including negligence and strict liability), breach of warranty or otherwise, for any special, indirect, incidental, punitive, exemplary, consequential or similar damages which in any way arise out of, relate to, or are a consequence of, its performance or nonperformance hereunder, or the provision of or failure to provide any Service hereunder, including with respect to loss of profits, business interruptions or claims of customers.

Section 6.2 Limitation of Liability.

(a) Except to the extent arising from gross negligence or willful misconduct of members of the IAC Group, in no event shall the aggregate damages for which IAC shall be liable as Provider in connection with or as a result of this Agreement or the Services exceed the aggregate amount of Fees paid or to be paid to the IAC Providers under this Agreement with regard to those Services giving rise to such liability (or, in the event of a breach of the Agreement as a whole, with regard to all Services on Schedule A), with such amount to be calculated as of the end of the applicable Terms of such Services.

(b) Except to the extent arising from gross negligence or willful misconduct of members of the SpinCo Group, in no event shall the aggregate damages for which SpinCo shall be liable as Provider in connection with or as a result of this Agreement or the Services exceed the aggregate amount of Fees paid or to be paid to the SpinCo Providers under this Agreement with regard to those Services giving rise to such liability (or, in the event of a breach of the Agreement as a whole, with regard to all Services on Schedule B), with such amount to be calculated as of the end of the applicable Terms of such Services.

Section 6.3 Indemnity.

(a) Subject to the limitations set forth in Section 6.1 and Section 6.2, IAC shall indemnify, defend and hold harmless SpinCo and the other applicable members of the SpinCo Group from and against all Liabilities incurred by SpinCo and such other applicable members of the SpinCo Group arising out of or resulting from (i) any material breach or default in performance by IAC of any obligation under this Agreement or (ii) the gross negligence or willful misconduct of IAC, any of the other members of the IAC Group or their respective employees, directors, officers or agents in connection with the performance of the Services to be performed by such party hereunder or in connection with the receipt of the Services to be received by such party hereunder.

(b) Subject to the limitations set forth in Section 6.1, SpinCo shall indemnify, defend and hold harmless IAC and the other applicable members of the IAC Group from and against all Liabilities incurred by IAC and such other members of the IAC Group arising out of or resulting from (i) any material breach or default in performance by SpinCo of any obligation under this Agreement or (ii) the gross negligence or willful misconduct of SpinCo, any of the other members of the SpinCo Group or their respective employees, directors, officers, or agents in connection with the performance of the Services to be performed by such party hereunder or in connection with the receipt of the Services to be received by such party hereunder.

Section 6.4 Notice of Claims. Notice of any claim under this Article VI must be delivered in writing and received by the Party allegedly liable therefor within one hundred and eighty days after the date of the action, service or event which gave rise to the claim or be forever barred. Such claim must describe the action or service and situation giving rise to the claim in reasonable detail and specify the amount of the Liabilities claimed. Any action based on any such claim must be commenced within one year of such date of expiration or earlier termination, or be forever barred.

Section 6.5 Indemnification Procedures. The provisions set forth in Sections 4.5, 4.6 and 4.7 of the Separation Agreement shall apply to indemnification claims under this Agreement *mutatis mutandis*.

Section 6.6 Obligation to Correct or Reperform. In the event of any breach of this Agreement by a Provider resulting from any error or defect in providing any Service, such Provider shall, at the Recipient's request and without the payment of any further Fees by the Recipient, use its commercially reasonable efforts to correct, or cause to be corrected, such error or defect in all material respects, or reperform, or cause to be reperformed, such Service in all material respects, as promptly as practicable.

ARTICLE VII

Termination

Section 7.1 Termination. This Agreement and the obligation to provide the Services contemplated hereunder shall terminate on the latest to occur of (a) the date on which no Services are required to be provided as indicated on Schedule A and Schedule B and (b) the date on which this Agreement is terminated in whole pursuant to Section 7.2; provided that, in each case, no such termination shall relieve any Party of any liability for any breach of any provision of this Agreement prior to the date of such termination.

Section 7.2 Breach of Agreement. Subject to Article VI, and without limiting a Party's obligations under Section 4.1, if either Party shall cause or suffer to exist any material breach of any of its obligations under this Agreement, including any failure to perform any Service (except to the extent excused pursuant to Article V) or to make payments when due in accordance with Section 3.2, and such Party does not cure such breach within thirty days after receiving written notice thereof from the non-breaching Party, the non-breaching Party may terminate this Agreement, in whole or in part, including the provision of Services pursuant hereto, immediately by providing written notice of termination. In addition, either Party may terminate this Agreement, effective immediately upon written notice, if the other Party commences a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar Law now or hereafter in effect or seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or consents to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or makes a general assignment for the benefit of creditors or takes any corporate action to authorize any of the foregoing.

Section 7.3 Sums Due; Effect of Termination. In the event of a termination of this Agreement, each Provider shall be entitled to the immediate payment of, and the applicable Recipient shall within three business days, pay to such Provider, all accrued amounts for Services, Sales Taxes and other amounts due from such Recipient to such Provider under this Agreement as of the date of termination. In the event of a termination of this Agreement or any Services, each Party shall promptly (i) return to the other Party any of the other Party's equipment and return or use commercially reasonable efforts to destroy materials containing the other Party's Information, in each case, to the extent such equipment or materials are in such Party's possession or control and that are not required for use in connection with any non-terminated Services and (ii) assist with the transfer of records and migration of historical data in connection with the transition of any terminated Service from the hardware, software, network and telecommunications equipment and internet-related information technology infrastructure of such Party to such equipment and infrastructure of the other Party. Any costs and expenses incurred by a Provider in connection with the implementation of any such transfer shall be borne by the applicable Recipient.

Section 7.4 Survival. Upon termination of any Service in accordance with this Agreement, the applicable Provider shall have no further obligation to provide such terminated Service. Notwithstanding anything herein to the contrary, Section 1.1, Articles VI and VIII and Section 7.3 and this Section 7.4 shall survive any termination of this Agreement.

ARTICLE VIII

Miscellaneous

Section 8.1 Ownership of Intellectual Property and Work Product.

(a) Except as otherwise expressly provided in this Agreement or the Separation Agreement, each of the Parties and their respective Affiliates shall retain all right, title and interest in and to their respective Intellectual Property and any and all improvements, modifications, derivative works, additions or enhancements thereof. No license or right, express or implied, is granted under this Agreement by either Party or such Party's Affiliates in or to their respective Intellectual Property, except that, solely to the extent required for the provision or receipt of the Services in accordance with this Agreement, each Party ("Licensor"), for itself and on behalf of its Affiliates, hereby grants to the other ("Licensee") (and the Licensee's Affiliates) a non-exclusive, revocable (solely as expressly provided in this Agreement), non-transferable, non-sublicensable (except to third parties as required for the provision or receipt of Services, but not for their own independent use), royalty-free, worldwide license during the term of this Agreement to use such Intellectual Property of the Licensor in connection with this Agreement, but only to the extent and for the duration necessary for the Licensee to provide or receive the applicable Service under this Agreement. Upon the expiration of such term, or the earlier termination of such Service in accordance with this Agreement, the license to the relevant Intellectual Property shall terminate; provided, that all licenses granted hereunder shall terminate immediately upon the expiration or earlier termination of this Agreement in accordance with the terms hereof. Upon the expiration or termination of this Agreement or an applicable Service, the Licensee shall cease use of the Licensor's Intellectual Property and shall return or destroy at the Licensor's request all Information or embodiments of Intellectual Property provided in connection with this Agreement. The foregoing license is subject to any licenses granted by others with respect to Intellectual Property not owned by the Parties or their respective Affiliates.

(b) Each Provider, acknowledges and agrees that it will acquire no right, title or interest (including any license rights or rights of use) to any work product resulting from the provision of Services hereunder for a Recipient's exclusive use and such work product shall remain the exclusive property of the Recipient. Each Recipient, acknowledges and agrees that it will acquire no right, title or interest (other than a non-exclusive, worldwide right of use) to any work product resulting from the provision of Services hereunder that is not for the Recipient's exclusive use and such work product shall remain the exclusive property, subject to license, of the Provider

Section 8.2 Precedence of Schedules. Each Schedule attached to or referenced in this Agreement is hereby incorporated into and shall form a part of this Agreement; provided, however, that the terms contained in such Schedule shall only apply with respect to the Services provided under that Schedule unless otherwise indicated. In the event of a conflict between the terms contained in an individual Schedule and the terms in the body of this Agreement, the terms in the Schedule shall take precedence with respect to the Services under such Schedule only. No terms contained in individual Schedules shall otherwise modify the terms of this Agreement.

Section 8.3 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement shall survive the Spin-off in accordance with the terms hereof.

Section 8.4 Incorporation of Separation Agreement Provisions. Section 6.9 (Confidentiality), Section 6.10 (Protective Arrangements), Article VII (Dispute Resolution), Section 10.1 (Counterparts; Entire Agreement; Corporate Power), Section 10.2 (Governing Law; Jurisdiction), Section 10.3 (Assignability), Section 10.4 (Third Party Beneficiaries), Section 10.5 (Notices), Section 10.6 (Severability), Section 10.8 (No Set-off), Section 10.10 (Headings), Section 10.12 (Waivers of Default), Section 10.14 (Amendments), Section 10.17 (Performance) and Section 10.18 (Mutual Drafting) of the Separation Agreement are incorporated by reference herein, mutatis mutandis.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its duly authorized officer, in each case as of the date first above written.

IAC/INTERACTIVECORP

By: /s/ Kendall Handler
Name: Kendall Handler
Title: Senior Vice President, General Counsel and Secretary

VIMEO, INC.

By: /s/ Kendall Handler
Name: Kendall Handler
Title: Vice President

VIMEO, INC.
2021 STOCK AND ANNUAL INCENTIVE PLAN

SECTION 1. PURPOSE; DEFINITIONS

The purposes of this Plan are to give the Company a competitive advantage in attracting, retaining and motivating officers, employees, directors and/or consultants and to provide the Company and its Subsidiaries and Affiliates with a stock and incentive plan providing incentives directly linked to stockholder value. Certain terms used herein have definitions given to them in the first place in which they are used. In addition, for purposes of this Plan, the following terms are defined as set forth below:

- (a) “*Adjusted Award*” means (i) any equity-based award granted by IAC that is converted into an equity-based award relating to the Company upon the occurrence of a separation of the Company from IAC, or (ii) any equity-based award granted by Vimeo.com, Inc. (f/k/a Vimeo, Inc.) that is converted into an equity-based award relating to the Company in connection with a separation of the Company from IAC.
 - (b) “*Affiliate*” means a corporation or other entity controlled by, controlling or under common control with, the Company.
 - (c) “*Affiliated Persons*” means, with respect to any specified Person, (i) such specified Person’s parents, spouse, siblings, descendants, step children, step grandchildren, nieces and nephews and their respective spouses, (ii) the estate, legatees and devisees of such specified Person and each of the Persons referred to in clause (i), and (iii) any company, partnership, trust or other entity or investment vehicle controlled by any of the Persons referred to in clause (i) or (ii) or the holdings of which are for the primary benefit of any of such Persons.
 - (d) “*Applicable Exchange*” means the NASDAQ or such other securities exchange as may at the applicable time be the principal market for the Common Stock.
 - (e) “*Award*” means an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, other stock-based award or Cash-Based Award granted or assumed pursuant to the terms of this Plan.
 - (f) “*Award Agreement*” means a written or electronic document or agreement setting forth the terms and conditions of a specific Award.
 - (g) “*Board*” means the Board of Directors of the Company.
 - (h) “*Cash-Based Award*” means an Award denominated in a dollar amount.
 - (i) “*Cause*” means, unless otherwise provided in an Award Agreement, (i) “Cause” as defined in any Individual Agreement to which the applicable Participant is a party, or (ii) if there is no such Individual Agreement or if it does not define Cause: (A) the willful or gross neglect by a Participant of his employment duties; (B) the plea of guilty or nolo contendere to, or conviction for, the commission of a felony offense by a Participant; (C) a material breach by a Participant of a fiduciary duty owed to the Company or any of its subsidiaries; (D) a material breach by a Participant of any nondisclosure, non-solicitation or non-competition obligation owed to the Company or any of its Affiliates; (E) a material violation of any of the Company’s “Core Policies,” including its insider trading and harassment policies; or (F) before a Change in Control, such other events as shall be determined by the Committee and set forth in a Participant’s Award Agreement. Notwithstanding the general rule of Section 2(c), following a Change in Control, any determination by the Committee as to whether “Cause” exists shall be subject to de novo review.
 - (j) “*Change in Control*” has the meaning set forth in Section 10(a).
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(k) “Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor provision of the Code.

(l) “Commission” means the Securities and Exchange Commission or any successor agency.

(m) “Committee” has the meaning set forth in Section 2(a).

(n) “Common Stock” means common stock, par value \$0.001 per share, of the Company.

(o) “Company” means Vimeo, Inc., a Delaware corporation, or its successor.

(p) “Disability” means (i) “Disability” as defined in any Individual Agreement to which the Participant is a party, or (ii) if there is no such Individual Agreement or it does not define “Disability,” (A) permanent and total disability as determined under the Company’s long-term disability plan applicable to the Participant, or (B) if there is no such plan applicable to the Participant or the Committee determines otherwise in an applicable Award Agreement, “Disability” as determined by the Committee. Notwithstanding the above, with respect to an Incentive Stock Option, Disability shall mean Permanent and Total Disability as defined in Section 22(e)(3) of the Code and, with respect to all Awards, to the extent required by Section 409A of the Code, Disability shall mean “disability” within the meaning of Section 409A of the Code.

(q) “Disaffiliation” means a Subsidiary’s or Affiliate’s ceasing to be a Subsidiary or Affiliate for any reason (including, without limitation, as a result of a public offering, or a spinoff or sale by the Company, of the stock of the Subsidiary or Affiliate) or a sale of a division of the Company and its Affiliates.

(r) “Eligible Individuals” means directors, officers, employees and consultants of the Company or any of its Subsidiaries or Affiliates, and prospective directors, officers, employees and consultants who have accepted offers of employment or consultancy from the Company or its Subsidiaries or Affiliates.

(s) “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(t) “Fair Market Value” means, unless otherwise determined by the Committee, the closing price of a share of Common Stock on the Applicable Exchange on the date of measurement, or if Shares were not traded on the Applicable Exchange on such measurement date, then on the next preceding date on which Shares were traded, all as reported by such source as the Committee may select. If the Common Stock is not listed on a national securities exchange, Fair Market Value shall be determined by the Committee in its good faith discretion, provided that such determination shall be made in a manner consistent with any applicable requirements of Section 409A of the Code.

(u) “Free-Standing SAR” has the meaning set forth in Section 5(b).

(v) “Grant Date” means (i) the date on which the Committee by resolution selects an Eligible Individual to receive a grant of an Award and determines the number of Shares to be subject to such Award or the formula for earning a number of shares or cash amount, (ii) such later date as the Committee shall provide in such resolution, and (iii) the initial date on which a Adjusted Award was granted by IAC or Vimeo.com, Inc. (f/k/a Vimeo, Inc.), as applicable.

(w) “IAC” means IAC/InterActiveCorp, a Delaware corporation.

- (x) “*Incentive Stock Option*” means any Option that is designated in the applicable Award Agreement as an “*incentive stock option*” within the meaning of Section 422 of the Code, and that in fact so qualifies.
- (y) “*Individual Agreement*” means an employment, consulting or similar agreement between a Participant and the Company or one of its Subsidiaries or Affiliates.
- (z) “*NASDAQ*” means the National Association of Securities Dealers Inc. Automated Quotation System.
- (aa) “*Nonqualified Option*” means any Option that is not an Incentive Stock Option.
- (bb) “*Option*” means an Award described under Section 5.
- (cc) “*Participant*” means an Eligible Individual to whom an Award is or has been granted.
- (dd) “*Permitted Holders*” means any one or more of (i) Barry Diller, (ii) each of the respective Affiliated Persons of Barry Diller and (iii) any Person a majority of the aggregate voting power of all the outstanding classes or series of the equity securities of which are beneficially owned by any one or more of the Persons referred to in clauses (i) or (ii).
- (ee) “*Performance Goals*” means the performance goals established by the Committee in connection with the grant of an Award.
- (ff) “*Person*” means any individual, corporation, partnership, limited liability company, joint venture, incorporated or unincorporated association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof or other entity of any kind.
- (gg) “*Plan*” means this Vimeo, Inc. 2021 Stock and Annual Incentive Plan, as set forth herein and as hereafter amended from time to time.
- (hh) “*Restricted Stock*” means an Award described under Section 6.
- (ii) “*Restricted Stock Units*” means an Award described under Section 7.
- (jj) “*Retirement*” means retirement from active employment with the Company, a Subsidiary or Affiliate at or after the Participant’s attainment of age 65.
- (kk) “*RS Restriction Period*” has the meaning set forth in Section 6(b)(ii).
- (ll) “*RSU Restriction Period*” has the meaning set forth in Section 7(b)(ii).
- (mm) “*Share*” means a share of Common Stock.
- (nn) “*Stock Appreciation Right*” has the meaning set forth in Section 5(b).
- (oo) “*Subsidiary*” means any corporation, partnership, joint venture, limited liability company or other entity during any period in which at least a 50% voting or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.
- (pp) “*Tandem SAR*” has the meaning set forth in Section 5(b).
- (qq) “*Term*” means the maximum period during which an Option or Stock Appreciation Right may remain outstanding, subject to earlier termination upon Termination of Employment or otherwise, as specified in the applicable Award Agreement.

(rr) “*Termination of Employment*” means the termination of the applicable Participant’s employment with, or performance of services for, the Company and any of its Subsidiaries or Affiliates. Unless otherwise determined by the Committee, if a Participant’s employment with, or membership on a board of directors of, the Company and its Affiliates terminates but such Participant continues to provide services to the Company and its Affiliates in a non-employee director capacity or as an employee, as applicable, such change in status shall not be deemed a Termination of Employment. A Participant employed by, or performing services for, a Subsidiary or an Affiliate or a division of the Company and its Affiliates shall be deemed to incur a Termination of Employment if, as a result of a Disaffiliation, such Subsidiary, Affiliate, or division ceases to be a Subsidiary, Affiliate or division, as the case may be, and the Participant does not immediately thereafter become an employee of (or service provider for), or member of the board of directors of, the Company or another Subsidiary or Affiliate. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries and Affiliates shall not be considered Terminations of Employment. Notwithstanding the foregoing, with respect to any Award that constitutes “nonqualified deferred compensation” within the meaning of Section 409A of the Code, “Termination of Employment” shall mean a “separation from service” as defined under Section 409A of the Code.

SECTION 2. ADMINISTRATION

(a) *Committee.* The Plan shall be administered by the Compensation and Human Resources Committee of the Board or such other committee of the Board as the Board may from time to time designate (the “*Committee*”), which committee shall be composed of not less than two directors, and shall be appointed by and serve at the pleasure of the Board. The Committee shall, subject to Section 11, have plenary authority to grant Awards pursuant to the terms of the Plan to Eligible Individuals. Among other things, the Committee shall have the authority, subject to the terms of the Plan:

- (i) to select the Eligible Individuals to whom Awards may from time to time be granted;
- (ii) to determine whether and to what extent Incentive Stock Options, Nonqualified Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, other stock-based awards, Cash-Based Awards or any combination thereof, are to be granted hereunder;
- (iii) to determine the number of Shares to be covered by each Award granted hereunder or the amount of any Cash-Based Award;
- (iv) to determine the terms and conditions of each Award granted hereunder, based on such factors as the Committee shall determine;
- (v) subject to Section 12, to modify, amend or adjust the terms and conditions of any Award, at any time or from time to time;
- (vi) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable;
- (vii) to accelerate the vesting or lapse of restrictions of any outstanding Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (viii) to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto);
- (ix) to establish any “blackout” period that the Committee in its sole discretion deems necessary or advisable;
- (x) to decide all other matters that must be determined in connection with an Award; and

(xi) to otherwise administer the Plan.

(b) *Procedures.* (i) The Committee may act only by a majority of its members then in office, except that the Committee may, except to the extent prohibited by applicable law or the listing standards of the Applicable Exchange and subject to Section 11, allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it.

(ii) Any authority granted to the Committee may also be exercised by the full Board. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

(c) *Discretion of Committee.* Subject to Section 1(i), any determination made by the Committee or by an appropriately delegated officer pursuant to delegated authority under the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Committee or such delegate at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company, Participants, and Eligible Individuals.

(d) *Award Agreements.* The terms and conditions of each Award (other than any Cash-Based Award), as determined by the Committee, shall be set forth in an Award Agreement, which shall be delivered to the Participant receiving such Award upon, or as promptly as is reasonably practicable following, the grant of such Award. The effectiveness of an Award shall not be subject to the Award Agreement's being signed by the Company and/or the Participant receiving the Award unless specifically so provided in the Award Agreement. Award Agreements may be amended only in accordance with Section 12 hereof.

SECTION 3. COMMON STOCK SUBJECT TO PLAN

(a) *Plan Maximums.* The maximum number of Shares that may be delivered pursuant to Awards under the Plan shall be the sum of (i) the number of Shares that may be issuable upon exercise, vesting or settlement of Adjusted Awards and (ii) 10,000,000. The maximum number of Shares that may be granted pursuant to Options intended to be Incentive Stock Options shall be 10,000,000 Shares. Shares subject to an Award under the Plan may be authorized and unissued Shares or may be treasury Shares.

(b) *Individual Limits.* During a calendar year, no single Participant (excluding non-employee directors of the Company) may be granted:

(i) Options or Stock Appreciation Rights covering in excess of 3,000,000 Shares in the aggregate; or

(ii) Restricted Stock, Restricted Stock Units or other stock-based awards (other than Options or Stock Appreciation Rights) covering in excess of 2,000,000 Shares in the aggregate.

(c) *Rules for Calculating Shares Delivered.*

(i) With respect to Awards other than Adjusted Awards, to the extent that any Award is forfeited, terminates, expires or lapses without being exercised, or any Award is settled for cash, the Shares subject to such Award not delivered as a result thereof shall again be available for Awards under the Plan.

(ii) With respect to Awards other than Adjusted Awards, if the exercise price of any Option and/or the tax withholding obligations relating to any Award are satisfied by delivering Shares to the Company (by either actual delivery or by attestation), only the number of Shares issued net of the Shares delivered or attested to shall be deemed delivered for purposes of the limits set forth in Section 3(a).

(iii) With respect to Awards other than Adjusted Awards, to the extent any Shares subject to an Award are withheld to satisfy the exercise price (in the case of an Option) and/or the tax withholding obligations relating to such Award, such Shares shall not be deemed to have been delivered for purposes of the limits set forth in Section 3(a).

(d) *Adjustment Provisions.*

(i) In the event of a merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, Disaffiliation (other than a spinoff), or similar event affecting the Company or any of its Subsidiaries (each, a “*Corporate Transaction*”), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan, (B) the various maximum limitations set forth in Sections 3(a) and 3(b) upon certain types of Awards and upon the grants to individuals of certain types of Awards, (C) the number and kind of Shares or other securities subject to outstanding Awards; and (D) the exercise price of outstanding Options and Stock Appreciation Rights.

(ii) In the event of a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extraordinary dividend of cash or other property, share combination, or recapitalization or similar event affecting the capital structure of the Company (each, a “*Share Change*”), the Committee or the Board shall make such substitutions or adjustments as it deems appropriate and equitable to (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan, (B) the various maximum limitations set forth in Sections 3(a) and 3(b) upon certain types of Awards and upon the grants to individuals of certain types of Awards, (C) the number and kind of Shares or other securities subject to outstanding Awards; and (D) the exercise price of outstanding Options and Stock Appreciation Rights.

(iii) In the case of Corporate Transactions, the adjustments contemplated by clause (i) of this paragraph (d) may include, without limitation, (A) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion (it being understood that in the case of a Corporate Transaction with respect to which holders of Common Stock receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an Option or Stock Appreciation Right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each Share pursuant to such Corporate Transaction over the exercise price of such Option or Stock Appreciation Right shall conclusively be deemed valid); (B) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the Shares subject to outstanding Awards; and (C) in connection with any Disaffiliation, arranging for the assumption of Awards, or replacement of Awards with new awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary, Affiliate, or division or by the entity that controls such Subsidiary, Affiliate, or division following such Disaffiliation (as well as any corresponding adjustments to Awards that remain based upon Company securities). The Committee may adjust the Performance Goals applicable to any Awards to reflect any Share Change and any Corporate Transaction and any unusual or non-recurring events and other extraordinary items, impact of charges for restructurings, discontinued operations, and the cumulative effects of accounting or tax changes, each as defined by generally accepted accounting principles or as identified in the Company’s financial statements, notes to the financial statements, management’s discussion and analysis or the Company’s other filings with the Commission. Any adjustments made pursuant to this Section 3(d) to Awards that are considered “deferred compensation” within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code. Any adjustments made pursuant to this Section 3(d) to Awards that are not considered “deferred compensation” subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either (A) continue not to be subject to Section 409A of the Code or (B) comply with the requirements of Section 409A of the Code.

(iv) Any adjustment under this Section 3(d) need not be the same for all Participants.

SECTION 4. ELIGIBILITY

Awards may be granted under the Plan to Eligible Individuals; *provided, however*, that Incentive Stock Options may be granted only to employees of the Company and its subsidiaries or parent corporation (within the meaning of Section 424(f) of the Code).

SECTION 5. OPTIONS AND STOCK APPRECIATION RIGHTS

With respect to Adjusted Awards, the provisions below will be applicable only to the extent that they are not inconsistent with the terms of the applicable Adjusted Award.

(a) *Types of Options.* Options may be of two types: Incentive Stock Options and Nonqualified Options. The Award Agreement for an Option shall indicate whether the Option is intended to be an Incentive Stock Option or a Nonqualified Option.

(b) *Types and Nature of Stock Appreciation Rights.* Stock Appreciation Rights may be “Tandem SARs,” which are granted in conjunction with an Option, or “Free-Standing SARs,” which are not granted in conjunction with an Option. Upon the exercise of a Stock Appreciation Right, the Participant shall be entitled to receive an amount in cash, Shares, or both, in value equal to the product of (i) the excess of the Fair Market Value of one Share over the exercise price of the applicable Stock Appreciation Right, multiplied by (ii) the number of Shares in respect of which the Stock Appreciation Right has been exercised. The applicable Award Agreement shall specify whether such payment is to be made in cash or Common Stock or both, or shall reserve to the Committee or the Participant the right to make that determination prior to or upon the exercise of the Stock Appreciation Right.

(c) *Tandem SARs.* A Tandem SAR may be granted at the Grant Date of the related Option. A Tandem SAR shall be exercisable only at such time or times and to the extent that the related Option is exercisable in accordance with the provisions of this Section 5, and shall have the same exercise price as the related Option. A Tandem SAR shall terminate or be forfeited upon the exercise or forfeiture of the related Option, and the related Option shall terminate or be forfeited upon the exercise or forfeiture of the Tandem SAR.

(d) *Exercise Price.* The exercise price per Share subject to an Option or Stock Appreciation Right shall be determined by the Committee and set forth in the applicable Award Agreement, and shall not be less than the Fair Market Value of a share of the Common Stock on the applicable Grant Date. In no event may any Option or Stock Appreciation Right granted under this Plan be amended, other than pursuant to Section 3(d), to decrease the exercise price thereof, be cancelled in exchange for cash or other Awards or in conjunction with the grant of any new Option or Stock Appreciation Right with a lower exercise price or otherwise be subject to any action that would be treated under the Applicable Exchange listing standards or for accounting purposes, as a “repricing” of such Option or Stock Appreciation Right, unless such amendment, cancellation, or action is approved by the Company’s stockholders.

(e) *Term.* The Term of each Option and each Stock Appreciation Right shall be fixed by the Committee, but shall not exceed ten years from the Grant Date.

(f) *Vesting and Exercisability.* Except as otherwise provided herein, Options and Stock Appreciation Rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee. If the Committee provides that any Option or Stock Appreciation Right will become exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine. In addition, the Committee may at any time accelerate the exercisability of any Option or Stock Appreciation Right.

(g) *Method of Exercise.* Subject to the provisions of this Section 5, Options and Stock Appreciation Rights may be exercised, in whole or in part, at any time during the applicable Term by giving written notice of exercise to the Company or through the procedures established with the Company's appointed third-party Plan administrator specifying the number of Shares as to which the Option or Stock Appreciation Right is being exercised; *provided, however,* that, unless otherwise permitted by the Committee, any such exercise must be with respect to a portion of the applicable Option or Stock Appreciation Right relating to no less than the lesser of the number of Shares then subject to such Option or Stock Appreciation Right or 100 Shares. In the case of the exercise of an Option, such notice shall be accompanied by payment in full of the aggregate purchase price (which shall equal the product of such number of Shares subject to such Option multiplied by the applicable per Share exercise price) by certified or bank check or such other instrument as the Company may accept. If approved by the Committee, payment, in full or in part, may also be made as follows:

(i) Payment may be made in the form of unrestricted Shares already owned by Participant (by delivery of such Shares or by attestation) of the same class as the Common Stock subject to the Option (based on the Fair Market Value of the Common Stock on the date the Option is exercised); *provided, however,* that, in the case of an Incentive Stock Option, the right to make a payment in the form of already owned Shares of the same class as the Common Stock subject to the Option may be authorized only at the time the Option is granted.

(ii) To the extent permitted by applicable law, payment may be made by delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale proceeds necessary to pay the purchase price, and, if requested, the amount of any federal, state, local or foreign withholding taxes. To facilitate the foregoing, the Company may, to the extent permitted by applicable law, enter into agreements for coordinated procedures with one or more brokerage firms. To the extent permitted by applicable law, the Committee may also provide for Company loans to be made for purposes of the exercise of Options.

(iii) Payment may be made by instructing the Company to withhold a number of Shares having a Fair Market Value (based on the Fair Market Value of the Common Stock on the date the applicable Option is exercised) equal to the product of (A) the exercise price per Share multiplied by (B) the number of Shares in respect of which the Option shall have been exercised.

(h) *Delivery; Rights of Stockholders.* No Shares shall be delivered pursuant to the exercise of an Option until the exercise price therefor has been fully paid and applicable taxes have been withheld. The applicable Participant shall have all of the rights of a stockholder of the Company holding the class or series of Common Stock that is subject to the Option or Stock Appreciation Right (including, if applicable, the right to vote the applicable Shares and the right to receive dividends), when the Participant (i) has given written notice of exercise, (ii) if requested, has given the representation described in Section 14(a), and (iii) in the case of an Option, has paid in full for such Shares.

(i) *Terminations of Employment.* Subject to Section 10(b), a Participant's Options and Stock Appreciation Rights shall be forfeited upon such Participant's Termination of Employment, except as set forth below:

(i) Upon a Participant's Termination of Employment by reason of death, any Option or Stock Appreciation Right held by the Participant that was exercisable immediately before the Termination of Employment may be exercised at any time until the earlier of (A) the first anniversary of the date of such death and (B) the expiration of the Term thereof;

(ii) Upon a Participant's Termination of Employment by reason of Disability or Retirement, any Option or Stock Appreciation Right held by the Participant that was exercisable immediately before the Termination of Employment may be exercised at any time until the earlier of (A) the first anniversary of such Termination of Employment and (B) the expiration of the Term thereof;

(iii) Upon a Participant's Termination of Employment for Cause, any Option or Stock Appreciation Right held by the Participant shall be forfeited, effective as of such Termination of Employment;

(iv) Upon a Participant's Termination of Employment for any reason other than death, Disability, Retirement or for Cause, any Option or Stock Appreciation Right held by the Participant that was exercisable immediately before the Termination of Employment may be exercised at any time until the earlier of (A) the 90th day following such Termination of Employment and (B) expiration of the Term thereof; and

(v) Notwithstanding the above provisions of this Section 5(i), if a Participant dies after such Participant's Termination of Employment but while any Option or Stock Appreciation Right remains exercisable as set forth above, such Option or Stock Appreciation Right may be exercised at any time until the later of (A) the earlier of (1) the first anniversary of the date of such death and (2) expiration of the Term thereof and (B) the last date on which such Option or Stock Appreciation Right would have been exercisable, absent this Section 5(i)(v).

Notwithstanding the foregoing, the Committee shall have the power, in its discretion, to apply different rules concerning the consequences of a Termination of Employment; *provided, however*, that if such rules are less favorable to the Participant than those set forth above, such rules are set forth in the applicable Award Agreement. If an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Option will thereafter be treated as a Nonqualified Option.

(j) *Nontransferability of Options and Stock Appreciation Rights.* No Option or Stock Appreciation Right shall be transferable by a Participant other than (i) by will or by the laws of descent and distribution, or (ii) in the case of a Nonqualified Option or Stock Appreciation Right, pursuant to a qualified domestic relations order or as otherwise expressly permitted by the Committee including, if so permitted, pursuant to a transfer to the Participant's family members or to a charitable organization, whether directly or indirectly or by means of a trust or partnership or otherwise. For purposes of this Plan, unless otherwise determined by the Committee, "family member" shall have the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto. A Tandem SAR shall be transferable only with the related Option as permitted by the preceding sentence. Any Option or Stock Appreciation Right shall be exercisable, subject to the terms of this Plan, only by the applicable Participant, the guardian or legal representative of such Participant, or any person to whom such Option or Stock Appreciation Right is permissibly transferred pursuant to this Section 5(j), it being understood that the term "Participant" includes such guardian, legal representative and other transferee; *provided, however*, that the term "Termination of Employment" shall continue to refer to the Termination of Employment of the original Participant.

SECTION 6. RESTRICTED STOCK

With respect to Adjusted Awards, the provisions below will be applicable only to the extent that they are not inconsistent with the terms of the applicable Adjusted Award.

(a) *Nature of Awards and Certificates.* Shares of Restricted Stock are actual Shares issued to a Participant, and shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Any certificate issued in respect of Shares of Restricted Stock shall be registered in the name of the applicable Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Vimeo, Inc. 2021 Stock and Annual Incentive Plan and an Award Agreement. Copies of such Plan and Agreement are on file at the offices of Vimeo, Inc."

The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of any Award of Restricted Stock, the applicable Participant shall have delivered a stock power, endorsed in blank, relating to the Common Stock covered by such Award.

(b) *Terms and Conditions.* Shares of Restricted Stock shall be subject to the following terms and conditions:

(i) The Committee shall, prior to or at the time of grant, condition the vesting or transferability of an Award of Restricted Stock upon the continued service of the applicable Participant or the attainment of Performance Goals, or the attainment of Performance Goals and the continued service of the applicable Participant. The conditions for grant, vesting, or transferability and the other provisions of Restricted Stock Awards (including without limitation any Performance Goals) need not be the same with respect to each Participant.

(ii) Subject to the provisions of the Plan and the applicable Award Agreement, so long as a Restricted Stock Award remains subject to the satisfaction of vesting conditions (the “*RS Restriction Period*”), the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Shares of Restricted Stock.

(iii) Except as provided in this Section 6 and in the applicable Award Agreement, the applicable Participant shall have, with respect to the Shares of Restricted Stock, all of the rights of a stockholder of the Company holding the class or series of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the Shares and the right to receive any cash dividends. If so determined by the Committee in the applicable Award Agreement and subject to Section 14(e), (A) cash dividends on the class or series of Common Stock that is the subject of the Restricted Stock Award shall be automatically reinvested in additional Restricted Stock, held subject to the vesting of the underlying Restricted Stock, and (B) subject to any adjustment pursuant to Section 3(d), dividends payable in Common Stock shall be paid in the form of Restricted Stock of the same class as the Common Stock with which such dividend was paid, held subject to the vesting of the underlying Restricted Stock.

(iv) Except as otherwise set forth in the applicable Award Agreement and subject to Section 10(b), upon a Participant’s Termination of Employment for any reason during the RS Restriction Period or before the applicable Performance Goals are satisfied, all Shares of Restricted Stock still subject to restriction shall be forfeited by such Participant; *provided, however*, that the Committee shall have the discretion to waive, in whole or in part, any or all remaining restrictions with respect to any or all of such Participant’s Shares of Restricted Stock.

(v) If and when any applicable Performance Goals are satisfied and the RS Restriction Period expires without a prior forfeiture of the Shares of Restricted Stock for which legended certificates have been issued, unlegended certificates for such Shares shall be delivered to the Participant upon surrender of the legended certificates.

SECTION 7. RESTRICTED STOCK UNITS

With respect to Adjusted Awards, the provisions below will be applicable only to the extent that they are not inconsistent with the terms of the applicable Adjusted Award.

(a) *Nature of Awards.* Restricted Stock Units are Awards denominated in Shares that will be settled, subject to the terms and conditions of the Restricted Stock Units, in an amount in cash, Shares or both, based upon the Fair Market Value of a specified number of Shares.

(b) *Terms and Conditions.* Restricted Stock Units shall be subject to the following terms and conditions:

(i) The Committee shall, prior to or at the time of grant, condition the grant, vesting, or transferability of Restricted Stock Units upon the continued service of the applicable Participant or the attainment of Performance Goals, or the attainment of Performance Goals and the continued service of the applicable Participant. The conditions for grant, vesting or transferability and the other provisions of Restricted Stock Units (including without limitation any Performance Goals) need not be the same with respect to each Participant.

(ii) Subject to the provisions of the Plan and the applicable Award Agreement, so long as an Award of Restricted Stock Units remains subject to the satisfaction of vesting conditions (the “*RSU Restriction Period*”), the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Restricted Stock Units.

(iii) The Award Agreement for Restricted Stock Units shall specify whether, to what extent and on what terms and conditions the applicable Participant shall be entitled to receive current or delayed payments of cash, Common Stock or other property corresponding to the dividends payable on the Common Stock (subject to Section 14(e) below).

(iv) Except as otherwise set forth in the applicable Award Agreement, and subject to Section 10(b), upon a Participant's Termination of Employment for any reason during the RSU Restriction Period or before the applicable Performance Goals are satisfied, all Restricted Stock Units still subject to restriction shall be forfeited by such Participant; *provided, however*, that the Committee shall have the discretion to waive, in whole or in part, any or all remaining restrictions with respect to any or all of such Participant's Restricted Stock Units.

(v) Except to the extent otherwise provided in the applicable Award Agreement, an award of Restricted Stock Units shall be settled as and when the Restricted Stock Units vest (but in no event later than March 15 of the calendar year following the end of the calendar year in which the Restricted Stock Units vest).

SECTION 8. OTHER STOCK-BASED AWARDS

Other Awards of Common Stock and other Awards that are valued in whole or in part by reference to, or are otherwise based upon or settled in, Common Stock, including (without limitation), unrestricted stock, performance units, dividend equivalents, and convertible debentures, may be granted under the Plan.

SECTION 9. CASH-BASED AWARDS

Cash-Based Awards may be granted under this Plan. Cash-Based Awards may be paid in cash or in Shares (valued at Fair Market Value as of the date of payment) as determined by the Committee.

SECTION 10. CHANGE IN CONTROL PROVISIONS

(a) *Definition of Change in Control.* Except as otherwise may be provided in an applicable Award Agreement, for purposes of the Plan, a "*Change in Control*" shall mean any of the following events:

(i) The acquisition by any individual entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), other than a Permitted Holder, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of equity securities of the Company representing more than 50% of the voting power of the then outstanding equity securities of the Company entitled to vote generally in the election of directors (the "*Outstanding Company Voting Securities*"); *provided, however*, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by the Company, (B) any acquisition directly from the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii); or

(ii) Individuals who, as of the Effective Date, constitute the Board (the "*Incumbent Board*") cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the Effective Date, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the purchase of assets or stock of another entity (a “*Business Combination*”), in each case, unless immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of the then outstanding combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, (B) no Person (excluding a Permitted Holder, any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) will beneficially own, directly or indirectly, more than a majority of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership of the Company existed prior to the Business Combination and (C) at least a majority of the members of the board of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination will have been members of the Incumbent Board at the time of the initial agreement, or action of the Board, providing for such Business Combination; or

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(b) *Impact of Event/Double Trigger.* Unless otherwise provided in the applicable Award Agreement, subject to Sections 3(d), 10(d) and 14(k), notwithstanding any other provision of this Plan to the contrary, upon a Participant’s Termination of Employment, during the two-year period following a Change in Control, by the Company other than for Cause or Disability or by the Participant for Good Reason (as defined below):

(i) any Options and Stock Appreciation Rights outstanding as of such Termination of Employment which were outstanding as of the date of such Change in Control shall be fully exercisable and vested and shall remain exercisable until the later of (i) the last date on which such Option or Stock Appreciation Right would be exercisable in the absence of this Section 10(b) and (ii) the earlier of (A) the first anniversary of such Change in Control and (B) expiration of the Term of such Option or Stock Appreciation Right;

(ii) all Restricted Stock outstanding as of such Termination of Employment which were outstanding as of the date of such Change in Control shall become free of all restrictions and become fully vested and transferable; and

(iii) all Restricted Stock Units outstanding as of such Termination of Employment which were outstanding as of the date of such Change in Control shall be considered to be earned and payable in full, and any restrictions shall lapse and such Restricted Stock Units shall be settled as promptly as is practicable (but in no event later than March 15 of the calendar year following the end of the calendar year in which the Restricted Stock Units vest).

For the avoidance of doubt, a spin-off (or other separation) of the Company from IAC shall not constitute a Change in Control.

(c) For purposes of this Section 10, “*Good Reason*” means (i) “*Good Reason*” as defined in any Individual Agreement or Award Agreement to which the applicable Participant is a party, or (ii) if there is no such Individual Agreement or if it does not define Good Reason, without the Participant’s prior written consent: (A) a material reduction in the Participant’s rate of annual base salary from the rate of annual base salary in effect for such Participant immediately prior to the Change in Control, (B) a relocation of the Participant’s principal place of business more than 35 miles from the city in which such Participant’s principal place of business was located immediately prior to the Change in Control or (C) a material and demonstrable adverse change in the nature and scope of the Participant’s duties from those in effect immediately prior to the Change in Control. In order to invoke a Termination of Employment for Good Reason, a Participant shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (A) through (C) within 90 days following the Participant’s knowledge of the initial existence of such condition or conditions, and the Company shall have 30 days following receipt of such written notice (the “*Cure Period*”) during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the Cure Period, the Participant must terminate employment, if at all, within 90 days following the Cure Period in order for such Termination of Employment to constitute a Termination of Employment for Good Reason.

(d) Notwithstanding the foregoing, if any Award is subject to Section 409A of the Code, this Section 10 shall be applicable only to the extent specifically provided in the Award Agreement or in the Individual Agreement.

SECTION 11. SECTION 16(b)

The provisions of this Plan are intended to ensure that no transaction under the Plan is subject to (and all such transactions will be exempt from) the short-swing recovery rules of Section 16(b) of the Exchange Act ("*Section 16(b)*"). Accordingly, the composition of the Committee shall be subject to such limitations as the Board deems appropriate to permit transactions pursuant to this Plan to be exempt (pursuant to Rule 16b-3 promulgated under the Exchange Act) from Section 16(b), and no delegation of authority by the Committee shall be permitted if such delegation would cause any such transaction to be subject to (and not exempt from) Section 16(b).

SECTION 12. TERM, AMENDMENT AND TERMINATION

(a) *Effectiveness.* The Plan shall be effective as of May 17, 2021 (the "*Effective Date*").

(b) *Termination.* The Plan will terminate on the tenth anniversary of the Effective Date. Awards outstanding as of such date shall not be affected or impaired by the termination of the Plan.

(c) *Amendment of Plan.* The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would materially impair the rights of the Participant with respect to a previously granted Award without such Participant's consent, except such an amendment made to comply with applicable law (including without limitation Section 409A of the Code), stock exchange rules or accounting rules. In addition, no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by applicable law or the listing standards of the Applicable Exchange.

(d) *Amendment of Awards.* Subject to Section 5(d), the Committee may unilaterally amend the terms of any Award theretofore granted, but no such amendment shall, without the Participant's consent, materially impair the rights of any Participant with respect to an Award, except such an amendment made to cause the Plan or Award to comply with applicable law, stock exchange rules or accounting rules.

SECTION 13. UNFUNDED STATUS OF PLAN

It is intended that the Plan constitute an "unfunded" plan. Solely to the extent permitted under Section 409A, the Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or make payments; *provided, however*, that the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Plan.

SECTION 14. GENERAL PROVISIONS

(a) *Conditions for Issuance.* The Committee may require each person purchasing or receiving Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to the distribution thereof. The certificates for such Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer. Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to fulfillment of all of the following conditions: (i) listing or approval for listing upon notice of issuance, of such Shares on the Applicable Exchange; (ii) any registration or other qualification of such Shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and (iii) obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

(b) *Additional Compensation Arrangements.* Nothing contained in the Plan shall prevent the Company or any Subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees.

(c) *No Contract of Employment.* The Plan shall not constitute a contract of employment, and adoption of the Plan shall not confer upon any employee any right to continued employment, nor shall it interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the employment of any employee at any time.

(d) *Required Taxes.* No later than the date as of which an amount first becomes includible in the gross income of a Participant for federal, state, local or foreign income or employment or other tax purposes with respect to any Award under the Plan, such Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount (not to exceed the maximum amount statutorily that is required by statute to be withheld). If determined by the Company, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock.

(e) *Limitation on Dividend Reinvestment and Dividend Equivalents.* Reinvestment of dividends in additional Restricted Stock at the time of any dividend payment, and the payment of Shares with respect to dividends to Participants holding Awards of Restricted Stock Units, shall only be permissible if sufficient Shares are available under Section 3 for such reinvestment or payment (taking into account then outstanding Awards). In the event that sufficient Shares are not available for such reinvestment or payment, such reinvestment or payment shall be made in the form of a grant of Restricted Stock Units equal in number to the Shares that would have been obtained by such payment or reinvestment, the terms of which Restricted Stock Units shall provide for settlement in cash and for dividend equivalent reinvestment in further Restricted Stock Units on the terms contemplated by this Section 14(e).

(f) *Designation of Death Beneficiary.* The Committee shall establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of such Participant's death are to be paid or by whom any rights of such eligible Individual, after such Participant's death, may be exercised.

(g) *Subsidiary Employees.* In the case of a grant of an Award to any employee of a Subsidiary, the Company may, if the Committee so directs, issue or transfer the Shares, if any, covered by the Award to the Subsidiary, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Subsidiary will transfer the Shares to the employee in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan. All Shares underlying Awards that are forfeited or canceled shall revert to the Company.

(h) *Governing Law; Venue and Interpretation.* The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. Any disputes arising out of or relating to the Plan or any Award shall be commenced exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal or state court of competent jurisdiction located in the State of Delaware. The captions of this Plan are not part of the provisions hereof and shall have no force or effect.

(i) *Non-Transferability.* Except as otherwise provided in Section 5(j) or by the Committee, Awards under the Plan are not transferable except by will or by laws of descent and distribution.

(j) *Foreign Employees and Foreign Law Considerations.* The Committee may grant Awards to Eligible Individuals who are foreign nationals, who are located outside the United States or who are not compensated from a payroll maintained in the United States, or who are otherwise subject to (or could cause the Company to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, or subplans as may be necessary or advisable to comply with such legal or regulatory provisions.

(k) *Section 409A of the Code.* It is the intention of the Company that no Award shall be “deferred compensation” subject to Section 409A of the Code, unless and to the extent that the Committee specifically determines otherwise as provided in this Section 14(k), and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A of the Code, including any rules for elective or mandatory deferral of the delivery of cash or Shares pursuant thereto and any rules regarding treatment of such Awards in the event of a Change in Control, shall be set forth in the applicable Award Agreement, and shall comply in all respects with Section 409A of the Code. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that constitutes a “nonqualified deferred compensation plan” subject to Section 409A of the Code, if the Participant is a “specified employee” within the meaning of Section 409A of the Code, any payments (whether in cash, Shares or other property) to be made with respect to the Award upon the Participant’s Termination of Employment shall be delayed until the earlier of (A) the first day of the seventh month following the Participant’s Termination of Employment and (B) the Participant’s death. Each payment under any Award shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may a Participant, directly or indirectly, designate the calendar year of any payment to be made under any Award.

(l) *Adjusted Awards.* Notwithstanding anything in this Plan to the contrary, to the extent that the terms of this Plan are inconsistent with the terms of an Adjusted Award, the terms of the Adjusted Award shall be governed by the applicable plan under which the Adjusted Award was granted and the award agreement thereunder (in each case, as amended prior to the occurrence of the separation). Any reference to a “change in control,” “change of control” or similar definition in an Award Agreement or the applicable plan for any Adjusted Award shall be deemed to refer to a “change in control,” “change of control” or similar transaction with respect to the Company (as successor to the originally-referenced entity) for such Adjusted Award.

(m) *Termination for Cause.* Notwithstanding anything herein to the contrary, if a Participant incurs a Termination of Employment for Cause, a Participant resigns in anticipation of being terminated by the Company for Cause or following any termination of a Participant’s employment with the Company for any reason, the Company becomes aware that during the two (2) years prior to such Termination of Employment with the Company there was an event or circumstance that would have been grounds for Termination of Employment for Cause, and the basis of any such termination (x) causes, caused or is reasonable likely to cause significant business or reputational harm to the Company or any of its Affiliates (as determined in the good faith discretion of the Board) or (y) involves or involved fraudulent misconduct that relates to or harms the Company or any of its Affiliates (the circumstances of either (x) or (y), the “*Underlying Event*”), then (A) all Options and SARs, whether or not vested, and all other unvested Awards held by such Participant shall be immediately forfeited by the Participant without consideration and cancelled and (B) if any portion of the Participant’s Awards were exercised and/or settled after the Underlying Event, the Company shall be entitled to recover from the Participant at any time within two (2) years after such exercise or settlement, and the Participant shall pay over to the Company, any amounts realized as a result of the exercise or settlement. This remedy shall be without prejudice to, or waiver of, any other remedies the Company or its subsidiaries or Affiliates may have in such event.

SUBSIDIARIES OF THE REGISTRANT

Name	Place of Incorporation
Vimeo.com, Inc.	Delaware
Vimeo Ukraine Technologies LLC	Ukraine
Vimeo Israel Ltd	Israel
Vimeo Technologies Private Limited	India
Livestream LLC	New York
Vimeo UK Limited	England & Wales
Vimeo Australia Pty Ltd	Australia

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated February 19, 2021, with respect to the consolidated financial statements of Vimeo, Inc. as of December 31, 2020 and 2019, and for each of the two years in the period ended December 31, 2020, included in the Registration Statement (Form S-1 No. 333-XXXX) and related Prospectus of Vimeo, Inc., formerly known as Vimeo Holdings, Inc., for the registration of its common stock.

/s/ Ernst & Young LLP

New York, New York

May 25, 2021

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated May 24, 2021, with respect to the consolidated financial statement of Vimeo Holdings, Inc. as of December 31, 2020, included in the Registration Statement (Form S-1 No. 333-XXXX) and related Prospectus of Vimeo, Inc., formerly known as Vimeo Holdings, Inc., for the registration of its common stock.

/s/ Ernst & Young LLP

New York, New York
May 24, 2021
