SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported):
April 24, 2019

ALLIANCE DATA SYSTEMS CORPORATION

(Exact Name of Registrant as Specified in Charter)

DELAWARE	**001-15749**	**31-1429215**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

7500 DALLAS PARKWAY, SUITE 700
PLANO, TEXAS 75024
(Address and Zip Code of Principal Executive Offices)

(214) 494-3000
(Registrant's Telephone Number, including Area Code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

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

[ ] Written communications pursuant to Rule 425 under the Securities Act

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

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Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company [ ]

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

Item 1.01 Entry into a Material Definitive Agreement.

On April 25, 2019, Alliance Data Systems Corporation (the "Company") entered into an exchange agreement (the "Exchange Agreement") with ValueAct Holdings, L.P. ("ValueAct") pursuant to which ValueAct exchanged an aggregate of 1,500,000 shares of common stock, par value $0.01 per share, of the Company (the "Common Stock"), for an aggregate of 150,000 shares of Series A Non-Voting Convertible Preferred Stock, par value $0.01 per share, of the Company (the "Series A Non-Voting Convertible Preferred Stock").

Each share of Series A Non-Voting Convertible Preferred Stock will initially be convertible into ten shares of Common Stock (subject to adjustment and the other terms described in the Certificate of Designations, as defined below) at the holder's election or upon the Company's written request, provided that upon such conversion the holder, together with its affiliates, will not own or control in the aggregate more than 9.9% of the outstanding Common Stock (or any class of voting securities issued by the Company). Shares of Series A Non-Voting Convertible Preferred Stock will also be subject to automatic conversion if a holder transfers such shares pursuant to a transfer (a) to the Company, (b) in a widespread public distribution of Common Stock or Series A Non-Voting Convertible Preferred Stock, (c) in which no one transferee (or group of associated transferees) would receive 2% or more of any class of the voting securities of the Company then outstanding (including pursuant to a related series of such transfers), or (d) to a transferee that would control more than 50% of the voting securities of the company (not including voting securities such person is acquiring from the transferor). Upon such a transaction, the transferred shares of Series A Non-Voting Convertible Preferred Stock will automatically be converted into shares of Common Stock on a ten-for-one basis (subject to adjustment as described in the Certificate of Designations).

The shares of Series A Non-Voting Convertible Preferred Stock have no voting rights, except as otherwise required by the General Corporation Law of the State of Delaware.

The Series A Non-Voting Convertible Preferred Stock will, with respect to rights upon liquidation, winding up and dissolution, rank (i) subordinate and junior in right of payment to all other securities of the Company that, by their respective terms, are senior to the Series A Non-Voting Convertible Preferred Stock, and (ii) pari passu with the Common Stock.

The issuance to ValueAct of the shares of Series A Non-Voting Convertible Preferred Stock was, and the issuance of the shares of Common Stock issuable upon conversion of the Series A Non-Voting Convertible Preferred Stock will be, made in reliance upon the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended.

A copy of the Exchange Agreement is filed as Exhibit 10.1 hereto and incorporated by reference herein. On April 29, 2019, the Company issued a press release announcing the entry into the Exchange Agreement and the transactions contemplated thereby. A copy of the press release is attached hereto as Exhibit 99.1.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained in Item 1.01 above is incorporated by reference into this Item 3.02.

Item 3.03 Material Modification to Rights of Security Holders.

The information contained in Item 1.01 and Item 5.03 is incorporated by reference into this Item 3.03.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On April 24, 2019, the Company designated 300,000 shares of its authorized and unissued preferred stock as Series A Non-Voting Convertible Preferred Stock and filed with the Delaware Secretary of State a Certificate of Designations of Series A Non-Voting Convertible Preferred Stock (the "Certificate of Designations") that created its new Series A Non-Voting Convertible Preferred Stock, authorized 300,000 shares of Series A Non-Voting Convertible Preferred Stock and designated the preferences, rights and limitations of the Series A Non-Voting Convertible Preferred Stock.

The description of the terms of the Series A Non-Voting Convertible Stock contained in Item 1.01 above is incorporated by reference into this Item 5.03. Such description is qualified by reference to the Certificate of Designations, which is filed as Exhibit 3.1 hereto and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Document Description
3.1	Certificate of Designations of Series A Non-Voting Convertible Preferred Stock of Alliance Data Systems Corporation
10.1	Exchange Agreement, dated April 25, 2019, by and between Alliance Data Systems Corporation and ValueAct Holdings, L.P.
99.1	Press release, dated April 29, 2019, announcing the entry into the Exchange Agreement with ValueAct and the transactions contemplated thereby.

SIGNATURES

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

Alliance Data Systems Corporation

Date: April 29, 2019

By: /s/ Joseph L. Motes III
Joseph L. Motes III
Senior Vice President, General Counsel and Secretary

Exhibit 3.1

CERTIFICATE OF DESIGNATIONS
OF
SERIES A NON-VOTING CONVERTIBLE PREFERRED STOCK
OF
ALLIANCE DATA SYSTEMS CORPORATION

Alliance Data Systems Corporation (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, DOES HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors of the Corporation by the Third Amended and Restated Certificate of Incorporation of the Corporation and pursuant to Section 151 of the General Corporation Law of the State of Delaware, the Board of Directors of the Corporation on April 19, 2019 adopted the following resolution creating a series of 300,000 shares of preferred stock designated as "Series A Non-Voting Convertible Preferred Stock" of $.01 par value per share:

RESOLVED, that pursuant to the authority conferred upon the Board of Directors of the Corporation in accordance with the provisions of the Third Amended and Restated Certificate of Incorporation of the Corporation and pursuant to Section 151 of the General Corporation Law of the State of Delaware, a series of preferred stock, of $.01 par value per share, of the Corporation be and hereby is created, and the powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions thereof are as follows:

1. Definitions. As used herein, the following terms have the following meanings:

(a) "Affiliate" has the meaning set forth in 12 C.F.R. § 225.2(a) or any successor provision.

(b) "Board of Directors" means the board of directors of the Corporation.

(c) "business day" means any day other than a Saturday or a Sunday or a day on which banking institutions in Salt Lake City, Utah, Wilmington, Delaware, or Plano, Texas are authorized or obligated by law, executive order or governmental decree to be closed.

(d) "Certificate of Incorporation" means the Third Amended and Restated Certificate of Incorporation of the Corporation, as amended or restated and in effect from time to time.

(e) "Common Stock" means the common stock of the Corporation, par value $.01 per share.

(f) "Conversion Price" means $1.00, as adjusted pursuant to Section 5 hereof.

(g) "Conversion Ratio" for each share of Series A Preferred Stock shall be equal to the Stated Value divided by the Conversion Price.

(h) "Corporation" means Alliance Data Systems Corporation, a corporation organized and existing under the laws of the State of Delaware, and any successor Person.

(i) "Dividends" has the meaning set forth in Section 3.

(j) "Liquidation Distribution" has the meaning set forth in Section 4(b).

(k) "Permissible Transfer" means a transfer by the holder of Series A Preferred Stock (i) to an Affiliate of such holder or to the Corporation; (ii) in a widespread public

distribution of Common Stock or Series A Preferred Stock; (iii) in which no one transferee (or group of associated transferees) would receive 2% or more of any class of the Voting Securities of the Corporation then outstanding (including pursuant to a related series of such transfers); or (iv) to a transferee that would control more than 50% of the Voting Securities of the Corporation (not including Voting Securities such Person is acquiring from the transferor).

(l) "Person" means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, or any other form of entity not specifically listed herein.

(m) "Series A Preferred Stock" has the meaning set forth in Section 2.

(n) "Stated Value" means $10.00 per share.

(o) "Voting Security" has the meaning set forth in 12 C.F.R. § 225.2(q) or any successor provision.

2. Designation; Number of Shares. A series of preferred stock designated "Series A Non-Voting Convertible Preferred Stock," par value $.01 per share (the "Series A Preferred Stock"), is hereby created. Each share of Series A Preferred Stock has the powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations, and restrictions as described herein. The number of authorized shares of Series A Preferred Stock is 300,000. Each share of Series A Preferred Stock is identical in all respects to every other share of Series A Preferred Stock.

3. Dividends. The Series A Preferred Stock will rank pari passu with the Common Stock with respect to the payment of dividends or distributions, whether payable in cash, securities, options or other property (including any rights to purchase stock, warrants, securities or other property) (collectively, "Dividends"). Accordingly, the holders of record of Series A Preferred Stock will be entitled to receive as, when, and if declared by the Board of Directors, Dividends in the same per share amount as paid on the Common Stock as determined on an as-converted basis assuming all shares had been converted pursuant to Section 5 (without regard to any limitations on conversion of the Series A Preferred Stock) as of immediately prior to the record date of the applicable Dividend (or if no record date is fixed, the date as of which the record holders of Common Stock entitled to such Dividends are to be determined), and no Dividends will be payable on the Common Stock or any other class or series of capital stock ranking with respect to Dividends pari passu with the Common Stock unless an identical Dividend is payable at the same time on the Series A Preferred Stock; provided however, that if a stock Dividend is declared on Common Stock, the holders of Series A Preferred Stock will be entitled to a stock Dividend payable solely in shares of Series A Preferred Stock (based on the applicable Conversion Ratio in effect at such time). Dividends that are payable on Series A Preferred Stock will be payable to the holders of record of Series A Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, as determined by the Board of Directors, which record date will be the same as the record date for the equivalent Dividend of the Common Stock. In the event that the Board of Directors does not declare or pay any Dividends with respect to shares of Common Stock, then the holders of Series A Preferred Stock will have no right to receive any Dividends.

4. Liquidation.

(a) Rank. The Series A Preferred Stock will, with respect to rights upon liquidation, winding up and dissolution, rank (i) subordinate and junior in right of payment to all

other securities of the Corporation that, by their respective terms, are senior to the Series A Preferred Stock, and (ii) pari passu with the Common Stock.

(b) Liquidation Distributions. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Series A Preferred Stock will be entitled to receive for each share of Series A Preferred Stock held by such holder, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, subject to the rights of any Persons to whom the Series A Preferred Stock is subordinate, a distribution ("Liquidation Distribution") equal to (i) any authorized and declared, but unpaid, Dividends with respect to such share of Series A Preferred Stock at the time of such liquidation, dissolution or winding up, and (ii) the amount the holder of such share of Series A Preferred Stock would receive in respect of such share if such share had been converted into a number of shares of Common Stock equal to the Conversion Ratio at the time of such liquidation, dissolution or winding up (assuming the conversion of all shares of Series A Preferred Stock at such time, without regard to any limitations on conversion of the Series A Preferred Stock). All Liquidating Distributions to the holders of the Series A Preferred Stock and Common Stock set forth in clause (ii) above will be made pro rata to the holders thereof.

(c) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Corporation with or into any other corporation or other entity, including a merger or consolidation in which the holders of Series A Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or property) of all or substantially all of the assets of the Corporation, will not constitute a liquidation, dissolution or winding up of the Corporation.

5. Conversion.

(a) Conversion.

(i) A holder of Series A Preferred Stock shall be permitted to convert, or upon the written request of the Corporation shall convert, shares of Series A Preferred Stock into shares of Common Stock provided that upon such conversion the holder, together with all Affiliates of the holder, will not own or control in the aggregate more than 9.9% of the outstanding Common Stock (or of any class of Voting Securities issued by the Corporation), excluding for the purpose of this calculation any reduction in ownership resulting from transfers by such holder of Voting Securities of the Corporation (which, for the avoidance of doubt, does not include Series A Preferred Stock). In any such conversion, each share of Series A Preferred Stock will convert into a number of shares of Common Stock equal to the Conversion Ratio. To effect the conversion, the holder shall cause the surrender of such shares of Series A Preferred Stock and provide written instructions to the Corporation as to the number of whole shares for which such conversion shall be effected, together with any appropriate documentation that may be reasonably required by the Corporation. Upon the surrender of such shares of Series A Preferred Stock, the Corporation will issue and deliver to such holder through the use of book-entry procedures in accordance with The Depository Trust Company or such other applicable facility or in certificated form, as requested by the holder, the

number of shares of Common Stock into which the Series A Preferred Stock has been converted and, in the event that such conversion is with respect to some, but not all, of the holder's shares of Series A Preferred Stock, the number of shares of Series A Preferred Stock that were not converted to Common Stock in book-entry form or certificated form, as requested by the holder.

(ii) Notwithstanding anything to the contrary herein, except as required by law, executive order or governmental decree or with the Corporation's prior written consent, in no event shall any holder be permitted to elect to convert any shares of Series A Preferred Stock pursuant to Section 5(a)(i) (A) if such number of shares of Series A Preferred Stock constitutes less than 1% of the aggregate number of Series A Preferred Stock held by such holder at the time of such conversion or (B) more frequently than once per calendar month.

(iii) Each share of Series A Preferred Stock will automatically convert into a number of shares of Common Stock equal to the Conversion Ratio, without any further action on the part of any holder, on the date a holder of such share of Series A Preferred Stock transfers such share pursuant to a Permissible Transfer (except any such transfer to an Affiliate of such holder).

(iv) All shares of Common Stock delivered upon conversion of the Series A Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests, charges and other encumbrances (other than as created or imposed by federal, state or foreign securities laws, as created or imposed upon by the holder or taxes in respect of any transfer occurring contemporaneously therewith).

(v) No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon the conversion of the Series A Preferred Stock. In lieu of any fractional shares to which a holder would otherwise be entitled upon conversion, the Corporation shall pay cash equal to such fraction multiplied by the market price of one share of Common Stock as of the close of business on the date of conversion, as determined in good faith by the Corporation. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Convertible Preferred Stock of each holder at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(b) Adjustments for Combinations or Divisions of Common Stock. In the event that the Corporation at any time or from time to time effects a division of the Common Stock into a greater number of shares (by stock split, reclassification or otherwise, other than by payment of a Dividend in Common Stock or in any right to acquire the Common Stock), or in the event the outstanding Common Stock is combined or consolidated, by reclassification, reverse stock split or otherwise, into a lesser number of shares of the Common Stock, then the Conversion Price in effect immediately prior to such event will, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

(c) Adjustments for Reclassification, Exchange or Substitution. If the Common Stock is changed into the same or a different number of shares of any other class or classes of

stock, whether by capital reorganization, reclassification or otherwise (other than a division or combination of shares provided for in Section 5(b) above), concurrently with the effectiveness of such transaction, the Series A Preferred Stock will be convertible into, in lieu of the number of shares of Common Stock that the holders of the Series A Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock to which a holder of that number of shares of Common Stock deliverable upon conversion of the Series A Preferred Stock immediately before that transaction would have been entitled to receive.

(d) Reorganization, Mergers, Consolidations or Sales of Assets. If at any time or from time to time there will be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 5) or a merger or consolidation of the Corporation with or into another corporation (other than such a transaction in which the Corporation is the surviving or continuing entity and its Common Stock is not exchanged for or converted into other securities, cash or property), or the sale of all or substantially all the Corporation's properties and assets to any other Person, then, as a part of such reorganization, merger, consolidation or sale, provision will be made so that the holders of the Series A Preferred Stock will thereafter be entitled to receive upon conversion of the Series A Preferred Stock, cash or the number of shares of stock or other securities or property to which a holder of that number of shares of Common Stock deliverable upon conversion of the Series A Preferred Stock would have been entitled to receive on such capital reorganization, merger, consolidation or sale; provided however, that if the consideration issued in connection with such reorganization, merger, consolidation or sale consists of stock, and such issuance were to cause such holder to be deemed to have acquired in excess of 9.9% of any class of voting securities of any Person that is a U.S. depository institution or depository institution holding company, such holder will be entitled to receive the same number of shares of non-voting stock of such Person with substantially identical terms to the Series A Preferred Stock.

(e) No Impairment. The Corporation will not, by amendment of its Certification of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such actions as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred Stock against impairment. Nothing in this Section 5(e) shall be deemed to grant approval or voting rights to the holders of Series A Preferred Stock that are in addition to those set forth in Section 8 hereof.

(f) Statement as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 5, the Corporation will promptly compute such adjustment or readjustment in accordance with the terms hereof and forthwith file, at the principal office of the Corporation, a statement setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based.

(g) Reservation of Shares Issuable Upon Conversion. The Corporation will at all times reserve and keep available out of its authorized but unissued Common Stock solely

for the purpose of effecting the conversion of the Series A Preferred Stock such number of shares of Common Stock as will from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock; and if at any time the number of authorized but unissued Common Stock will not be sufficient to effect the conversion of all then outstanding Series A Preferred Stock, the Corporation will take such action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Common Stock to such number of shares as will be sufficient for such purpose.

6. Maturity; Redemption. The Series A Preferred Stock shall be perpetual unless converted in accordance with Section 5. Except to the extent a liquidation under Section 4 may be deemed to be a redemption, the Series A Preferred Stock will not be redeemable at the option of the Corporation or any holder of Series A Preferred Stock at any time. Notwithstanding the foregoing, the Corporation will not be prohibited from repurchasing or otherwise acquiring shares of Series A Preferred Stock in voluntary transactions with the holders thereof. Any shares of Series A Preferred Stock repurchased or otherwise acquired may be cancelled by the Corporation and thereafter be reissued as shares of any series of preferred stock of the Corporation.

7. Voting Rights. The holders of Series A Preferred Stock will not have any voting rights, except as otherwise from time to time expressly required by the General Corporation Law of the State of Delaware.

8. Protective Provisions. So long as any shares of Series A Preferred Stock are issued and outstanding, the Corporation will not, without obtaining the approval (by vote or written consent) of the holders of a majority of the issued and outstanding shares of Series A Preferred Stock, (i) significantly and adversely alter or change the rights, preferences, privileges or restrictions provided for the benefit of the holders of the Series A Preferred Stock (which shall not include, for the avoidance of doubt, any division or combination of shares, reclassification, reorganization, merger, consolidation or sale described in Section 5 above in connection with which the Series A Preferred Stock is treated as provided in such Section or any increase or decrease in the authorized amount of capital stock of the Corporation), (ii) increase or decrease the authorized number of shares of Series A Preferred Stock or (iii) enter into any agreement, merger or business consolidation, or engage in any other transaction, or take any action that would have the effect of changing any preference or other right provided for the benefit of the holders of the Series A Preferred Stock (which shall not include, for the avoidance of doubt, any division or combination of shares, reclassification, reorganization, merger, consolidation or sale described in Section 5 above in connection with which the Series A Preferred Stock is treated as provided in such Section). Notwithstanding anything to the contrary herein, any increase in the amount of the authorized preferred stock or any securities convertible into preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of any series of preferred stock or any securities convertible into preferred stock, in any case ranking equally with, junior to and/or senior to the Series A Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon the Corporation's liquidation, dissolution or winding up will not, in and of itself, be deemed to adversely affect rights, preferences or privileges of the Series A Preferred Stock and holders of Series A Preferred Stock will have no right to vote solely by reason of such an increase, creation or issuance. In the event that the Corporation makes a tender offer or exchange offer for any shares of Common Stock, the Corporation shall also offer to make a tender offer or exchange offer for shares of Series A Preferred Stock pro rata based upon the number of shares

of Common Stock such holders would be entitled to receive if such shares were converted into shares of Common Stock immediately prior to the transaction and otherwise on terms that would provide the holders of the Series A Preferred Stock consideration and other terms equivalent to the terms offered to the holders of Common Stock assuming the Series A Preferred Stock were so converted.

9. Notices. Any notice required by the provisions hereof to be given to the holders of Series A Preferred Stock will be deemed given upon the earlier of (i) actual receipt and (ii) three (3) business days after being sent by certified or registered mail, postage prepaid, return receipt requested, and addressed to each holder of record at such holder's address as it appears on the books of the Corporation.

10. Record Holders. To the fullest extent permitted by law, the Corporation will be entitled to recognize the record holder of any share of Series A Preferred Stock as the true and lawful owner thereof for all purposes and will not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other Person, whether or not it will have express or other notice thereof.

11. No Preemptive Rights. The holders of Series A Preferred Stock are not entitled to any preemptive or preferential right to purchase or subscribe for any capital stock, obligations, warrants or other securities or rights of the Corporation.

12. Replacement Certificates. In the event that any certificate in respect of the Series A Preferred Stock will have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and, if required by the Corporation, the posting by such Person of a bond in such amount as the Corporation may determine is necessary as indemnity against any claim that may be made against it with respect to such certificate, the Corporation or the Corporation's transfer agent, as applicable, will deliver in exchange for such lost, stolen or destroyed certificate a replacement certificate.

13. Other Rights. The shares of Series A Preferred Stock have no rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or as provided by applicable law.

14. Status of Shares. All shares of Series A Preferred Stock that are converted pursuant to Section 5 hereof and all shares of Series A Preferred Stock that are reacquired by the Corporation shall (upon compliance with any applicable provisions of the laws of the State of Delaware) have the status of authorized but unissued shares of preferred stock, without designation as to series, subject to reissuance by the Board of Directors as shares of Series A Preferred Stock or of any one or more other series.

15. Waiver. Any waiver by the Corporation or a holder of a breach of any provision of this Certificate of Designations shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Certificate of Designations or a waiver by any other holders. The failure of the Corporation or a holder to insist upon strict adherence to any term of this Certificate of Designations on one or more occasions shall not be considered a waiver or deprive that Person (or any other holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designations. Any waiver by the Corporation or a holder must be in writing. Notwithstanding any provision in this Certificate of Designations to the contrary, any provision contained herein and any right of the holders of Series A Preferred Stock granted hereunder may be waived as to all shares of Series A Preferred Stock (and the holders thereof) upon the written consent of the holders of not less than a majority of the shares of Series A Preferred Stock then outstanding, unless a higher percentage

is required by the General Corporation Law of the State of Delaware, in which case the written consent of the holders of not less than such higher percentage shall be required.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations to be duly executed by its duly authorized officer on this 24th day of April, 2019.

ALLIANCE DATA SYSTEMS CORPORATION

By: /s/ Joseph L. Motes III
Name: Joseph L. Motes III
Title: Senior Vice President, General Counsel and Secretary

Exhibit 10.1

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT (this "Agreement") is made and entered into as of April 25, 2019, by and between Alliance Data Systems Corporation, a Delaware corporation (the "Company"), and ValueAct Holdings, L.P., a Delaware limited liability partnership, on behalf of itself and the funds it advises (the "Investor").

RECITALS

WHEREAS, the Investor is, as of the date hereof, the beneficial owner of 5,207,646 shares of the Company's common stock, par value $.01 per share ("Common Stock");

WHEREAS, the Company has authorized the issuance of preferred stock designated as Series A Non-Voting Convertible Preferred Stock, par value $.01 per share (the "Series A Preferred Stock"); and

WHEREAS, the Company and the Investor desire to exchange (the "Exchange") a portion of the Common Stock beneficially owned by the Investor for certain shares of the Company's Series A Preferred Stock (such shares of Series A Preferred Stock, the " Exchange Shares"), on the terms and subject to the conditions set forth herein.

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

ARTICLE I
DEFINITIONS; INTERPRETATION

Section 1.1 Definitions. In this Agreement, unless the context otherwise requires:

(a) "Bankruptcy Exceptions" means any limitation imposed by any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, receivership, moratorium or similar law affecting creditors' rights and remedies generally, with respect to enforceability, by general principles of equity, including principles of commercial reasonableness, good faith and fair dealing, regardless of whether enforcement is sought in a proceeding at law or in equity.

(b) "Business Combination" means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Company's stockholders.

(c) "Business Day" means any day other than a Saturday or a Sunday or a day on which banking institutions in Salt Lake City, Utah, Wilmington, Delaware, or Plano, Texas are authorized or obligated by law, executive order or governmental decree to be closed.

(d) "Constituent Documents" means, with respect to any entity, its certificate or articles of incorporation, bylaws and any other similar charter or other organizational documents.

(e) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(f) "Governmental Entity" means any governmental body, whether administrative, executive, judicial, legislative, regulatory, or taxing, including any international, federal, state, territorial, county, municipal or other government or governmental agency, arbitrator, authority, board, body, branch, bureau, or comparable agency or entity, commission, corporation, court, department, instrumentality, mediator, panel, system or other political unit of any of the foregoing.

(g) "Non-Employee Directors" has the meaning set forth in Rule 16b-3(b)(3) of the Exchange Act.

(h) "Securities Act" means the Securities Act of 1933, as amended.

Section 1.2 Interpretation. The terms defined in the singular have a comparable meaning when used in the plural, and vice versa. References to "herein," "hereof," "hereunder" and the like refer to this Agreement as a whole and not to any particular section or provision, unless the context requires otherwise. The headings contained in this Agreement are for reference purposes only and are not part of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed followed by the words "without limitation." No rule of construction against the draftsperson shall be applied in connection with the interpretation or enforcement of this Agreement, as this Agreement is the product of negotiation between sophisticated parties advised by counsel. References to "$" mean the lawful currency of the United States of America. Except as expressly stated in this Agreement, all references to any statute, rule or regulation are to the statute, rule or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under the statute) and to any section of any statute, rule or regulation include any successor to the section.

ARTICLE II
THE EXCHANGE AND CLOSING; CONDITIONS TO THE CLOSING

Section 2.1 The Exchange and Closing.

(a) Subject to the satisfaction or waiver of the conditions set forth in Section 2.2, the closing of the Exchange (the "Closing") will take place at 12:01 a.m. eastern time on the date hereof (the "Closing Date") remotely through the electronic exchange of documents and signature pages.

(b) At the Closing, the Investor will cause the delivery, by book-entry transfer, of the aggregate number of shares of Common Stock indicated on Schedule A to the Company or its designated agent to be exchanged hereunder, and the Company will cause the delivery to the Investor or its designated agent of the aggregate number of Exchange Shares indicated on Schedule A in book-entry form to an account or accounts designated by the Investor and the

Company shall deliver evidence satisfactory to the Investor of the issuance of such Exchange Shares.

Section 2.2 Conditions to Closing.

(a) The respective obligations of each of the Investor and the Company to consummate the Exchange are subject to the fulfillment (or waiver by the Company and the Investor, as applicable) prior to the Closing of the condition that no provision of any applicable United States or other law and no judgment, injunction, order, decree, action or interpretation of any Governmental Entity shall prohibit or restrain consummation of, or otherwise impose material limits on the ability of any party to this Agreement to consummate, the Exchange as contemplated by this Agreement.

(b) The obligation of the Investor to consummate the Exchange is also subject to the fulfillment (or waiver by the Investor) at or prior to the Closing of each of the following conditions:

(i) (A) the representations and warranties of the Company set forth in Article III of this Agreement shall be true and correct in all material respects as though made on and as of the Closing Date (other than representations and warranties that by their terms speak as of another date, which representations and warranties shall be true and correct in all material respects as of such other date) and (B) the Company shall have performed in all material respects all obligations required to be performed by it under this Agreement on or prior to the Closing Date; and

(ii) the Investor shall have received a certificate signed on behalf of the Company by an executive officer of the Company certifying that the conditions set forth in Section 2.2(b)(i) have been satisfied.

(c) The obligation of the Company to consummate the Exchange is also subject to the fulfillment (or waiver by the Company) at or prior to the Closing of each of the following conditions:

(i) (A) the representations and warranties of the Investor set forth in Article IV of this Agreement shall be true and correct in all material respects as though made on and as of the Closing Date (other than representations and warranties that by their terms speak as of another date, which representations and warranties shall be true and correct in all material respects as of such other date) and (B) the Investor shall have performed in all material respects all obligations required to be performed by it under this Agreement on or prior to the Closing Date; and

(ii) the Company shall have received a certificate signed on behalf of the Investor by an authorized person of the Investor certifying that the conditions set forth in Section 2.2(c)(i) have been satisfied.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Investor as of the date hereof and as of the Closing Date that:

Section 3.1 Organization; Authority; Enforceability. The Company is duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to execute and deliver this Agreement and to carry out its obligations hereunder, which includes the effectuation of the Exchange and the issuance of the Exchange Shares. The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company, and no further approval or authorization is required on the part of the Company. The terms of the transactions contemplated by this Agreement, including the disposition of shares of Common Stock by the Investor and the acquisition of Exchange Shares by the Investor, each pursuant to the Exchange, have been approved by the Company's Board of Directors or a duly formed committee of the Board of Directors that is composed solely of two or more Non-Employee Directors in accordance with Rule 16b-3(d) and Rule 16b-3(e) under the Exchange Act for the purpose of exempting such transactions from Section 16(b) of the Exchange Act. This Agreement is a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms and conditions, except as enforceability may be limited by the Bankruptcy Exceptions.

Section 3.2 Capitalization. The authorized capital stock of the Company and the outstanding capital stock of the Company as of April 5, 2019 is set forth on Schedule B. The outstanding shares of capital stock of the Company have been duly authorized and are validly issued and outstanding, fully paid and non-assessable, and subject to no preemptive rights (and were not issued in violation of any preemptive rights).

Section 3.3 Exchange Shares. The Exchange Shares have been duly and validly authorized by all necessary action on the part of the Company, and, when issued and delivered pursuant to this Agreement, such Exchange Shares will be duly and validly issued and fully paid and non-assessable, and will not be issued in violation of any preemptive rights.

Section 3.4 Non-Contravention. Neither the execution, delivery or performance by the Company of this Agreement nor the consummation of the transactions contemplated hereby constitutes or will constitute (i) a breach or violation of any provision of the Constituent Documents of the Company; (ii) a violation of any law, regulation or order applicable to the Company; or (iii) a material breach or violation of, a conflict with, the loss of a benefit under, a default (or an event which, with notice or lapse of time or both, would constitute a default) under an event of termination or cancellation under, an event giving rise to acceleration of the performance required by or rights or obligations under, or an event resulting in the creation of, any lien, security interest, charge or encumbrance upon any of the properties or assets of the Company under any of the terms, conditions or provisions of any material agreement, note, bond, mortgage, indenture, deed of trust, license, lease or other instrument or obligation to which the Company is a party or by which it may be bound. Other than the filing of any current report on Form 8-K required to be filed with the Securities and Exchange Commission ("SEC") (which shall be filed

following execution of this Agreement in accordance with applicable law), such filings and approvals as are required to be made or obtained following execution of this Agreement under any state "blue sky" laws, and such consents and approvals that have been made or obtained, no material notice to, filing with or review by, or authorization, consent or approval of, any Governmental Entity is required to be made or obtained by the Company in connection with the consummation by the Company of the Exchange.

Section 3.5 Anti-Takeover Matters. The Board of Directors of the Company has taken all necessary action to ensure that the transactions contemplated by this Agreement and the consummation of the transactions contemplated hereby, will be exempt from any anti-takeover or similar provisions of the Company's certificate of incorporation and bylaws, and any other provisions of any applicable "moratorium," "control share," "fair price," "interested stockholder" or other anti-takeover laws and regulations of any jurisdiction, including Section 203 of the General Corporation Law of the State of Delaware. The Company does not have any shareholder rights plan or similar anti-takeover plan or arrangement in effect relating to the accumulation of beneficial ownership of any of the Company's securities or a change in control of the Company. The Company agrees that it will not adopt a shareholder rights plan or similar anti-takeover plan or arrangement unless such take-over defenses shall not apply to the acquisition or ownership by the Investor of any or all of the shares of Common Stock received by the Investor upon the conversion of any Exchange Shares.

Section 3.6 Offering of Securities. Neither the Company nor any person acting on its behalf has taken any action (including any offering of any securities of the Company under circumstances which would require the integration of such offering with the offering of the Exchange Shares under the Securities Act and the rules and regulations of the SEC promulgated thereunder), which would subject the offering, issuance or transfer of the Exchange Shares to the Investor pursuant to this Agreement to the registration requirements of the Securities Act.

Section 3.7 Brokers and Finders. No broker, finder or investment banker is entitled to any financial advisory, brokerage, finder's or other fee or commission in connection with this Agreement or the transactions contemplated hereby based upon arrangements made by or on behalf of the Company or any subsidiary of the Company for which the Investor could have any liability.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants to the Company as of the date hereof and as of the Closing Date that:

Section 4.1 Organization; Authority; Enforceability. The Investor is duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite limited partnership power and authority to execute and deliver this Agreement and to carry out its obligations hereunder. The execution, delivery and performance by the Investor of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary limited partnership action on the part of the Investor, and no further approval or authorization is required on the part of the Investor. This Agreement is a valid and

legally binding obligation of the Investor enforceable against the Investor in accordance with its terms and conditions, except as enforceability may be limited by the Bankruptcy Exceptions.

Section 4.2 Title. The Investor is the beneficial owner of all shares of Common Stock being exchanged by it hereunder, and all such shares are owned by the Investor free and clear of all liens and other encumbrances. The Investor has the absolute and unrestricted right, power and capacity to surrender and exchange the shares of Common Stock being exchanged by it hereunder, free and clear of all liens and other encumbrances, and the Investor is not a party to or bound by, and the shares of Common Stock being exchanged by it hereunder are not subject to, any agreement, understanding or other arrangement (i) granting any option, warrant or right of first refusal with respect to such shares to any person or (ii) restricting its right to surrender and exchange such shares as contemplated by this Agreement.

Section 4.3 Restricted Securities. The Investor acknowledges that the Exchange Shares and the Common Stock issuable upon conversion thereof have not been registered under the Securities Act or under any state securities laws. The Investor (i) is acquiring such securities pursuant to an exemption from registration under the Securities Act for its own account solely for investment with no present intention or plan to distribute any of such securities to any person nor with a view to or for sale in connection with any distribution thereof, in each case in violation of the Securities Act, (ii) will not sell or otherwise dispose of any of such securities, except in accordance with their terms and in compliance with the registration requirements or exemption provisions of the Securities Act and any other applicable securities laws, (iii) has such knowledge and experience in financial and business matters and in investments of this type that the Investor is capable of evaluating the merits and risks of the investment in such securities and of making an informed investment decision, and (iv) is an "accredited investor" (as that term is defined by Rule 501 of Regulation D under the Securities Act).

Section 4.4 Non-Contravention. Neither the execution, delivery or performance by the Investor of this Agreement nor the consummation of the transactions contemplated hereby constitutes or will constitute (i) a breach or violation of any provision of the Constituent Documents of the Investor; (ii) a violation of any law, regulation or order applicable to the Investor; or (iii) a material breach or violation of, a conflict with, the loss of a benefit under, a default (or an event which, with notice or lapse of time or both, would constitute a default) under an event of termination or cancellation under, an event giving rise to acceleration of the performance required by or rights or obligations under, or an event resulting in the creation of, any lien, security interest, charge or encumbrance upon any of the properties or assets of the Investor under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which the Investor is a party or by which it may be bound, or to which the Investor may be bound or subject. Other than the filing of any Schedule 13D/A and Form 4 required to be filed with SEC (which shall be filed following execution of this Agreement in accordance with applicable law), and such consents and approvals that have been made or obtained, no material notice to, filing with or review by, or authorization, consent or approval of, any Governmental Entity is required to be made or obtained by the Investor in connection with the consummation by the Investor of the Exchange.

Section 4.5 Brokers and Finders. No broker, finder or investment banker is entitled to any financial advisory, brokerage, finder's or other fee or commission in connection

with this Agreement or the transactions contemplated hereby based upon arrangements made by or on behalf of the Investor for which the Company could have any liability.

ARTICLE V
ADDITIONAL AGREEMENTS

Section 5.1 Commercially Reasonable Efforts. Subject to the terms and conditions of this Agreement, each party will use its commercially reasonable efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable laws, so as to permit consummation of the Exchange, as promptly as practicable, and to otherwise enable consummation of the transactions contemplated hereby, and each party shall use commercially reasonable efforts to cooperate with the other party to that end.

Section 5.2 Transfer of Exchange Shares. Subject to compliance with applicable securities laws and the terms of the Exchange Shares, the Company shall take all steps as may be reasonably requested by the Investor to cause the Company's transfer agent to administer any transfer of the Exchange Shares by the Investor.

Section 5.3 Listing. The Company shall use commercially reasonable efforts to list for trading on the New York Stock Exchange or such other national securities exchange upon which the Common Stock is then listed, any shares of Common Stock into which any Exchange Shares shall convert pursuant to the terms thereof; provided, however, that the Company will not undertake to register such shares of Common Stock or any transfer of such shares of Common Stock under the Securities Act.

Section 5.4 Notification of Future Repurchases; Agreement to Effect Future Exchanges. Following this Exchange, (i) the Company shall notify the Investor as soon as reasonably practicable of any plan or program to repurchase shares of the Company's Common Stock (which, for the avoidance of doubt, shall not include notice of any individual repurchase(s) made pursuant to such plan or program); and (ii) the Company shall use commercially reasonable efforts to permit the Investor to exchange any of its shares of Common Stock for shares of Series A Preferred Stock on terms consistent with the transactions contemplated hereby to the extent that such exchange is required in order for the Investor not to be presumed to control the Company for purposes of the Change in Bank Control Act of 1978, as amended (the "CIBC Act"); *provided*, that in no event shall the Company be obligated to effect any such exchange more than once per calendar year (unless otherwise necessary to enable the Investor not to be presumed to control the Company for purposes of the CIBC Act as a result of any action by the Company) and in no event shall the foregoing require the Company to obtain any approvals of the Company's stockholders or register any shares of its capital stock under the Securities Act or any state securities laws.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by either the Investor or the Company if the Closing shall not have occurred by May 13, 2019; *provided*, *however*, that in the event the Closing has not occurred by such date, the parties will consult in good faith to determine whether to extend the term of this Agreement, it being understood that the parties shall be required to consult only until the fifth Business Day after such date and not be under any obligation to extend the term of this Agreement thereafter; *provided*, *further*, that the right to terminate this Agreement under this Section 6.1(a) shall not be available to any party whose breach of any representation or warranty or failure to perform any obligation under this Agreement shall have caused or resulted in the failure of the Closing to occur on or prior to such date;

(b) by either the Investor or the Company in the event that any Governmental Entity shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement (or if any such Governmental Entity informs the Investor or the Company that it intends to disapprove any notice or application required to be filed by such party in order to consummate the transactions contemplated by this Agreement) and such order, decree, ruling or other action shall have become final and non-appealable; or

(c) upon the mutual written consent of the Investor and the Company.

In the event of termination of this Agreement as provided in this Section 6.1, this Agreement shall forthwith become void and there shall be no liability on the part of either party hereto except that nothing herein shall relieve either party from liability for any breach of this Agreement prior to such termination.

Section 6.2 Survival of Representations and Warranties. The respective representations and warranties of the Company and the Investor made herein or in any certificates delivered in connection with the Closing shall survive the Closing without limitation.

Section 6.3 Amendment. No amendment of any provision of this Agreement will be effective unless made in writing and signed by an officer or a duly authorized representative of each of the Company and the Investor. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative of any rights or remedies provided by law.

Section 6.4 Waiver of Conditions. The conditions to each party's obligation to consummate the Exchange are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law. No waiver will be effective unless it is in a writing signed by a duly authorized officer of the waiving party that makes express reference to the provision or provisions subject to such waiver. No waiver of any provision, or any portion

of any provision, of this Agreement will constitute a waiver of any other part of the provision or any other provision of this Agreement.

Section 6.5 Governing Law; Submission to Jurisdiction. This enforcement of this Agreement and any claim, controversy or dispute arising under this Agreement shall be enforced, governed and construed in all respects (whether in contract or in tort) in accordance with the laws of the State of Delaware, without giving effect to its choice of laws principles. To the fullest extent permitted by applicable law, each of the parties hereto (a) irrevocably agrees to submit to the exclusive jurisdiction and venue of the Delaware Court of Chancery for any and all civil actions, suits or proceedings arising out of this Agreement or the Exchange contemplated hereby and (b) unconditionally waives trial by jury in any civil legal action or proceeding arising out of this Agreement or the Exchange contemplated hereby. Each of the parties hereto consents to and agrees that service of process, summons, notice or document delivered to a party to this Agreement may be served upon (i) the Company at the address and in the manner set forth for notices to the Company in Section 6.6 and (ii) the Investor at the address and in the manner set forth for notices to the Company in Section 6.6, but otherwise in accordance with applicable law.

Section 6.6 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of transmission, if transmitted electronically or by facsimile (*provided* the sender receives confirmation of receipt), or (b) on the Business Day following the date of mailing if delivered by a U.S. nationally recognized overnight courier service with next day delivery specified. All notices hereunder shall be delivered as set forth below or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

If to the Company:

Alliance Data Systems Corporation
7500 Dallas Parkway, Suite 700
Plano, Texas 75024
Attention: Joseph L. Motes III, Senior VP, General Counsel & Secretary
E-mail: GeneralCounsel@alliancedata.com

With a copy to:

Latham & Watkins LLP
811 Main Street, Suite 3700
Houston, Texas 77002
Attention: Michael Dillard
Luke Bergstrom
Chad Rolston
E-mail: michael.dillard@lw.com; luke.bergstrom@lw.com; chad.rolston@lw.com

If to the Investor:

ValueAct Holdings, L.P.
One Letterman Drive, Building D, Fourth Floor
San Francisco, California 94129
Attention: Jason B. Breeding, General Counsel
E-mail: jbreeding@valueact.com

With a copy to:

Cadwalader, Wickersham & Taft LLP
200 Liberty Street
New York, New York 10281
Attention: Stephen Fraidin
E-mail: stephen.fraidin@cwt.com

Section 6.7 Assignment. Neither this Agreement nor any right, remedy, obligation nor liability arising hereunder or by reason hereof shall be assignable by any party hereto without the prior written consent of each other party, and any attempt to assign any right, remedy, obligation or liability hereunder without such consent shall be void, except an assignment, in the case of a Business Combination where such party is not the surviving entity, or a sale of substantially all of its assets, to the entity which is the survivor of such Business Combination or the purchaser in such sale.

Section 6.8 Severability. If any provision of this Agreement, or the application thereof to any person or circumstance, is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

Section 6.9 No Third-Party Beneficiaries. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity other than the Company and the Investor any benefit, right or remedies.

Section 6.10 Press Releases. The Company and the Investor shall consult with each other before issuing any press release with respect to this Agreement or the transactions contemplated hereby and no party shall issue any press release without the prior consent of the other party hereto (which consent shall not be unreasonably withheld).

Section 6.11 Entire Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, between the parties, with respect to the subject matter hereof.

Section 6.12 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which will be deemed an original instrument, and all such counterparts will together constitute the same agreement. Executed signature pages to this

Agreement may be delivered by facsimile or electronic scan in PDF format and will be sufficient to bind the party or parties.

Section 6.13 Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms. It is accordingly agreed that the parties shall be entitled (without the necessity of posting a bond) to specific performance of the terms hereof, this being in addition to any other remedies to which they are entitled at law or equity.

Section 6.14 Expenses. Except as otherwise expressly provided in this Agreement, all costs and expenses incurred in connection with this Agreement will be borne and paid by the party incurring the expense.

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

ALLIANCE DATA SYSTEMS CORPORATION

By: /s/ Charles L. Horn
Name: Charles L. Horn
Title: Executive Vice President, Chief Financial Officer

VALUEACT HOLDINGS, L.P.

By: /s/ Christopher Allen
Name: Christopher Allen
Title: Chief Financial Officer

Schedule A

Investor	Shares of Common Stock to Be Exchanged	Exchange Shares to Be Delivered
ValueAct Holdings, L.P.	1,500,000	150,000

Schedule B

Class of Capital Stock	Shares Authorized	Shares Outstanding
Common Stock, par value $0.01 per share	200,000,000	113,233,264 (including 60,852,178 treasury shares)
Preferred Stock, par value $0.01 per share	19,880,000	0

Exhibit 99.1

Contacts: **Investors/Analysts**
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Media
Shelley Whiddon
Alliance Data
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Alliance Data Announces Share Exchange with ValueAct

- **ValueAct Maintains Investment Position While Reducing Voting Power**

Plano, TX, April 29, 2019 – Alliance Data Systems Corporation (NYSE: ADS), a leading global provider of data-driven marketing and loyalty solutions, today announced its entry into an exchange agreement (the "Exchange Agreement") with ValueAct Holdings, L.P. Pursuant to the terms of the agreement, ValueAct Capital Master Fund, L.P., Alliance Data's largest shareholder, exchanged 1,500,000 of its 5,207,646 shares of Alliance Data common stock (the "Common Stock") for 150,000 shares of Alliance Data's newly-designated class of Series A Non-Voting Convertible Preferred Stock (the "Preferred Stock").

Mason Morfit, ValueAct Capital's President and Chief Investment Officer said, "We continue to have strong conviction in the strategy outlined by the management and board of Alliance Data. The transaction announced today has no bearing on our commitment to Alliance Data or our conviction in its long term strategy. With my Partner Kelly Barlow's position on the board of a company that is subject to highly complex banking regulations, considering the company's current strategic initiatives, we felt it was prudent to restructure our equity investment. Our economic interest in Alliance Data remains unchanged."

Ed Heffernan, president and chief executive officer of Alliance Data, commented, "We are pleased that ValueAct continues to show its support for Alliance Data's strategy as we work to simplify our narrative and focus capital on our highest earning and growth assets. The exchange transaction merely enables ValueAct to maintain the economic value of its investment in Alliance Data while reducing the voting power that would otherwise come with that ownership. Alliance Data was happy to work with ValueAct toward achieving its goals."

Shares of the new class of Preferred Stock have rights and privileges substantially similar to those of the Common Stock, except that each share of Preferred Stock (i) has no voting rights (except as otherwise required by the General Corporation Law of the State of Delaware) and (ii) is convertible under certain other circumstances into ten shares of Common Stock (subject to adjustment and other terms and conditions described in the Certificate of Designations establishing the new series and in the Exchange Agreement).

The Certificate of Designations of Series A Non-Voting Convertible Preferred Stock and the Exchange Agreement are filed as Exhibits 3.1 and 10.1, respectively, to Alliance Data's Current Report on Form 8-K filed on April 29, 2019. Descriptions herein of the Series A Non-Voting Convertible Preferred Stock and the Exchange Agreement are qualified by reference to those exhibits.

About Alliance Data

Alliance Data® (NYSE: ADS) is a leading global provider of data-driven marketing and loyalty solutions serving large, consumer-based industries. The Company creates and deploys customized solutions, enhancing the critical customer marketing experience; the result is measurably changing consumer behavior while driving business growth and profitability for some of today's most recognizable brands. Alliance Data helps its clients create and increase customer loyalty through solutions that engage millions of customers each day across multiple touch points using traditional, digital, mobile and emerging technologies. An S&P 500, FORTUNE 500 and FORTUNE 100 Best Companies to Work For company headquartered in Plano, Texas, Alliance Data consists of three businesses that together employ approximately 20,000 associates at more than 100 locations worldwide.

Alliance Data's card services business is a provider of market-leading private label, co-brand, and business credit card programs. Epsilon® is a leading provider of multichannel, data-driven technologies and marketing services, and also includes Conversant®, a leader in personalized digital marketing. LoyaltyOne® owns and operates the AIR MILES® Reward Program, Canada's most recognized loyalty program, and Netherlands-based BrandLoyalty, a global provider of tailor-made loyalty programs for grocers.

Follow Alliance Data on Twitter, Facebook, LinkedIn, Instagram and YouTube.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements give our expectations or forecasts of future events and can generally be identified by the use of words such as "believe," "expect," "anticipate," "estimate," "intend," "project," "plan," "likely," "may," "should" or other words or phrases of similar import. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding additional strategic initiatives, the pending Epsilon transaction and whether closing conditions for such transaction will be satisfied or waived and the expected use of proceeds therefrom, our expected operating results, future economic conditions including currency exchange rates, future dividend declarations and the guidance we give with respect to our anticipated financial performance.

We believe that our expectations are based on reasonable assumptions. Forward-looking statements, however, are subject to a number of risks and uncertainties that could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release, and no assurances can be given that our expectations will prove to have been correct. These risks and uncertainties include, but are not limited to, factors set forth in the Risk Factors section in our Annual Report on Form 10-K for the most recently ended fiscal year, which may be updated in Item 1A of, or elsewhere in, our Quarterly Reports on Form 10-Q filed for periods subsequent to such Form 10-K. Further risks and uncertainties include, but are not limited to, the pending transaction involving Epsilon, whether such transaction will be completed, the possibility that closing conditions for the transaction may not be satisfied or waived, the impact of additional strategic initiatives on us or our business if any transactions are undertaken, and whether the benefits of such transactions can be achieved.

Our forward-looking statements speak only as of the date made, and we undertake no obligation, other than as required by applicable law, to update or revise any forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.