FTD COMPANIES, INC.

FORM 10-Q
(Quarterly Report)

Filed 11/09/17 for the Period Ending 09/30/17

Address	3113 WOODCREEK DRIVE DOWNERS GROVE, IL, 60515
Telephone	630 719-7800
CIK	0001575360
Symbol	FTD
SIC Code	5960 - Retail-Nonstore Retailers
Industry	Other Specialty Retailers
Sector	Consumer Cyclicals
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended September 30, 2017

Or

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

For the transition period from _____to _____

Commission file number 001-35901

FTD Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**32-0255852**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3113 Woodcreek Drive, Downers Grove, Illinois	**60515**
(Address of principal executive offices)	(Zip Code)

(630) 719-7800

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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. (Check one):

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐
	Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 27,546,854 shares of the Registrant's common stock outstanding as of November 3, 2017 .

FTD COMPANIES, INC.
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In this document, references to "FTD Companies," "FTD," the "Company," "we," "us," and "our" refer to FTD Companies, Inc. and its consolidated subsidiaries, unless the context otherwise requires.

Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Form 10-Q") contains certain forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended, based on our current expectations, estimates and projections about our operations, industry, financial condition, performance, results of operations, and liquidity. Statements containing words such as "may," "believe," "anticipate," "expect," "intend," "plan," "project," "projections," "business outlook," "estimate," or similar expressions constitute forward-looking statements. These forward-looking statements include, but are not limited to, statements about our strategies; expectations about future business plans, prospective performance and opportunities, including potential acquisitions; future financial performance; revenues; segment metrics; operating expenses; market trends, including those in the markets in which we compete; liquidity; cash flows and uses of cash; dividends; capital expenditures; depreciation and amortization; impairment charges; tax payments; foreign currency exchange rates; hedging arrangements; our ability to repay indebtedness and invest in initiatives; our products and services; pricing; marketing plans; competition; settlement of legal matters; and the impact of accounting changes and other pronouncements. Potential factors that could affect such forward-looking statements include, among others, the factors disclosed in the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC"), as updated from time to time in our subsequent filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. Such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that may cause actual performance and results to differ materially from those predicted. Reported results should not be considered an indication of future performance. Except as required by law, we undertake no obligation to publicly release the results of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FTD COMPANIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(Unaudited)

	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 27,845	$ 81,002
Accounts receivable, net of allowances of $4,675 and $4,962 as of September 30, 2017 and December 31, 2016, respectively	24,528	26,659
Inventories	30,827	24,996
Prepaid expenses and other current assets	10,959	13,697
Total current assets	94,159	146,354
Property and equipment, net	42,582	57,559
Intangible assets, net	234,889	272,798
Goodwill	426,131	463,465
Other assets	21,387	22,138
Total assets	$ 819,148	$ 962,314
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 39,602	$ 70,254
Accrued liabilities	45,309	68,274
Accrued compensation	12,988	19,165
Deferred revenue	5,776	4,911
Income taxes payable	726	2,005
Current portion of long-term debt	20,000	20,000
Total current liabilities	124,401	184,609
Long-term debt	232,326	256,306
Deferred tax liabilities, net	69,275	85,932
Other liabilities	6,527	7,740
Total liabilities	432,529	534,587
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock, 5,000,000 shares, par value $0.0001, authorized; no shares issued and outstanding	—	—
Common stock, 60,000,000 shares, par value $0.0001, authorized; 29,977,751 and 29,731,189 shares issued as of September 30, 2017 and December 31, 2016, respectively	3	3
Treasury stock, 2,430,897 shares as of September 30, 2017 and December 31, 2016	(65,221)	(65,221)
Additional paid-in capital	702,053	694,773
Accumulated deficit	(207,771)	(150,191)
Accumulated other comprehensive loss	(42,445)	(51,637)
Total stockholders' equity	386,619	427,727
Total liabilities and stockholders' equity	$ 819,148	$ 962,314

The accompanying notes are an integral part of these condensed consolidated financial statements.

FTD COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues:				
Products	$ 131,361	$ 142,451	$ 705,553	$ 737,991
Services	29,943	30,428	100,390	103,341
Total revenues	161,304	172,879	805,943	841,332
Operating expenses:				
Cost of revenues—products	98,895	103,653	489,704	517,811
Cost of revenues—services	4,280	4,405	13,024	13,757
Sales and marketing	36,450	35,012	181,570	168,885
General and administrative	27,656	25,980	83,450	84,113
Amortization of intangible assets	3,820	15,240	11,459	45,873
Restructuring and other exit costs	1,113	612	2,057	2,230
Impairment of goodwill, intangible assets, and other long-lived assets	82,735	—	82,735	—
Total operating expenses	254,949	184,902	863,999	832,669
Operating income/(loss)	(93,645)	(12,023)	(58,056)	8,663
Interest income	122	135	359	410
Interest expense	(2,721)	(2,429)	(7,671)	(7,273)
Other income/(expense), net	126	(9)	324	1,804
Income/(loss) before income taxes	(96,118)	(14,326)	(65,044)	3,604
Provision for/(benefit from) income taxes	(19,799)	(4,057)	(7,464)	347
Net income/(loss)	$ (76,319)	$ (10,269)	$ (57,580)	$ 3,257
Earnings/(loss) per common share:				
Basic earnings/(loss) per share	$ (2.77)	$ (0.37)	$ (2.10)	$ 0.12
Diluted earnings/(loss) per share	$ (2.77)	$ (0.37)	$ (2.10)	$ 0.12

The accompanying notes are an integral part of these condensed consolidated financial statements.

FTD COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income/(loss)	$ (76,319)	$ (10,269)	$ (57,580)	$ 3,257
Other comprehensive income/(loss):				
Foreign currency translation	3,089	(2,633)	8,935	(13,151)
Cash flow hedges:				
Changes in net gains on derivatives, net of tax of $55 and $54 for the three months ended September 30, 2017 and 2016, respectively, and $162 and $147 for the nine months ended September 30, 2017 and 2016, respectively	85	86	257	236
Other comprehensive income/(loss)	3,174	(2,547)	9,192	(12,915)
Total comprehensive loss	$ (73,145)	$ (12,816)	$ (48,388)	$ (9,658)

The accompanying notes are an integral part of these condensed consolidated financial statements.

FTD COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited, in thousands)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2016	29,731	$ 3	(2,431)	$ (65,221)	$ 694,773	$ (51,637)	$ (150,191)	$ 427,727
Net loss	—	—	—	—	—	—	(57,580)	(57,580)
Other comprehensive income	—	—	—	—	—	9,192	—	9,192
Stock-based compensation	—	—	—	—	8,221	—	—	8,221
Vesting of restricted stock units and related repurchases of common stock	186	—	—	—	(1,983)	—	—	(1,983)
Issuance of common stock through employee stock purchase plan	61	—	—	—	1,042	—	—	1,042
Balance as of September 30, 2017	29,978	$ 3	(2,431)	$ (65,221)	$ 702,053	$ (42,445)	$ (207,771)	$ 386,619

The accompanying notes are an integral part of these condensed consolidated financial statements.

FTD COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Nine Months Ended September 30,	
	2017	**2016**
Cash flows from operating activities:		
Net income/(loss)	$ (57,580)	$ 3,257
Adjustments to reconcile net income/(loss) to net cash used for operating activities:		
Depreciation and amortization	27,778	63,502
Impairment of goodwill, intangible assets, and other long-lived assets	82,735	—
Stock-based compensation	8,221	10,803
Provision for doubtful accounts receivable	1,515	2,936
Amortization of debt issuance costs	1,020	1,020
Impairment of fixed assets	—	398
Deferred taxes, net	(17,314)	(14,519)
Gains on life insurance	—	(1,583)
Other, net	(95)	76
Changes in operating assets and liabilities:		
Accounts receivable, net	923	(1,791)
Inventories	(5,770)	(2,025)
Prepaid expenses and other assets	4,139	5,623
Accounts payable and accrued liabilities	(62,235)	(71,932)
Deferred revenue	750	1,037
Income taxes receivable or payable	(1,033)	1,882
Other liabilities	(1,198)	(2,284)
Net cash used for operating activities	(18,144)	(3,600)
Cash flows from investing activities:		
Purchases of property and equipment	(10,677)	(12,018)
Proceeds from life insurance	—	1,946
Net cash used for investing activities	(10,677)	(10,072)
Cash flows from financing activities:		
Proceeds from long-term debt	90,000	—
Payments on long-term debt	(115,000)	(15,000)
Exercise of stock options and purchases from employee stock plans	1,042	1,304
Repurchases of common stock withheld for taxes	(1,983)	(1,645)
Repurchases of common stock	—	(12,035)
Net cash used for financing activities	(25,941)	(27,376)
Effect of foreign currency exchange rate changes on cash and cash equivalents	1,605	(652)
Change in cash and cash equivalents	(53,157)	(41,700)
Cash and cash equivalents, beginning of period	81,002	57,892
Cash and cash equivalents, end of period	$ 27,845	$ 16,192

The accompanying notes are an integral part of these condensed consolidated financial statements.

FTD COMPANIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION, ACCOUNTING POLICIES, AND RECENT ACCOUNTING PRONOUNCEMENTS

Description of Business

FTD Companies, Inc. (together with its subsidiaries, "FTD" or the "Company"), is a premier floral and gifting company with a vision to be the leading and most trusted floral and gifting company in the world. Our mission is to inspire, support, and delight our customers when expressing life's most important sentiments. We provide floral, specialty foods, gift, and related products and services to consumers, retail florists, and other retail locations and companies in need of floral and gifting solutions. Our business uses the highly recognized FTD ® and Interflora ® brands, both supported by the iconic Mercury Man ® logo. While we operate primarily in the United States ("U.S.") and the United Kingdom ("U.K."), we have worldwide presence as our Mercury Man logo is displayed in approximately 35,000 floral shops in over 125 countries. Our diversified portfolio of brands also includes ProFlowers ® , ProPlants ® , Shari's Berries ® , Personal Creations ® , RedEnvelope ® , Flying Flowers ® , Ink Cards ™ , Postagram ™ , and Gifts.com ™ . While floral arrangements and plants are our primary offerings, we also market and sell gift items, including gourmet-dipped berries and other specialty foods, personalized gifts, premium fresh fruit baskets, gift baskets, wine and champagne, jewelry, and spa products.

The principal operating subsidiaries of FTD Companies, Inc. are Florists' Transworld Delivery, Inc., Provide Commerce, Inc. ("Provide Commerce"), FTD.COM Inc. ("FTD.COM"), and Interflora British Unit ("Interflora"). The operations of the Company include those of its subsidiary, Interflora, Inc., of which one-third is owned by a third party. The Company's corporate headquarters is located in Downers Grove, Illinois. The Company also maintains offices in San Diego and San Francisco, California; Woodridge, Illinois; Centerbrook, Connecticut; Sleaford, England; and Hyderabad, India; and distribution centers in various locations throughout the U.S.

Basis of Presentation

These condensed consolidated financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), including those for interim financial information, and with the instructions for Quarterly Reports on Form 10-Q and Article 10 of Regulation S-X issued by the U.S. Securities and Exchange Commission (the "SEC"). Accordingly, such financial statements do not include all of the information and note disclosures required by GAAP for complete financial statements. All significant intercompany accounts and transactions have been eliminated in consolidation. The condensed consolidated financial statements, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair presentation of financial position and operating results for the periods presented. The results of operations for such periods are not necessarily indicative of the results expected for any future periods. The condensed consolidated balance sheet information as of December 31, 2016 was derived from the Company's audited consolidated financial statements, which are included in the Company's Annual Report on Form 10-K ("Form 10-K") for the year ended December 31, 2016 , but does not include all of the disclosures required by GAAP.

The condensed consolidated financial statements reflect the Company's historical financial position, results of operations, and cash flows. The preparation of condensed consolidated financial statements in accordance with GAAP requires management to make accounting policy elections, estimates, and assumptions that affect a number of reported amounts and related disclosures in the condensed consolidated financial statements. Management bases its estimates on historical experience and assumptions that it believes are reasonable. Actual results could differ from those estimates and assumptions. The most significant areas of the condensed consolidated financial statements that require management's judgment include the Company's revenue recognition, goodwill, indefinite-lived intangible assets and other long-lived assets, allowance for doubtful accounts, income taxes, and legal contingencies.

These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in the Company's Form 10-K for the year ended December 31, 2016 .

Accounting Policies

Refer to the Company's audited consolidated financial statements included in the Company's Form 10-K for the year ended December 31, 2016 for a discussion of the Company's accounting policies, as updated below for recently adopted accounting standards.

Recent Accounting Pronouncements

Recently Adopted Accounting Standards

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-11, *Inventory—Simplifying the Measurement of Inventory (Topic 330)* , which changes the measurement principle for inventory from the lower of cost or market to the lower of cost and net realizable value. This ASU defines net realizable value as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The Company adopted the guidance in the first quarter of 2017 on a prospective basis, as required, with no impact on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation—Stock Compensation (Topic 718)* . The amendments in this ASU simplify several aspects of the accounting for stock-based compensation, including the income tax consequences, the accounting for forfeitures, the classification of awards as either equity or liabilities, and the classification on the statement of cash flows. The Company adopted the guidance related to the income tax expense requirements in the first quarter of 2017 on a prospective basis. As a result, the Company recognized all excess tax benefits and tax deficiencies as income tax expense or benefit as a discrete event resulting in recognition of incremental income tax expense of $0.1 million during the three months ended September 30, 2017 and $1.5 million during the nine months ended September 30, 2017 . The Company adopted the provisions related to the classification on the statement of cash flows on a retrospective basis and prior periods have been adjusted to present the excess tax benefits/shortfalls as part of cash flows from operating activities. The result was a decrease in cash flows from operating activities and a corresponding increase in cash flows from financing activities of $0.1 million and $1.5 million , respectively, for the three and nine months ended September 30, 2017 , and a decrease in cash flows from operating activities and a corresponding increase in cash flows from financing activities of $0.7 million and $0.4 million , respectively, for the three and nine months ended September 30, 2016 . The Company elected not to change its policy on accounting for forfeitures and will continue to recognize expense based on an estimated forfeiture rate. In future periods, the adoption of this update could increase or reduce the Company's reported income tax expense or benefit and cash flows from operating activities depending on the difference between the future price of the Company's common stock at vesting or exercise as compared to the grant price.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* , which simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. Under the new guidance, an entity will recognize an impairment charge for the amount by which the carrying value of a reporting unit exceeds its fair value. This standard was scheduled to be effective for the Company for the fiscal year beginning January 1, 2020 and for interim periods within that fiscal year. Early adoption is permitted for any goodwill impairment test performed on testing dates after January 1, 2017. As the amendments within this ASU are meant to reduce the complexity surrounding the evaluation of the Company's goodwill for impairment, the Company elected to early adopt this ASU beginning January 1, 2017. The amendments in this ASU have been and will continue to be applied to the Company's goodwill impairment tests performed on an interim or annual basis, including the interim test which was performed as a result of a decline in the Company's market capitalization during the third quarter of 2017. See Note 5—"Goodwill, Intangible Assets, and Other Long-Lived Assets."

Recently Issued Accounting Standards

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* and issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016, May 2016, and December 2016 within ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-12, and ASU 2016-20, respectively (collectively, "Topic 606"). Topic 606 supersedes nearly all existing revenue recognition guidance under GAAP. The core principle of Topic 606 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. In addition, new and enhanced disclosures will be required. The guidance under this topic was deferred by ASU 2015-14 and is now effective for fiscal years and interim periods beginning on or after December 15, 2017, with early adoption permitted as of the original effective date for periods beginning after December 15, 2016. The Company will adopt Topic 606 in the first quarter of 2018. The Company has reached conclusions on key accounting assessments related to the adoption of Topic 606. However, the Company is finalizing its assessment and expects the impact to be immaterial to our consolidated financial statements on an ongoing basis. The Company expects to adopt Topic 606 on a modified retrospective basis with the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of retained earnings, if any adjustment is necessary.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall: Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10).* The updated guidance enhances the reporting model for financial instruments, and includes amendments to address aspects of recognition, measurement, presentation and disclosure. The amendments in this ASU will be effective for the Company for fiscal years, and interim periods within those years, beginning after December 15, 2017. The amendments must be applied prospectively and, although early adoption is permitted for certain measurement enhancements within this amendment, early adoption is not permitted for other aspects updated in this amendment. The Company does not anticipate that the adoption of this update will have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* . This update requires the recognition of certain lease assets and lease liabilities on the balance sheet as well as the disclosure of key information about leasing arrangements. The amendments in this ASU require the recognition and measurement of leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients which may be elected by the Company. The amendments in this ASU will be effective for the Company for fiscal years, and the interim periods within those years, beginning after December 15, 2018, and early adoption is permitted. The Company is currently assessing the impact of this update on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326)* . This update seeks to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments, including trade receivables, and other commitments to extend credit held by a reporting entity at each reporting date. The amendments require an entity to replace the incurred loss impairment methodology in current GAAP with a methodology that reflects current expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The amendments will be applied through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which guidance is effective, which is a modified-retrospective approach. The Company does not anticipate that this update will have a material impact on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments.* This update was issued to address the diversity in practice related to the classification of certain cash receipts and payments in the statement of cash flows by adding or clarifying guidance on eight specific cash flow issues. The amendments in this ASU will be effective for the Company for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The amendments should be applied retrospectively to all periods presented, unless deemed impracticable, in which case, prospective application is permitted. The Company does not anticipate that the adoption of this update will have a material impact on its consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting.* This update was issued to provide clarity and reduce diversity in practice as well as cost and complexity when applying the guidance in Topic 718 to the modification of terms or conditions of a share-based payment award. The amendments provide guidance on determining which changes to the terms and conditions of share-based payment awards would require an entity to apply modification accounting under Topic 718. The amendments in this ASU will be effective for the Company for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The amendments will be applied prospectively. The Company does not anticipate that this update will have a material impact on its consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* . This update seeks to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements and make certain targeted improvements to simplify the application of the hedge accounting guidance in current GAAP. The amendments in this update better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and presentation of hedge results. For cash flow and net investment hedges as of the adoption date, this ASU requires a modified retrospective approach. The amended presentation and disclosure guidance is required only prospectively. The amendments in this ASU are effective for the Company's fiscal year beginning after December 31, 2018, with early adoption permitted. The Company is currently assessing the timing of adoption and the impact of this update on its consolidated financial statements.

2. SEGMENT INFORMATION

The Company reports its business in four reportable segments: Provide Commerce, Consumer, Florist, and International.

Below is a reconciliation of segment revenues to consolidated revenues (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Products revenues:				
Provide Commerce	$ 54,633	$ 57,112	$ 390,192	$ 390,751
Consumer	43,631	51,260	196,547	220,743
Florist	8,630	10,328	37,612	38,417
International	27,497	27,142	93,385	101,809
Segment products revenues	134,391	145,842	717,736	751,720
Services revenues:				
Florist	26,035	26,277	87,649	88,538
International	3,980	4,222	13,031	15,037
Segment services revenues	30,015	30,499	100,680	103,575
Intersegment eliminations	(3,102)	(3,462)	(12,473)	(13,963)
Consolidated revenues	$ 161,304	$ 172,879	$ 805,943	$ 841,332

Intersegment revenues represent amounts charged from one segment to the other for services provided based on order volume at a set rate per order. Intersegment revenues by segment were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Intersegment revenues:				
Provide Commerce	$ (355)	$ (440)	$ (1,336)	$ (1,707)
Consumer	(2,675)	(2,951)	(10,847)	(12,022)
Florist	(72)	(71)	(290)	(234)
Total intersegment revenues	$ (3,102)	$ (3,462)	$ (12,473)	$ (13,963)

Geographic revenues from sales to external customers were as follows for the periods presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
U.S.	$ 129,827	$ 141,515	$ 699,527	$ 724,486
U.K.	31,477	31,364	106,416	116,846
Consolidated revenues	$ 161,304	$ 172,879	$ 805,943	$ 841,332

Below is a reconciliation of segment operating income to consolidated operating income and income before income taxes (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Segment operating income/(loss) [(a)]				
Provide Commerce	$ (6,304)	$ (1,847)	$ 21,686	$ 27,406
Consumer	3,225	5,019	15,460	22,326
Florist	9,552	11,362	35,757	36,722
International	3,384	3,845	11,982	15,225
Total segment operating income	9,857	18,379	84,885	101,679
Unallocated expenses [(b)]	(11,573)	(9,416)	(32,428)	(29,514)
Impairment of goodwill, intangible assets, and other long-lived assets	(82,735)	—	(82,735)	—
Depreciation expense and amortization of intangible assets	(9,194)	(20,986)	(27,778)	(63,502)
Operating income/(loss)	(93,645)	(12,023)	(58,056)	8,663
Interest expense, net	(2,599)	(2,294)	(7,312)	(6,863)
Other income/(expense), net	126	(9)	324	1,804
Income/(loss) before income taxes	$ (96,118)	$ (14,326)	$ (65,044)	$ 3,604

(a) Segment operating income/(loss) is operating income/(loss) excluding depreciation, amortization, litigation and dispute settlement charges and gains, transaction and integration costs, restructuring and other exit costs, and impairment of goodwill, intangible assets, and other long-lived assets. In addition, stock-based and incentive compensation and general corporate expenses are not allocated to the segments. Segment operating income is prior to intersegment eliminations and excludes other income/(expense), net.

(b) Unallocated expenses include various corporate costs, such as executive management, corporate finance, and legal costs. In addition, unallocated expenses include stock-based and incentive compensation, restructuring and other exit costs, transaction and integration costs, and litigation and dispute settlement charges and gains.

3. FINANCING RECEIVABLES

The Company has financing receivables related to equipment sales to its floral network members. The current and noncurrent portions of financing receivables are included in accounts receivable and other assets, respectively, in the condensed consolidated balance sheets. The Company assesses financing receivables individually for balances due from current floral network members and collectively for balances due from terminated floral network members.

Credit quality of financing receivables was as follows (in thousands):

	September 30, 2017	December 31, 2016
Current	$ 10,784	$ 11,490
Past due	869	865
Total	$ 11,653	$ 12,355

The aging of financing receivables was as follows (in thousands):

	September 30, 2017	December 31, 2016
Current	$ 10,784	$ 11,490
Past due:		
1 - 150 days past due	182	120
151 - 364 days past due	181	129
365 - 730 days past due	187	230
731 or more days past due	319	386
Total	$ 11,653	$ 12,355

Financing receivables on nonaccrual status as of September 30, 2017 and December 31, 2016 , totaled $0.9 million and $1.0 million , respectively.

The allowance for credit losses and the recorded investment in financing receivables were as follows (in thousands):

	Nine Months Ended September 30,	
	2017	2016
Allowance for credit losses:		
Balance as of January 1	$ 846	$ 706
Provision	280	131
Write-offs charged against allowance	(276)	(66)
Balance as of September 30	$ 850	$ 771
Ending balance collectively evaluated for impairment	$ 806	$ 767
Ending balance individually evaluated for impairment	$ 44	$ 4
Recorded investments in financing receivables:		
Balance collectively evaluated for impairment	$ 943	$ 861
Balance individually evaluated for impairment	$ 10,710	$ 11,571

Individually evaluated impaired loans, including the recorded investment in such loans, the unpaid principal balance, and the allowance related to such loans, each totaled less than $0.1 million as of both September 30, 2017 and December 31, 2016 . The average recorded investment in such loans was less than $0.1 million for both the nine months ended September 30, 2017 and 2016 . Interest income recognized on impaired loans was less than $0.1 million for both the nine months ended September 30, 2017 and 2016 .

4. TRANSACTIONS WITH RELATED PARTIES

Transactions with Liberty

As of September 30, 2017 , Liberty Interactive Corporation ("Liberty") owned 37.0% of the issued and outstanding shares of FTD common stock. An Investor Rights Agreement governs certain rights of and restrictions on Liberty in connection with the shares of FTD common stock that Liberty owns.

On April 4, 2017, Liberty and General Communication, Inc. ("GCI") announced Liberty's entry into an agreement to acquire GCI, combine GCI with Liberty's Liberty Ventures tracking stock group and effect a split-off (the "Split-Off") of Liberty's interest in the combined company ("GCI Liberty"). In connection with these proposed transactions, Liberty currently intends to transfer its entire equity interest in the Company, and all of its rights, benefits and obligations under the Investor Rights Agreement, to GCI.

On August 28, 2017, Liberty, the Company, GCI, Liberty Interactive LLC and Ventures Holdco, LLC, entered into an assignment and assumption agreement pursuant to which, subject to the completion of the Split-Off and certain other conditions, Liberty will assign, and GCI Liberty will assume, Liberty's rights, benefits and obligations under the Investor Rights Agreement. Following the consummation of such transactions, GCI Liberty will be entitled to all of Liberty's rights, benefits and obligations under the Investor Rights Agreement.

The I.S. Group Limited

Interflora holds an equity investment of 20.4% in The I.S. Group Limited ("I.S. Group"). The investment was $1.5 million and $1.4 million , respectively, as of September 30, 2017 and December 31, 2016 , and is included in other assets in the condensed consolidated balance sheets. I.S. Group supplies floral-related products to Interflora's floral network members in both the U.K. and the Republic of Ireland as well as to other customers. Interflora derives revenues from I.S. Group from (i) the sale of products (sourced from third-party suppliers) to I.S. Group for which revenue is recognized on a gross basis, (ii) commissions on products sold by I.S. Group (sourced from third-party suppliers) to floral network members, and (iii) commissions for acting as a collection agent on behalf of I.S. Group. Revenues related to products sold to and commissions earned from I.S. Group were $0.5 million and $0.5 million for the three months ended September 30, 2017 and 2016 , respectively, and $1.6 million and $1.8 million for the nine months ended September 30, 2017 and 2016 , respectively. In addition, Interflora purchases products from I.S. Group for sale to consumers. The cost of revenues related to products purchased from I.S. Group was $0.1 million and $0.1 million for the three months ended September 30, 2017 and 2016 , respectively, and $0.2 million and $0.4 million for the nine months ended September 30, 2017 and 2016 , respectively. Amounts due from I.S. Group were $0.2 million and $0.3 million as of September 30, 2017 and December 31, 2016 , respectively, and amounts payable to I.S. Group were $0.8 million and $1.2 million as of September 30, 2017 and December 31, 2016 , respectively.

5. GOODWILL, INTANGIBLE ASSETS, AND OTHER LONG-LIVED ASSETS

Goodwill is tested for impairment at the reporting unit level. A reporting unit is a business or a group of businesses for which discrete financial information is available and is regularly reviewed by management. An operating segment is made up of one or more reporting units. The Company reports its business operations in four operating and reportable segments: Consumer, Provide Commerce, Florist, and International. Each of the Consumer, Florist, and International segments is a reporting unit. The Provide Commerce segment is comprised of two reporting units, ProFlowers/Gourmet Foods and Personal Creations.

The Company tests goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter of each year at the reporting unit level and on an interim basis if events or substantive changes in circumstances indicate that the carrying amount of a reporting unit may exceed its fair value (i.e. that a triggering event has occurred). Additionally, the Company evaluates finite-lived intangible assets and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset groupings may not be recoverable.

Due to a sustained decline in the Company's market capitalization during the three months ended September 30, 2017, the Company determined a triggering event had occurred that required an interim impairment assessment for all of its reporting units, intangible assets, and other long-lived assets. Impairment charges are included in operating expenses in the condensed consolidated statement of operations under the caption impairment of goodwill, intangible assets, and other long-lived assets.

Goodwill

The Company performed a quantitative interim test. In calculating the fair value of the reporting units, the Company used a combination of the market approach and the income approach valuation methodologies. The income approach was used primarily, as management believes that a discounted cash flow approach is the most reliable indicator of the fair values of the businesses. Under the market approach, the guideline company method was used, which focuses on comparing the Company's risk profile and growth prospects to select reasonably similar companies based on business description, revenue size, markets served, and profitability.

The interim test resulted in the Company's determination that the fair values of the Florist, International, and Personal Creations reporting units exceeded their carrying values and, therefore, their goodwill was not impaired. The fair values of the Consumer and ProFlowers/Gourmet Foods reporting units were less than their carrying values and, as such, their goodwill was deemed to be impaired. Impairment charges of $16.8 million and $26.8 million , respectively, were recorded during the three months ended September 30, 2017 related to the goodwill of the Consumer and ProFlowers/Gourmet Foods reporting units. These goodwill impairment charges are not deductible for tax purposes. The remaining goodwill balances for the Consumer, Florist, and International reporting units are included in the table below. The remaining goodwill balance for the ProFlowers/Gourmet Foods reporting unit is $94.4 million as of September 30, 2017.

The changes in the net carrying amount of goodwill for the nine months ended September 30, 2017 were as follows (in thousands):

	Provide Commerce	Consumer	Florist	International	Total
Goodwill as of December 31, 2016	$ 147,501	$ 133,226	$ 109,651	$ 73,087	$ 463,465
Foreign currency translation	—	—	—	6,266	6,266
Impairment of Goodwill	(26,800)	(16,800)	—	—	(43,600)
Goodwill as of September 30, 2017	$ 120,701	$ 116,426	$ 109,651	$ 79,353	$ 426,131

In 2016, 2015, and 2008, the Company recorded impairment charges of $84.0 million , $85.0 million , and $116.3 million , respectively. The table above reflects the Company's December 31, 2016 goodwill balances net of the previously recorded impairment charges. The total accumulated goodwill impairment was $328.9 million as of September 30, 2017.

Intangible Assets

In conjunction with the interim goodwill impairment test, the Company also reviewed its intangible assets for potential impairment. The interim impairment test for the indefinite-lived intangibles was performed by calculating the fair values of the assets using a discounted cash flow approach and comparing the fair value to their respective carrying amounts. This test resulted in the determination that the fair value of the indefinite-lived intangible asset related to the International segment trademark and trade name exceeded its carrying amount of $37.4 million by 7.8% and, therefore, was not impaired. The Consumer and Florist segments share a trademark and trade name and, therefore, share the related indefinite-lived asset. The fair value of this indefinite-lived intangible asset was less than its carrying value and, accordingly, a pre-tax impairment charge of $13.1 million was recorded in the three months ended September 30, 2017. The asset has a total remaining value of $100.0 million as of September 30, 2017. An impairment evaluation of the finite-lived intangible assets was also performed which indicated that the carrying amount of the complete technology intangible asset related to the acquisition of Provide Commerce was not recoverable when compared to the expected undiscounted future cash flows. As such, a pre-tax impairment charge of $16.3 million was recorded during the three months ended September 30, 2017 related to the Provide Commerce segment, leaving no remaining balance related to the complete technology intangible asset.

Intangible assets are primarily related to the acquisition of the Company by United Online, Inc. in August 2008 and the acquisition of Provide Commerce in December 2014 and consist of the following (in thousands):

	September 30, 2017			December 31, 2016		
	Gross Value (a)	Accumulated Amortization	Net	Gross Value	Accumulated Amortization	Net
Complete technology	$ 60,596	$ (60,596)	$ —	$ 76,486	$ (54,705)	$ 21,781
Customer contracts and relationships	193,519	(193,519)	—	192,183	(192,183)	—
Trademarks and trade names:						
Finite-lived	120,356	(22,864)	97,492	120,290	(16,817)	103,473
Indefinite-lived (b)	137,397	—	137,397	147,544	—	147,544
Total	$ 511,868	$ (276,979)	$ 234,889	$ 536,503	$ (263,705)	$ 272,798

(a) Gross value as of September 30, 2017 includes the impairments recorded during the three months ended September 30, 2017 of $16.3 million related to complete technology and $13.1 million related to indefinite-lived trademarks and trade names.
(b) As indefinite-lived assets are not amortized, the indefinite-lived trademarks and trade names have no associated amortization expense or accumulated amortization.

As of September 30, 2017 , estimated future intangible assets amortization expense for each of the next five years and thereafter was as follows (in thousands):

For the Year Ended	Future Amortization Expense
2017 (remainder of the year)	$ 2,005
2018	8,020
2019	8,020
2020	8,012
2021	8,008
Thereafter	63,427
Total	$ 97,492

Other Long-Lived Assets

Also in conjunction with the interim goodwill impairment test, the Company performed an impairment evaluation of its other long-lived assets by comparing the expected undiscounted future cash flows to the carrying amounts of the assets. The result of this evaluation was that the carrying amounts of some property and equipment associated with the Provide Commerce segment were not recoverable. Based on the Company's assessment of the fair value of this asset group using a discounted cash flow analysis, the Company determined that the carrying value of this asset group exceeded the fair value and, as a result, a $9.7 million pre-tax impairment charge was recorded during the three months ended September 30, 2017.

Property and equipment consisted of the following (in thousands):

	September 30, 2017 (a)	December 31, 2016
Land and improvements	$ 1,581	$ 1,565
Buildings and improvements	16,319	16,080
Leasehold improvements	13,453	16,290
Equipment	16,493	14,771
Computer equipment	25,868	26,633
Computer software	62,721	61,332
Furniture and fixtures	3,861	3,310
	140,296	139,981
Accumulated depreciation	(97,714)	(82,422)
Total	$ 42,582	$ 57,559

(a) The impairment charges of $9.7 million recorded during the three months ended September 30, 2017 are reflected as reductions in the gross balances as of September 30, 2017.

Depreciation expense, including the amortization of leasehold improvements, was $5.4 million and $5.7 million for the three months ended September 30, 2017 and 2016 , respectively, and $16.3 million and $17.6 million for the nine months ended September 30, 2017 and 2016 , respectively.

6. FINANCING ARRANGEMENTS

Credit Agreement

On September 19, 2014, FTD Companies, Inc. entered into a credit agreement (the "Credit Agreement") with Interflora, certain wholly owned domestic subsidiaries of FTD Companies, Inc. party thereto as guarantors, the financial institutions party thereto from time to time, Bank of America Merrill Lynch and Wells Fargo Securities, LLC, as joint lead arrangers and book managers, and Bank of America, N.A., as administrative agent for the lenders. The Credit Agreement provided for a term loan in an aggregate principal amount of $200 million , the proceeds of which were used to repay a portion of outstanding revolving loans, and also provided for a $350 million revolving credit facility. On December 31, 2014, the Company borrowed $120 million under the revolving credit facility to fund the cash portion of the acquisition purchase price of Provide Commerce.

The obligations under the Credit Agreement are guaranteed by certain of FTD Companies, Inc.'s wholly owned domestic subsidiaries (together with FTD Companies, Inc., the "U.S. Loan Parties"). In addition, the obligations under the Credit Agreement are secured by a lien on substantially all of the assets of the U.S. Loan Parties, including a pledge of all of the outstanding capital stock of certain direct subsidiaries of the U.S. Loan Parties (except with respect to foreign subsidiaries and certain domestic subsidiaries whose assets consist primarily of foreign subsidiary equity interests, in which case such pledge is limited to 66% of the outstanding capital stock).

The interest rates applicable to borrowings under the Credit Agreement are based on either LIBOR plus a margin ranging from 1.50% per annum to 2.50% per annum, or a base rate plus a margin ranging from 0.50% per annum to 1.50% per annum, calculated according to the Company's net leverage ratio. As of September 30, 2017 , the base rate margin was 0.75% per annum and the LIBOR margin was 1.75% per annum. In addition, the Company pays a commitment fee ranging from 0.20% per annum to 0.40% per annum on the unused portion of the revolving credit facility. The stated interest rates (based on LIBOR) as of September 30, 2017 under the term loan and the revolving credit facility were 3.08% and 2.99% , respectively. The effective interest rates as of September 30, 2017 under the term loan and the revolving credit facility were 4.08% and

3.61% , respectively. The effective interest rates include the amortization of both the debt issuance costs and the effective portion of the interest rate swap and commitment fees. The commitment fee rate as of September 30, 2017 was 0.25% . The Credit Agreement contains customary representations and warranties, events of default, affirmative covenants and negative covenants, that, among other things, require the Company to maintain compliance with a maximum net leverage ratio and a minimum consolidated fixed charge coverage ratio, and impose restrictions and limitations on, among other things, investments, dividends, share repurchases, asset sales, and the Company's ability to incur additional debt and additional liens.

The term loan is subject to amortization payments of $5.0 million per quarter and customary mandatory prepayments under certain conditions. The outstanding balance of the term loan and all amounts outstanding under the revolving credit facility are due upon maturity in September 2019. As of September 30, 2017 , the future minimum principal payments through the maturity date of the Credit Agreement were as follows (in thousands):

For the Year Ended	Future Minimum Principal Payments
2017 (remainder of the year)	$ 5,000
2018	20,000
2019	230,000
Total	$ 255,000

At September 30, 2017 , the remaining borrowing capacity under the Credit Agreement, which was reduced by $2.0 million in outstanding letters of credit, was $238.0 million , subject to certain limitations under covenants contained in the Credit Agreement. After giving effect to the net leverage ratio contained in the Credit Agreement, approximately $74 million was available for additional borrowing as of September 30, 2017 based on 3.25 times the total of Adjusted EBITDA (as defined in the Credit Agreement) for the last twelve months.

The changes in the Company's debt balances for the nine months ended September 30, 2017 were as follows (in thousands):

	December 31, 2016	Draw Down of Debt	Repayments of Debt	September 30, 2017
Credit Agreement:				
Revolving Credit Facility	$ 120,000	$ 90,000	$ (100,000)	$ 110,000
Term Loan	160,000	—	(15,000)	145,000
Total Principal Outstanding	280,000	$ 90,000	$ (115,000)	255,000
Debt Issuance Costs	(3,694)			(2,674)
Total Debt, Net of Debt Issuance Costs	$ 276,306			$ 252,326

7. DERIVATIVE INSTRUMENTS

In March 2012, the Company purchased, for $1.9 million , forward starting interest rate cap instruments based on 3-month LIBOR, effective January 2015 through June 2018. The forward starting interest rate cap instruments have aggregated notional values totaling $130 million . The interest rate cap instruments are designated as cash flow hedges against expected future cash flows attributable to future 3-month LIBOR interest payments on a portion of the outstanding borrowings under the Credit Agreement. The gains or losses on the instruments are reported in other comprehensive income/(loss) to the extent that they are effective and are reclassified into earnings when the cash flows attributable to 3-month LIBOR interest payments are recognized in earnings.

The estimated fair values and notional values of outstanding derivative instruments as of September 30, 2017 and December 31, 2016 were as follows (in thousands):

		Estimated Fair Value of Derivative Instruments		Notional Value of Derivative Instruments	
	Balance Sheet Location	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Derivative Assets:					
Interest rate caps	Other assets	$ —	$ 1	$ 130,000	$ 130,000

The Company recognized the following losses from derivatives, before tax, in other comprehensive income/(loss) (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Derivatives Designated as Cash Flow Hedging Instruments:				
Interest rate caps	$ —	$ —	$ (1)	$ (34)

The effective portion, before tax effect, of the Company's interest rate caps designated as cash flow hedging instruments was $0.4 million and $0.8 million as of September 30, 2017 and December 31, 2016 , respectively. As of September 30, 2017 , the remaining effective portion of $0.4 million was expected to be reclassified from accumulated other comprehensive income/(loss) to interest expense in the condensed consolidated statements of operations within the next twelve months. During each of the three months ended September 30, 2017 and 2016 , $0.1 million was reclassified from accumulated other comprehensive income/(loss) to interest expense in the condensed consolidated statements of operations. During both the nine months ended September 30, 2017 and 2016 , $0.4 million was reclassified from accumulated other comprehensive income/(loss) to interest expense in the condensed consolidated statements of operations.

8. FAIR VALUE MEASUREMENTS

The following table presents estimated fair values of financial assets and liabilities and derivative instruments that were required to be measured at fair value on a recurring basis (in thousands):

	September 30, 2017			December 31, 2016		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Assets:						
Cash equivalents	$ 5,394	$ 5,394	$ —	$ 13,197	$ 13,197	$ —
Derivative assets	—	—	—	1	—	1
Total	$ 5,394	$ 5,394	$ —	$ 13,198	$ 13,197	$ 1
Liabilities:						
Non-qualified deferred compensation plan	$ 1,352	$ —	$ 1,352	$ 2,371	$ —	$ 2,371
Total	$ 1,352	$ —	$ 1,352	$ 2,371	$ —	$ 2,371

Provide Commerce has an executive deferred compensation plan for key management level employees under which such employees could elect to defer receipt of current compensation. This plan is intended to be an unfunded, non-qualified deferred compensation plan that complies with the provisions of section 409A of the Internal Revenue Code. At the time of the acquisition, contributions to the plan were suspended except those relating to any compensation earned but not yet paid as of the same date. The plan assets, which consist primarily of life insurance contracts recorded at their cash surrender value, were $11.7 million and $11.6 million as of September 30, 2017 and December 31, 2016 , respectively, and are included in other assets in the accompanying condensed consolidated balance sheets.

During the three months ended September 30, 2017, in conjunction with an interim impairment test of its reporting units, the Company also performed impairment tests of its intangible and other long-lived assets. Based on these tests, the Company determined that the carrying value of certain intangible assets and fixed assets exceeded their fair values as determined using the income approach. Determining fair value is judgmental in nature and requires the use of significant estimates and assumptions, considered to be Level 3 inputs, including projected cash flows over the estimated projection period and the discount rate. The resulting $39.1 million non-cash, pre-tax impairment charges (excluding goodwill impairment charges of $43.6 million) were recorded related to certain intangible assets and fixed assets of the Provide Commerce and Consumer segments. See Note 5—"Goodwill, Intangible Assets, and Other Long-Lived Assets" for additional information.

The Company estimated the fair value of its long-term debt using a discounted cash flow approach that incorporates a market interest yield curve with adjustments for duration and risk profile. In determining the market interest yield curve, the Company considered, among other factors, its estimated credit spread. As of September 30, 2017 , the Company estimated its credit spread as 1.0% and 1.6% for the term loan and revolving credit facility, respectively, resulting in yield-to-maturity estimates for the term loan and revolving credit facility of 2.5% and 3.1% , respectively. As of December 31, 2016 , the Company estimated its credit spread as 1.4% and 2.0% for the term loan and revolving credit facility, respectively, resulting in yield-to-maturity estimates for the term loan and revolving credit facility of 2.8% and 3.4% , respectively. The table below summarizes the carrying amounts and estimated fair values for long-term debt (in thousands):

	September 30, 2017		December 31, 2016	
		Level 2		Level 2
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Long-term debt outstanding, including current portion	$ 255,000	$ 255,000	$ 280,000	$ 280,000

Fair value approximates the carrying amount of financing receivables because such receivables are discounted at a rate comparable to market. Fair values of cash and cash equivalents, short-term accounts receivable, accounts payable, and accrued liabilities approximate their carrying amounts because of their short-term nature.

9. STOCKHOLDERS' EQUITY

Common Stock Repurchases

On March 8, 2016, the Company's board of directors authorized a common stock repurchase program (the "2016 Repurchase Program") that allows FTD Companies, Inc. to repurchase up to $60 million of its common stock from time to time over a two -year period in both open market and privately negotiated transactions. The Company did not repurchase any shares under this program during the nine months ended September 30, 2017 . As of September 30, 2017 , $44.8 million was available under this program for future purchases.

Upon vesting of restricted stock units ("RSUs") or exercise of stock options, the Company does not collect withholding taxes in cash from employees. Instead, the Company automatically withholds, from the RSUs that vest or stock options that are exercised, the portion of those shares with a fair market value equal to the amount of the minimum statutory withholding taxes due. The withheld shares are accounted for as repurchases of common stock but are not counted against the limits under the 2016 Repurchase Program. The Company then pays the minimum statutory withholding taxes in cash. During the nine months ended September 30, 2017 , 0.3 million RSUs vested for which 0.1 million shares were withheld to cover the minimum statutory withholding taxes of $2.0 million .

10. INCENTIVE COMPENSATION PLANS

In June 2017, stockholders approved the FTD Companies, Inc. Third Amended and Restated 2013 Incentive Compensation Plan (as so amended and restated, the "Amended Plan"), which amended and restated in its entirety the FTD Companies, Inc. Amended and Restated 2013 Incentive Compensation Plan, as previously amended June 9, 2015. The Amended Plan provides for the granting of awards to employees and non-employee directors, including stock options, stock appreciation rights, RSUs, and other stock based awards. As of September 30, 2017 , the Company had 3.2 million shares available for issuance under the Amended Plan, which includes additional shares approved by shareholders in June 2017.

During the first quarter of 2017, the Company granted RSUs to certain employees totaling 0.4 million shares. The RSUs granted will generally vest in four equal annual installments. The weighted average fair market value of the underlying stock on the grant date was $23.12 per share.

During the second quarter of 2017, the Company granted RSUs to certain non-employee directors totaling 0.1 million shares. The RSUs granted will vest in one annual installment. The fair market value of the underlying stock on the grant date was $17.70 per share.

During the third quarter of 2017, the Company granted RSUs and stock options to certain management employees totaling 0.1 million shares and 0.4 million , respectively. The RSUs and stock options granted will vest in four annual installments. The fair market value of the underlying stock on the grant date of the RSUs was $13.83 per share. The options were granted with an exercise price of $13.85 . The following assumptions were used to estimate the fair value of the stock options at the grant date:

Risk-free interest rate	1.7%
Expected term (in years)	4.75
Dividend yield	0.0%
Expected volatility	34.0%

In addition, eligible employees of the Company are able to participate in the FTD Companies, Inc. 2015 Employee Stock Purchase Plan ("ESPP Plan") through which employees may purchase shares of FTD common stock at a purchase price equal to 85% of the lower of (i) the closing market price per share of FTD common stock on the first day of the offering period or (ii) the closing market price per share of FTD common stock on the purchase date. Each offering period has a six-month duration and purchase interval. As of September 30, 2017 , the Company had 0.4 million shares available under the ESPP Plan.

The stock-based compensation expense incurred for all equity plans in the three months ended September 30, 2017 and 2016 and the nine months ended September 30, 2017 and 2016 have been included in the condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Cost of revenues	$ 62	$ 45	$ 196	$ 111
Sales and marketing	848	870	3,178	3,251
General and administrative	1,441	2,408	4,847	7,441
Total stock-based compensation expense	$ 2,351	$ 3,323	$ 8,221	$ 10,803

11. INCOME TAXES

During the three months ended September 30, 2017 , the Company recorded a tax benefit of $19.8 million on a pre-tax loss of $96.1 million , compared to a tax benefit of $4.1 million on a pre-tax loss of $14.3 million for the three months ended September 30, 2016 . The goodwill impairment charges recorded during the three months ended September 30, 2017 are not tax deductible and, therefore, there was no tax benefit recorded on such charges. Excluding the impact of the non-deductible goodwill impairment, the increase in the tax rate was due to a higher portion of pre-tax loss expected to be earned in higher tax rate jurisdictions, a reduction in foreign tax benefits, and an increase in certain state tax rates.

During the nine months ended September 30, 2017 , the Company recorded a tax benefit of $7.5 million on a pre-tax loss of $65.0 million , compared to a tax provision of $0.3 million on pre-tax income of $3.6 million for the nine months ended September 30, 2016 . The goodwill impairment charges recorded during the nine months ended September 30, 2017 are not tax deductible and, therefore, there was no tax benefit recorded on such charges. Excluding the impact of the non-deductible goodwill impairment, the increase in the tax rate was due to a higher portion of pre-tax income expected to be earned in higher tax rate jurisdictions, a reduction in foreign tax benefits, and an increase in certain state tax rates. In addition, tax deficiencies related to vesting of equity awards increased tax expense by $1.5 million . As noted in Note 1—"Description of Business, Basis of Presentation, Accounting Policies, and Recent Accounting Pronouncements," the Company adopted ASU 2016-09 on January 1, 2017. As such, tax deficiencies or excess tax benefits are recorded in the provision for income taxes for the nine months ended September 30, 2017 rather than in additional paid-in capital as was previously required.

12. EARNINGS/(LOSS) PER SHARE

Certain of the Company's RSUs are considered participating securities because they contain a non-forfeitable right to dividends irrespective of whether dividends are actually declared or paid or whether the awards ultimately vest. Accordingly, the Company computes earnings/(loss) per share pursuant to the two-class method in accordance with ASC 260, *Earnings Per Share.*

The following table sets forth the computation of basic and diluted earnings/(loss) per common share (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Numerator:				
Net income/(loss)	$ (76,319)	$ (10,269)	$ (57,580)	$ 3,257
Income allocated to participating securities	—	—	—	(66)
Net income/(loss) attributable to common stockholders	$ (76,319)	$ (10,269)	$ (57,580)	$ 3,191
Denominator:				
Basic average common shares outstanding	27,546	27,386	27,459	27,560
Add: Dilutive effect of securities	—	—	—	52
Diluted average common shares outstanding	27,546	27,386	27,459	27,612
Basic earnings/(loss) per common share	$ (2.77)	$ (0.37)	$ (2.10)	$ 0.12
Diluted earnings/(loss) per common share	$ (2.77)	$ (0.37)	$ (2.10)	$ 0.12

The diluted earnings/(loss) per common share computations exclude stock options and RSUs which are antidilutive. Weighted-average antidilutive shares for the three months ended September 30, 2017 and 2016 were 4.2 million and 2.1 million , respectively, and for the nine months ended September 30, 2017 were 3.7 million and 2.3 million , respectively.

13. RESTRUCTURING AND OTHER EXIT COSTS

Restructuring and other exit costs were as follows (in thousands):

	Employee Termination Costs	Facility Closure Costs	Total
Accrued as of December 31, 2016	$ 8,566	$ 1,378	$ 9,944
Charges	1,688	369	2,057
Cash paid	(6,043)	(1,096)	(7,139)
Other – non-cash	(3,374)	(12)	(3,386)
Accrued as of September 30, 2017	$ 837	$ 639	$ 1,476

14. CONTINGENCIES—LEGAL MATTERS

Commencing on August 19, 2009, the first of a series of putative consumer class action lawsuits was brought against Provide Commerce, Inc. and co-defendant Regent Group, Inc. d/b/a Encore Marketing International ("EMI"). These cases were ultimately consolidated during the next three years into Case No. 09 CV 2094 in the United States District Court for the Southern District of California under the title *In re EasySaver Rewards Litigation* . Plaintiffs' claims arise from their online enrollment in subscription based membership programs known as EasySaver Rewards, RedEnvelope Rewards, and Preferred Buyers Pass (collectively, the "Membership Programs"). Plaintiffs claim that after they ordered items from certain of Provide Commerce's websites, they were presented with an offer to enroll in one of the Membership Programs, each of which is offered and administered by EMI. Plaintiffs purport to represent a nationwide class of consumers allegedly damaged by Provide Commerce's purported unauthorized or otherwise allegedly improper transferring of billing information to EMI, who then posted allegedly unauthorized charges to their credit or debit card accounts for membership fees for the Membership Programs. In the operative fourth amended complaint, plaintiffs asserted ten claims against Provide Commerce and EMI: (1) breach of contract (against Provide Commerce only); (2) breach of contract (against EMI only); (3) breach of implied covenant of good faith and fair dealing; (4) fraud; (5) violations of the California Consumers Legal Remedies Act; (6) unjust enrichment; (7) violation of the Electronic Funds Transfer Act (against EMI only); (8) invasion of privacy; (9) negligence; and (10) violations of the Unfair Competition Law. Plaintiffs seek damages, attorneys' fees, and costs. After motion practice regarding the claims asserted and numerous settlement conferences and mediations in an effort to informally resolve the matter, the parties reached an agreement on the high level terms of a settlement on April 9, 2012, conditioned on the parties negotiating and executing a complete written agreement. In the weeks following April 9, 2012, the parties negotiated a formal written settlement agreement (the "Settlement"), which the court preliminarily approved on June 13, 2012. After notice to the purported class and briefing by the parties, the court conducted a final approval hearing (also known as a fairness hearing) on January 28, 2013, but did not rule. On February 4, 2013, the court entered its final order approving the Settlement, granting plaintiffs' motion for attorneys' fees, costs, and incentive awards, and overruling objections filed by a single objector. The court entered judgment on the Settlement on February 21, 2013. The objector filed a notice of appeal with the Ninth Circuit Court of Appeals on March 4, 2013. After the completion of briefing, the Ninth Circuit set oral argument for February 2, 2015. However, on January 29, 2015, the Ninth Circuit entered an order deferring argument and resolution of the appeal pending the Ninth Circuit's decision in a matter captioned *Frank v . Netflix* , No. 12 15705+. On March 19, 2015, the Ninth Circuit entered an order vacating the judgment in this matter and remanding it to the district court for further proceedings consistent with its opinion in *Frank v. Netflix* issued on February 27, 2015. The district court ordered supplemental briefing on the issue of final Settlement approval on May 21, 2015. After briefing, the district court conducted a hearing on July 27, 2016 and took the matter under submission. On August 9, 2016, the district court entered an order reapproving the Settlement without any changes, and accordingly entered judgment and dismissed the case with prejudice. On September 6, 2016, the objector filed a notice of appeal. On November 22, 2016, plaintiffs filed a motion for summary affirmance of the district court's judgment, to which the objector responded and filed a cross-motion for sanctions. Plaintiffs' motion for summary affirmance temporarily stayed briefing on the appeal. On March 2, 2017, the Ninth Circuit denied plaintiffs' motion for summary affirmance and objector's cross-motion for sanctions, and reset the briefing schedule. The objector filed his opening brief on May 1, 2017. Thirteen state Attorneys General filed an amicus brief in support of the objector on May 8, 2017. The parties filed their answering briefs on June 30, 2017. Various legal aid organizations filed an amicus brief in support of no party regarding *cy pres* relief also on June 30, 2017. The objector's optional reply brief was filed on August 14, 2017. The date for oral argument on the appeal has not yet been set.

The Company and certain of its current and former officers and directors were named as defendants in a lawsuit in the United States District Court for the Northern District of Illinois, asserting violations of Section 10(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 10b-5 thereunder. Plaintiff's complaint in *Winograd v. FTD Companies, Inc. et al.* , filed on March 20, 2017, Case No. 1:17-cv-02135, alleged that the Company made false and misleading statements regarding the assessment of cross-border indirect taxes, internal controls over financial reporting, and the acquisition of Provide Commerce from Liberty Interactive Corporation that were revealed as such to the market on March 14, 2017. Plaintiff purported to bring the lawsuit as a class action representing all those who purchased or otherwise acquired Company securities between March 13, 2015 and March 14, 2017. On May 26, 2017, Inter-Local Pension Fund GCC/IBT was appointed Lead Plaintiff. On July 25, 2017, the Lead Plaintiff voluntarily dismissed the lawsuit, with prejudice, pursuant to Federal Rule of Civil Procedure 41.

The Company was a nominal defendant in consolidated shareholder derivative suits against its directors and former CEO and CFO in the United States District Court for the Northern District of Illinois, asserting claims for breaches of fiduciary duties, unjust enrichment, and corporate waste. In *Atallah v. Apatoff et al.* , Case No. 1:17-cv-02773, filed on April 12, 2017, the plaintiff alleged that the individual defendants caused the Company to issue false and misleading statements regarding the assessment of cross-border indirect taxes, internal controls over financial reporting, and the acquisition of Provide Commerce from Liberty Interactive Corporation that were revealed as such to the market on March 14, 2017. In *Palkon v. Berglass et al.* , Case No. 1:17-cv-03233, filed on April 28, 2017, the plaintiff additionally alleged that the individual defendants violated Section 14(a) of the Exchange Act, breached their fiduciary duties to the Company, wasted corporate assets, and were unjustly enriched when certain of the defendants negligently issued or caused to be issued false and misleading statements to shareholders in the November 3, 2014 special proxy regarding the acquisition of Provide Commerce from Liberty Interactive Corporation. On June 15, 2017, *Atallah* and *Palkon* were consolidated for all purposes, and plaintiffs were ordered to file a consolidated amended complaint by July 31, 2017. On July 31, 2017, plaintiffs voluntarily dismissed the lawsuit, without prejudice, pursuant to Federal Rule of Civil Procedure 41.

There are no assurances that other legal actions or governmental investigations will not be instituted in connection with the Company's current or former business practices. The Company cannot predict the outcome of governmental investigations or other legal actions or their potential implications for its business.

The Company records a liability when it believes that it is both probable that a loss has been incurred, and the amount of loss can be reasonably estimated. The Company evaluates, at least quarterly, developments in its legal matters that could affect the assessment of the probability of loss or the amount of liability and makes adjustments as appropriate. Significant judgment is required to determine both probability and the estimated amount. The Company may be unable to estimate a possible loss or range of possible loss due to various reasons, including, among others: (i) if the damages sought are indeterminate, (ii) if the proceedings are in early stages, (iii) if there is uncertainty as to the outcome of pending appeals, motions or settlements, (iv) if there are significant factual issues to be determined or resolved, and (v) if there are novel or unsettled legal theories presented. In such instances, there is considerable uncertainty regarding the ultimate resolution of such matters, including a possible eventual loss, if any. As of both September 30, 2017 and December 31, 2016 , the Company had reserves totaling $3.0 million for estimated losses related to certain legal matters. With respect to other legal matters, the Company has determined, based on its current knowledge, that the amount of possible loss or range of loss, including any reasonably possible losses in excess of amounts already accrued, is not reasonably estimable. However, legal matters are inherently unpredictable and subject to significant uncertainties, some of which are beyond the Company's control. As such, there can be no assurance that the final outcome of these matters will not materially and adversely affect the Company's business, financial condition, results of operations, or cash flows.

15. SUPPLEMENTAL CASH FLOW INFORMATION

The following table sets forth supplemental cash flow disclosures (in thousands):

	Nine Months Ended September 30,	
	2017	2016
Cash paid for interest	$ 6,261	$ 5,764
Cash paid for income taxes, net	11,132	12,688

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

FTD Companies, Inc. (which together with its subsidiaries may be referred to herein as the "Company," "FTD," "we," "us," or "our") is a premier floral and gifting company with a vision to be the leading and most trusted floral and gifting company in the world. Our mission is to inspire, support, and delight our customers when expressing life's most important sentiments. We provide floral, specialty foods, gift, and related products and services to consumers, retail florists, and other retail locations and companies in need of floral and gifting solutions. Our business uses the highly recognized FTD ® and Interflora ® brands, both supported by the iconic Mercury Man ® logo. While we operate primarily in the United States ("U.S.") and the United Kingdom ("U.K."), we have worldwide presence as our Mercury Man logo is displayed in approximately 35,000 floral shops in over 125 countries. Our diversified portfolio of brands also includes ProFlowers ® , ProPlants ® , Shari's Berries ® , Personal Creations ® , RedEnvelope ® , Flying Flowers ® , Ink Cards™, Postagram™, and Gifts.com™. While floral arrangements and plants are our primary offerings, we also market and sell gift items, including gourmet-dipped berries and other specialty foods, personalized gifts, gift baskets, wine and champagne, jewelry, and spa products.

Reportable Segments

We report our business operations in four reportable segments: Provide Commerce, Consumer, Florist, and International.

Through our Provide Commerce segment, we are a leading direct marketer of floral and gift products for consumers, including food gifts, personalized gifts, and other gifting products, primarily in the U.S. Our Provide Commerce segment operates primarily through our *www.proflowers.com, www.berries.com* , *www.personalcreations.com, www.proplants.com,* and *www.gifts.com* websites, associated mobile sites and applications, and various telephone numbers. Through our Consumer segment, we are a leading direct marketer of floral and gift products for consumers, primarily in the U.S. Our Consumer segment operates primarily through the *www.ftd.com* website, associated mobile sites, and the 1-800-SEND-FTD telephone number. Through our Florist segment, we are a leading provider of products and services to our floral network members, including services that enable our floral network members to send, receive, and deliver floral orders. Floral network members include traditional retail florists, as well as other non-florist retail locations, primarily in the U.S. Our Florist segment also provides products and services to other companies in need of floral and gifting solutions. Our International segment consists of Interflora, which operates primarily in the U.K. Interflora is a premier direct marketer of floral and gift products, and operates primarily through the *www.interflora.co.uk,* and *www.flyingflowers.co.uk* websites, associated mobile sites and applications, and various telephone numbers. Interflora also provides products and services to floral network members and to other companies in need of floral and gifting solutions.

KEY BUSINESS METRICS

We review a number of key business metrics to help us monitor our performance and trends affecting our segments, and to develop forecasts and budgets. These key metrics include the following:

Segment operating income. Our chief operating decision maker uses segment operating income to evaluate the performance of our business segments and to make decisions about allocating resources among segments. Segment operating income is operating income excluding depreciation, amortization, litigation and dispute settlement charges and gains, transaction and integration costs, restructuring and other exit costs, and impairment of goodwill and intangible assets. In addition, stock-based and incentive compensation and general corporate expenses are not allocated to the segments. Segment operating income is prior to intersegment eliminations and excludes other income/(expense), net. See Note 2—"Segment Information" of the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q for a reconciliation of segment operating income to consolidated operating income and consolidated income before income taxes.

Consumer orders. We monitor the number of consumer orders for floral, gift, and related products during a given period. Consumer orders are individual units delivered during the period that were originated through our consumer websites, associated mobile sites and applications, and various telephone numbers. The number of consumer orders is not adjusted for non-delivered orders that are refunded on or after the scheduled delivery date. Orders originating with a florist or other retail location for delivery to consumers are not included as part of this number.

Average order value. We monitor the average value for consumer orders delivered in a given period, which we refer to as the average order value. Average order value represents the average amount received for consumer orders delivered during a period. The average order value of consumer orders within our Provide Commerce, Consumer, and International segments is tracked in their local currency, which is the U.S. Dollar ("USD") for both the Provide Commerce and Consumer segments and the British Pound ("GBP") for the International segment. The local currency amounts received for the International segment are then translated into USD at the average currency exchange rate for the period. Average order value includes merchandise revenues and shipping or service fees paid by the consumer, less discounts and refunds (net of refund-related fees charged to floral network members).

Average revenues per member. We monitor average revenues per member for our floral network members in the Florist segment. Average revenues per member represents the average revenues earned from a member of our floral network during a period. Revenues include services revenues and products revenues, but exclude revenues from sales to non-members. Floral network members include our retail florists and other non-florist retail locations who offer floral and gifting solutions. Average revenues per member is calculated by dividing Florist segment revenues for the period, excluding sales to non-members, by the average number of floral network members for the period.

The table below sets forth, for the periods presented, our consolidated revenues, segment revenues, segment operating income, consumer orders, average order values, average revenues per member, and average currency exchange rates.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	$	%	2017	2016	$	%
	(in thousands, except for percentages, average order values, average revenues per member, and average currency exchange rates)							
Consolidated:								
Consolidated revenues	$ 161,304	$ 172,879	$ (11,575)	(7)%	$ 805,943	$ 841,332	$ (35,389)	(4)%
Provide Commerce:								
Segment revenues [(a)]	$ 54,633	$ 57,112	$ (2,479)	(4)%	$ 390,192	$ 390,751	$ (559)	— %
Segment operating income/(loss)	$ (6,304)	$ (1,847)	$ (4,457)	241 %	$ 21,686	$ 27,406	$ (5,720)	(21)%
Consumer orders	1,081	1,115	(34)	(3)%	7,549	7,780	(231)	(3)%
Average order value	$ 49.30	$ 49.78	$ (0.48)	(1)%	$ 50.98	$ 49.48	$ 1.50	3 %
Consumer:								
Segment revenues [(a)]	$ 43,631	$ 51,260	$ (7,629)	(15)%	$ 196,547	$ 220,743	$ (24,196)	(11)%
Segment operating income	$ 3,225	$ 5,019	$ (1,794)	(36)%	$ 15,460	$ 22,326	$ (6,866)	(31)%
Consumer orders	555	645	(90)	(14)%	2,588	2,890	(302)	(10)%
Average order value	$ 73.51	$ 74.52	$ (1.01)	(1)%	$ 71.51	$ 71.99	$ (0.48)	(1)%
Florist:								
Segment revenues [(a)]	$ 34,665	$ 36,605	$ (1,940)	(5)%	$ 125,261	$ 126,955	$ (1,694)	(1)%
Segment operating income	$ 9,552	$ 11,362	$ (1,810)	(16)%	$ 35,757	$ 36,722	$ (965)	(3)%
Average revenues per member	$ 3,263	$ 3,233	$ 30	1 %	$ 11,397	$ 10,874	$ 523	5 %
International:								
In USD:								
Segment revenues	$ 31,477	$ 31,364	$ 113	— %	$ 106,416	$ 116,846	$ (10,430)	(9)%
Segment operating income	$ 3,384	$ 3,845	$ (461)	(12)%	$ 11,982	$ 15,225	$ (3,243)	(21)%
Consumer orders	559	560	(1)	— %	1,933	1,979	(46)	(2)%
Average order value	$ 46.86	$ 45.90	$ 0.96	2 %	$ 45.48	$ 48.47	$ (2.99)	(6)%
In GBP:								
Segment revenues	£ 24,017	£ 23,853	£ 164	1 %	£ 83,696	£ 83,469	£ 227	— %
Average order value	£ 35.78	£ 34.95	£ 0.83	2 %	£ 35.78	£ 34.68	£ 1.10	3 %
Average currency exchange rate: GBP to USD	1.31	1.31			1.27	1.40		

(a) Segment revenues are prior to intersegment eliminations. See Note 2—"Segment Information" of the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q for a reconciliation of segment revenues to consolidated revenues.

CONSOLIDATED OPERATING RESULTS

The following table sets forth selected historical consolidated financial data. The information contained in the table below should be read in conjunction with "Liquidity and Capital Resources," included in this Item 2, and the Condensed Consolidated Financial Statements and accompanying notes thereto included in Part I, Item 1 of this Form 10-Q.

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	$	%	2017	2016	$	%
	(in thousands, except percentages)							
Revenues	$ 161,304	$ 172,879	$ (11,575)	(7)%	$ 805,943	$ 841,332	$ (35,389)	(4)%
Operating expenses:								
Cost of revenues	103,175	108,058	(4,883)	(5)%	502,728	531,568	(28,840)	(5)%
Sales and marketing	36,450	35,012	1,438	4 %	181,570	168,885	12,685	8 %
General and administrative	27,656	25,980	1,676	6 %	83,450	84,113	(663)	(1)%
Amortization of intangible assets	3,820	15,240	(11,420)	(75)%	11,459	45,873	(34,414)	(75)%
Restructuring and other exit costs	1,113	612	501	82 %	2,057	2,230	(173)	(8)%
Impairment of goodwill, intangible assets, and other long-lived assets	82,735	—	82,735	NM	82,735	—	82,735	NM
Total operating expenses	254,949	184,902	70,047	38 %	863,999	832,669	31,330	4 %
Operating income/(loss)	(93,645)	(12,023)	(81,622)	NM	(58,056)	8,663	(66,719)	NM
Interest expense, net	(2,599)	(2,294)	(305)	(13)%	(7,312)	(6,863)	(449)	(7)%
Other income/(expense), net	126	(9)	135	NM	324	1,804	(1,480)	(82)%
Income/(loss) before income taxes	(96,118)	(14,326)	(81,792)	NM	(65,044)	3,604	(68,648)	NM
Provision for/(benefit from) income taxes	(19,799)	(4,057)	(15,742)	NM	(7,464)	347	(7,811)	NM
Net income/(loss)	$ (76,319)	$ (10,269)	$ (66,050)	NM	$ (57,580)	$ 3,257	$ (60,837)	NM

NM = not meaningful

Consolidated Revenues

Consolidated revenues decrease d $11.6 million , or 7% , for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 primarily due to a $7.6 million decrease in revenues from our Consumer segment, a $2.5 million decrease in revenues from our Provide Commerce segment, and a $1.9 million decrease in revenues from our Florist segment. Foreign currency exchange rates did not have a significant impact on our consolidated revenues during the three months ended September 30, 2017 as the average exchange rate was relatively unchanged when compared to the three months ended September 30, 2016 .

Consolidated revenues decrease d $35.4 million , or 4% , for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . Foreign currency exchange rates unfavorably impacted revenues by $10.7 million during the nine months ended September 30, 2017 . Excluding the impact of foreign currency exchange rates, revenues declined $24.7 million , or 3% , primarily due to a $24.2 million decrease in revenues from our Consumer segment.

Consolidated Cost of Revenues

Consolidated cost of revenues decrease d $4.9 million for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . The decrease was primarily due to a $4.7 million decrease in costs associated with our Consumer segment, driven primarily by the reduction in revenues and a $0.7 million decrease in costs associated with our Florist segment partially offset by a $0.8 million increase in costs associated with our Provide Commerce segment. Gross margin was 36% for the three months ended September 30, 2017 , as compared to 37% for the three months ended September 30, 2016 .

Consolidated cost of revenues decrease d $28.8 million for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . The decrease was primarily due to a $15.9 million decrease in costs associated with our Consumer segment due to a decline in order volume, a $6.7 million decrease ($0.6 million increase in constant currency) in costs associated with our International segment, and a $5.1 million decrease in costs associated with our Provide Commerce segment. Foreign currency exchange rates had a $7.3 million favorable impact on cost of revenues for the nine months ended September 30, 2017 . Gross margin was 38% for the nine months ended September 30, 2017 as compared to 37% for the nine months ended September 30, 2016 .

Consolidated Sales and Marketing

Consolidated sales and marketing expenses increase d $1.4 million during the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . The increase was primarily due to a $2.6 million increase in costs associated with our Provide Commerce segment partially offset by a $1.3 million decrease in costs associated with our Consumer segment and a $0.2 million decrease in costs associated with our Florist segment. Consolidated sales and marketing expenses, as a percentage of consolidated revenues, was 23% for the three months ended September 30, 2017 compared to 20% for the three months ended September 30, 2016 .

Consolidated sales and marketing expenses increase d $12.7 million during the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . The increase was primarily due to a $13.6 million increase in costs associated with our Provide Commerce segment, partially offset by a $1.3 million decrease in costs associated with our Consumer segment, a $0.7 million decrease ($0.6 million increase in constant currency) in costs associated with our International segment, and a $0.6 million decrease in costs associated with our Florist segment. Foreign currency exchange rates had a $1.3 million favorable impact on sales and marketing expenses for the nine months ended September 30, 2017 . Consolidated sales and marketing expenses, as a percentage of consolidated revenues, was 23% for the nine months ended September 30, 2017 compared to 20% for the nine months ended September 30, 2016 .

Consolidated General and Administrative

Consolidated general and administrative expenses increase d $1.7 million for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . The increase was primarily due to $3.5 million in costs related to corporate strategic planning and a $0.6 million increase in bad debt expense. These increases were partially offset by decreases of $1.0 million in transaction and integration costs, $0.9 million in technology costs, and $0.5 million in legal expenses.

Consolidated general and administrative expenses decrease d $0.7 million for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . The decrease was primarily due to decreases of $1.9 million in technology costs, $1.4 million in bad debt expense, $1.2 million in transaction and integration costs, $1.1 million in legal expense, and $0.9 million in personnel-related costs. These decreases were partially offset by $5.3 million in costs related to corporate strategic planning. Foreign currency exchange rates had a $0.8 million favorable impact on general and administrative expenses for the nine months ended September 30, 2017 .

Amortization of Intangible Assets

Amortization expense related to intangible assets decrease d $11.4 million and $34.4 million , respectively, for the three and nine months ended September 30, 2017 compared to the three and nine months ended September 30, 2016 as certain intangible assets related to the Provide Commerce acquisition were fully amortized as of December 31, 2016.

Restructuring and Other Exit Costs

During the three months ended September 30, 2017 and 2016, we incurred restructuring and other exit costs of $1.1 million and $0.6 million , respectively. During the nine months ended September 30, 2017 and 2016, we incurred restructuring and other exit costs of $2.1 million and $2.2 million , respectively. Such restructuring costs were primarily related to employee termination costs and facility closure costs.

Impairment of Goodwill, Intangible Assets, and Other Long-Lived Assets

Due to a sustained decline in our market capitalization during the three months ended September 30, 2017 , management performed an interim impairment assessment for all of our reporting units, intangible assets, and other long-lived assets and recorded pre-tax impairment charges of $82.7 million . See Note 5—"Goodwill, Intangible Assets, and Other Long-Lived Assets" of the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1, of this Form 10-Q, for a further description of these charges.

Other Income/(Expense), net

Other income/(expense), net for the three months ended September 30, 2017 increased $0.1 million from the three months ended September 30, 2016 . Other income/(expense), net for the nine months ended September 30, 2017 decreased $1.5 million from the nine months ended September 30, 2016 due primarily to gains on corporate-owned life insurance policies realized during the 2016 period.

Provision for/(Benefit from) Income Taxes

During the three months ended September 30, 2017 , we recorded a tax benefit of $19.8 million on a pre-tax loss of $96.1 million compared to a tax benefit of $4.1 million on a pre-tax loss of $14.3 million for the three months ended September 30, 2016 . The goodwill impairment charges recorded during the three months ended September 30, 2017 are not tax deductible and, therefore, there was no tax benefit recorded on such charges. Excluding the impact of the non-deductible goodwill impairment, the increase in the tax rate was due to a higher portion of pre-tax loss expected to be earned in higher tax rate jurisdictions, a reduction in foreign tax benefits, and an increase in certain state tax rates.

During the nine months ended September 30, 2017 , we recorded a tax benefit of $7.5 million on a pre-tax loss of $65.0 million compared to a tax provision of $0.3 million on pre-tax income of $3.6 million for the nine months ended September 30, 2016 . The goodwill impairment charges recorded during the nine months ended September 30, 2017 are not tax deductible and, therefore, there was no tax benefit recorded on such charges. Excluding the impact of the non-deductible goodwill impairment, the increase in the tax rate was due to a higher portion of pre-tax income expected to be earned in higher tax rate jurisdictions, a reduction in foreign tax benefits, and an increase in certain state tax rates. In addition, tax deficiencies related to vesting of equity awards increased tax expense by $1.5 million . As noted in Note 1—"Description of Business, Basis of Presentation, Accounting Policies, and Recent Accounting Pronouncements," the Company adopted ASU 2016-09 on January 1, 2017. As such, tax deficiencies or excess tax benefits are recorded in the provision for income taxes for the nine months ended September 30, 2017 rather than in additional paid-in capital as was previously required.

BUSINESS SEGMENT OPERATING RESULTS

The Company reports its business in four reportable segments: Provide Commerce, Consumer, Florist, and International. Segment operating income is operating income excluding depreciation, amortization, litigation and dispute settlement charges and gains, transaction and integration costs, restructuring and other exit costs, and impairment of goodwill and intangible assets. In addition, stock-based and incentive compensation and general corporate expenses are not allocated to the segments. Segment operating income is prior to intersegment eliminations and excludes other income/(expense), net.

PROVIDE COMMERCE SEGMENT

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	$	%	2017	2016	$	%
	(in thousands, except percentages and average order values)							
Segment revenues	$ 54,633	$ 57,112	$ (2,479)	(4)%	$ 390,192	$ 390,751	$ (559)	— %
Segment operating income/(loss)	$ (6,304)	$ (1,847)	$ (4,457)	241 %	$ 21,686	$ 27,406	$ (5,720)	(21)%
Key metrics and other financial data:								
Consumer orders	1,081	1,115	(34)	(3)%	7,549	7,780	(231)	(3)%
Average order value	$ 49.30	$ 49.78	$ (0.48)	(1)%	$ 50.98	$ 49.48	$ 1.50	3 %
Segment operating margin	(12)%	(3)%			6%	7%		

Provide Commerce Segment Revenues

Provide Commerce segment revenues decrease d $2.5 million , or 4% , for the three months ended September 30, 2017 , compared to the three months ended September 30, 2016 , as a result of a 3% decrease in consumer order volume and a 1% decrease in average order value. The decrease in average order value was due to a shift in product mix and was partially offset by lower discounts on products. Revenues for the Personal Creations and Gourmet Foods businesses increased 7% and 2%, respectively, while revenues for the ProFlowers business declined 11% for the three months ended September 30, 2017 , as compared to the three months ended September 30, 2016 .

Provide Commerce segment revenues were flat for the nine months ended September 30, 2017 , compared to the nine months ended September 30, 2016 . Average order value increased by 3% due to favorable product mix and lower discounting on products. This increase was offset by a decline in consumer order volume of 3% . Revenues for the Gourmet Foods business increased 8% and revenues for the Personal Creations business increased slightly, while revenues for the ProFlowers business declined 4% for the nine months ended September 30, 2017 , as compared to the nine months ended September 30, 2016 .

Provide Commerce Segment Operating Income

Provide Commerce segment operating loss increased $4.5 million for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . The gross margin for the Provide Commerce segment decreased to 30% for the three months ended September 30, 2017 as compared to 34% for the three months ended September 30, 2016 primarily due to increased shipping and other costs. Sales and marketing expenses increase d $2.6 million primarily due to additional marketing spend to drive increased customer acquisition and retention. General and administrative expenses decrease d $1.4 million primarily due to lower personnel-related costs, facilities costs, and legal expenses.

Provide Commerce segment operating income decrease d $5.7 million , or 21% , for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . The gross margin for the Provide Commerce segment increased to 37% for the nine months ended September 30, 2017 as compared to 36% for the nine months ended September 30, 2016 primarily due to shifts to lower cost products and improved peak demand inventory management, which were partially offset by increased shipping, seasonal employee, and distribution center costs. Sales and marketing expenses increase d $13.6 million primarily due to additional marketing spend to drive increased customer acquisition and retention. General and administrative expenses also decrease d by $3.3 million primarily due to lower personnel-related costs, facilities costs, and legal expenses. Provide Commerce segment operating margin was 6% for the nine months ended September 30, 2017 compared to 7% for the nine months ended September 30, 2016 .

CONSUMER SEGMENT

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	$	%	2017	2016	$	%
	(in thousands, except percentages and average order values)							
Segment revenues	$ 43,631	$ 51,260	$ (7,629)	(15)%	$ 196,547	$ 220,743	$ (24,196)	(11)%
Segment operating income	$ 3,225	$ 5,019	$ (1,794)	(36)%	$ 15,460	$ 22,326	$ (6,866)	(31)%
Key metrics and other financial data:								
Consumer orders	555	645	(90)	(14)%	2,588	2,890	(302)	(10)%
Average order value	$ 73.51	$ 74.52	$ (1.01)	(1)%	$ 71.51	$ 71.99	$ (0.48)	(1)%
Segment operating margin	7%	10%			8%	10%		

Consumer Segment Revenues

Consumer segment revenues decrease d $7.6 million , or 15% , for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 , driven by a 14% decrease in order volume combined with a 1% decrease in average order value. The decrease in order volume was largely related to declines in orders from partner programs as well as traffic from other marketing channels. The decrease in average order value was primarily due to an unfavorable product mix, including an increase in orders through our Gold Program, which is a consumer membership program that offers reduced service and shipping fees.

Consumer segment revenues decrease d $24.2 million , or 11% , for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 , driven by a 10% decrease in order volume combined with a 1% decrease in average order value. The decrease in order volume was primarily due to a decrease in partner programs, including sympathy, group buying, and airlines. The decrease in average order value was also due to a decrease in partner program orders and increased Gold Program orders, resulting in a less favorable product mix.

Consumer Segment Operating Income

Consumer segment operating income decrease d $1.8 million for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . The gross margin for the Consumer segment decreased to 31% for the three months ended September 30, 2017 as compared to 32% for the three months ended September 30, 2016 primarily due to a less favorable product mix. Sales and marketing expenses decrease d $1.3 million for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 primarily due to reduced variable marketing spend related to lower order volume. Consumer segment operating margin was 7% for the three months ended September 30, 2017 compared to 10% for the three months ended September 30, 2016 .

Consumer segment operating income decrease d $6.9 million for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . The gross margin for the Consumer segment was relatively unchanged at 31% for both the nine months ended September 30, 2017 and 2016. Sales and marketing expenses decrease d $1.3 million for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 , primarily due to reduced variable marketing spend related to lower order volume partially offset by increased spend for higher cost marketing channels and higher personnel-related costs. Consumer segment operating margin was 8% for the nine months ended September 30, 2017 compared to 10% for the nine months ended September 30, 2016 .

FLORIST SEGMENT

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	$	%	2017	2016	$	%
	(in thousands, except percentages and average revenues per member)							
Segment revenues	$ 34,665	$ 36,605	$ (1,940)	(5)%	$ 125,261	$ 126,955	$ (1,694)	(1)%
Segment operating income	$ 9,552	$ 11,362	$ (1,810)	(16)%	$ 35,757	$ 36,722	$ (965)	(3)%
Key metrics and other financial data:								
Average revenues per member	$ 3,263	$ 3,233	$ 30	1 %	$ 11,397	$ 10,874	$ 523	5 %
Segment operating margin	28%	31%			29%	29%		

Florist Segment Revenues

Florist segment revenues for the three months ended September 30, 2017 decrease d $1.9 million , or 5% , compared to the three months ended September 30, 2016 . The decline is primarily due to a change in the timing of holiday container shipments to the fourth quarter of 2017 from the third quarter of 2016 combined with a decrease in technology system sales. Average revenues per member increased 1% for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 , primarily due to a decline in floral network membership during the three months ended September 30, 2017.

Florist segment revenues for the nine months ended September 30, 2017 decrease d $1.7 million , or 1% , compared to the nine months ended September 30, 2016 . Products revenues decrease d $0.8 million , or 2% , for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 primarily due to the change in timing of holiday container shipments as described above and a decrease in technology system sales. These decreases were partially offset by an increase in fresh flower sales. Services revenues decrease d $0.9 million , or 1% , primarily due to lower order-related revenues. Average revenues per member increased 5% for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 , primarily due to a decline in floral network membership during the nine months ended September 30, 2017.

Florist Segment Operating Income

Florist segment operating income decrease d $1.8 million , or 16% , for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . The gross margin for the Florist segment increased to 69% for the three months ended September 30, 2017 as compared to 68% for the three months ended September 30, 2016 primarily due to favorable product and services mix. General and administrative expenses increase d $0.7 million primarily due to an increase in bad debt expense for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . The Florist segment operating margin was 28% for the three months ended September 30, 2017 compared to 31% for the three months ended September 30, 2016 .

Florist segment operating income decrease d $1.0 million , or 3% , for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . The gross margin for the Florist segment decreased to 67% for the nine months ended September 30, 2017 as compared to 68% for the nine months ended September 30, 2016 primarily due to an increase in product costs. General and administrative expensed decrease d $0.5 million primarily due to a $1.5 million decrease in bad debt expense, partially offset by a increase in personnel and technology costs. The Florist segment operating margin was 29% for both the nine months ended September 30, 2017 and the nine months ended September 30, 2016 .

INTERNATIONAL SEGMENT

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	$	%	2017	2016	$	%
	(in thousands, except percentages, average order values, and average currency exchange rates)							
In USD:								
Segment revenues	$ 31,477	$ 31,364	$ 113	— %	$ 106,416	$ 116,846	$ (10,430)	(9)%
Impact of foreign currency	87	—	87		10,661	—	10,661	
Segment revenues (in constant currency) [(a)]	$ 31,564	$ 31,364	$ 200	1 %	$ 117,077	$ 116,846	$ 231	— %
Segment operating income	$ 3,384	$ 3,845	$ (461)	(12)%	$ 11,982	$ 15,225	$ (3,243)	(21)%
Impact of foreign currency	6	—	6		1,220	—	1,220	
Segment operating income (in constant currency) [(a)]	$ 3,390	$ 3,845	$ (455)	(12)%	$ 13,202	$ 15,225	$ (2,023)	(13)%
Key metrics and other financial data:								
Consumer orders	559	560	(1)	— %	1,933	1,979	(46)	(2)%
Average order value	$ 46.86	$ 45.90	$ 0.96	2 %	$ 45.48	$ 48.47	$ (2.99)	(6)%
Segment operating margin	11%	12%			11%	13%		
In GBP:								
Segment revenues	£ 24,017	£ 23,853	£ 164	1 %	£ 83,696	£ 83,469	£ 227	— %
Average order value	£ 35.78	£ 34.95	£ 0.83	2 %	£ 35.78	£ 34.68	£ 1.10	3 %
Average currency exchange rate: GBP to USD	1.31	1.31			1.27	1.40		

(a) USD at prior year foreign currency exchange rate.

We present certain results from our International segment on a constant currency basis. Constant currency information permits comparison of results between periods as if foreign currency exchange rates had remained constant period-over-period. Our International segment operates principally in the U.K. We calculate constant currency by applying the foreign currency exchange rate for the prior period to the local currency results for the current period.

International Segment Revenues

International segment revenues increase d $0.1 million ($0.2 million , or 1% , in constant currency) for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . The increase in revenues in constant currency was due to an increase in average order value of 2% due to favorable product mix with order volume remaining stable.

International segment revenues decrease d $10.4 million , or 9% , (increase d $0.2 million , or 0.2% , in constant currency) for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . The increase in revenues in constant currency was primarily due to an increase in average order value of 3% due to favorable product mix partially offset by a decrease in order volume of 2% .

International Segment Operating Income

International segment operating income decrease d $0.5 million , or 12% , ($0.5 million , or 12% , in constant currency) for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . The gross margin for the International segment was relatively stable at 32% for both the three months ended September 30, 2017 and 2016. Sales and marketing expenses increase d $0.1 million ($0.1 million in constant currency). General and administrative expenses increase d $0.3 million ($0.2 million in constant currency). International segment operating margin was 11% for the three months ended September 30, 2017 compared to 12% for the three months ended September 30, 2016 .

International segment operating income decrease d $3.2 million , or 21% , ($2.0 million , or 13% , in constant currency) for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . The gross margin for the International segment decreased to 31% for the nine months ended September 30, 2017 as compared to 32% for the nine months ended September 30, 2016 primarily due to a less favorable product mix. Sales and marketing expenses decrease d $0.7 million (increase d $0.6 million in constant currency) primarily due to increased consumer marketing spend. General and administrative expenses increase d $0.2 million ($1.1 million in constant currency) primarily due to technology costs. International segment operating margin was 11% for the nine months ended September 30, 2017 compared to 13% for the nine months ended September 30, 2016 .

UNALLOCATED EXPENSES

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2017	2016	$	%	2017	2016	$	%
	(in thousands, except percentages)							
Unallocated expenses	$ 11,573	$ 9,416	$ 2,157	23%	$ 32,428	$ 29,514	$ 2,914	10%

Unallocated expenses include various corporate costs, such as executive management, corporate finance, and legal costs. In addition, unallocated expenses include stock-based and incentive compensation, restructuring and other exit costs, transaction and integration costs, and litigation and dispute settlement charges and gains.

Unallocated expenses increase d $2.2 million for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 . This increase was primarily due to $3.5 million in costs related to corporate strategic planning, which was partially offset by decreases of $1.1 million in personnel-related expenses and $1.0 million in transaction and integration costs. In addition, restructuring costs of $1.1 million were incurred during the three months ended September 30, 2017 and $0.6 million were incurred during the three months ended September 30, 2016 .

Unallocated expenses increase d $2.9 million for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 . This increase was primarily due to $5.3 million in costs related to corporate strategic planning, $1.1 million in professional fees, and $0.6 million in other tax-related charges. These increases were partially offset by decreases of $2.5 million in personnel-related expenses, $1.2 million in transaction and integration costs, and $0.7 million in legal settlements.

LIQUIDITY AND CAPITAL RESOURCES

Credit Agreement

On September 19, 2014, FTD Companies, Inc. entered into a credit agreement (the “Credit Agreement”) with Interflora British Unit, certain wholly owned domestic subsidiaries of FTD Companies, Inc. party thereto as guarantors, the financial institutions party thereto from time to time, Bank of America Merrill Lynch and Wells Fargo Securities, LLC, as joint lead arrangers and book managers, and Bank of America, N.A., as the administrative agent for the lenders, which provided for a term loan in an aggregate principal amount of $200 million , the proceeds of which were used to repay a portion of outstanding revolving loans and also provided for a $350 million revolving credit facility. On December 31, 2014, we borrowed $120 million under the revolving credit facility to fund the cash portion of the Provide Commerce purchase price.

The obligations under the Credit Agreement are guaranteed by certain of FTD Companies, Inc.’s wholly owned domestic subsidiaries (together with FTD Companies, Inc., the “U.S. Loan Parties”). In addition, the obligations under the Credit Agreement are secured by a lien on substantially all of the assets of the U.S. Loan Parties, including a pledge of all of the outstanding capital stock of certain direct subsidiaries of the U.S. Loan Parties (except with respect to foreign subsidiaries and certain domestic subsidiaries whose assets consist primarily of foreign subsidiary equity interests, in which case such pledge is limited to 66% of the outstanding capital stock).

The interest rates applicable to borrowings under the Credit Agreement are based on either LIBOR plus a margin ranging from 1.50% per annum to 2.50% per annum, or a base rate plus a margin ranging from 0.50% per annum to 1.50% per annum, calculated according to the Company's net leverage ratio. As of September 30, 2017 , the base rate margin was 0.75% per annum and the LIBOR margin was 1.75% per annum. In addition, the Company pays a commitment fee ranging from 0.20% per annum to 0.40% per annum on the unused portion of the revolving credit facility. The stated interest rates (based on LIBOR) as of September 30, 2017 under the term loan and the revolving credit facility were 3.08% and 2.99% , respectively. The effective interest rates as of September 30, 2017 under the term loan and the revolving credit facility were 4.08% and 3.61% , respectively. The effective interest rates include the amortization of both the debt issuance costs and the effective portion of the interest rate swap and commitment fees. The commitment fee rate as of September 30, 2017 was 0.25% . The Credit Agreement contains customary representations and warranties, events of default, affirmative covenants, and negative covenants, that, among other things, require the Company to maintain compliance with a maximum net leverage ratio and a minimum consolidated fixed charge coverage ratio, and impose restrictions and limitations on, among other things, investments, dividends, share repurchases, asset sales, and the Company's ability to incur additional debt and additional liens. The Company was in compliance with all covenants under the Credit Agreement as of September 30, 2017 .

The term loan is subject to amortization payments of $5 million per quarter and customary mandatory prepayments under certain conditions. During the nine months ended September 30, 2017 , the Company made scheduled payments of $15 million under the term loan. The Company had net repayments of $10 million on the revolving credit facility during the nine months ended September 30, 2017 . The outstanding balance of the term loan and all amounts outstanding under the revolving credit facility are due upon maturity in September 2019. As of September 30, 2017 , the remaining borrowing capacity under the Credit Agreement, which was reduced by $2.0 million in outstanding letters of credit, was $238.0 million , subject to certain limitations under covenants contained in the Credit Agreement. After giving effect to the net leverage ratio contained in the Credit Agreement, approximately $74 million was available for additional borrowing as of September 30, 2017 based on 3.25 times the total of Adjusted EBITDA (as defined in the Credit Agreement) for the last twelve months.

The degree to which our assets are leveraged and the terms of our debt could materially and adversely affect our ability to obtain additional capital, as well as the terms at which such capital might be offered to us. We currently expect to have sufficient liquidity to meet our obligations for at least the next twelve months, including interest payment obligations, quarterly amortization payments, and mandatory prepayments, if any, under the Credit Agreement.

Nine Months Ended September 30, 2017 compared to Nine Months Ended September 30, 2016

Our total cash and cash equivalents balance decrease d by $53.2 million to $27.8 million as of September 30, 2017 , compared to $81.0 million as of December 31, 2016 , which included the use of available cash for a voluntary reduction of debt during 2017. Our summary cash flows for the periods presented were as follows (in thousands):

	Nine Months Ended September 30,	
	2017	2016
Net cash used for operating activities	$ (18,144)	$ (3,600)
Net cash used for investing activities	$ (10,677)	$ (10,072)
Net cash used for financing activities	$ (25,941)	$ (27,376)

Net cash used for operating activities increased $14.5 million to $18.1 million for the nine months ended September 30, 2017 compared to $3.6 million for the nine months ended September 30, 2016 . Net cash used for operating activities is driven by our net income/(loss) adjusted for non-cash items including, but not limited to, depreciation and amortization, impairment of assets, deferred taxes, stock-based compensation, gains on life insurance, and changes in operating assets and liabilities. The increase in the net cash used for operating activities was primarily due to a $41.2 million increase in non-cash items partially offset by a net loss of $57.6 million for the nine months ended September 30, 2017 compared to net income of $3.3 million for the comparable 2016 period. In addition, net operating assets and liabilities increased $5.1 million . Non-cash items increased primarily due to the impairment of goodwill, intangible assets, and other long-lived assets, which was partially offset by lower depreciation and amortization and deferred taxes. Changes in working capital can cause variations in our cash flows used for operating activities due to seasonality, timing, and other factors.

Net cash used for investing activities increase d $0.6 million primarily due to fewer purchases of property and equipment, partially offset by prior year proceeds received from corporate-owned life insurance policies. Purchases of property and equipment totaled $10.7 million during the nine months ended September 30, 2017 compared to $12.0 million during the nine months ended September 30, 2016 . We currently anticipate total capital expenditures for 2017 of up to $22 million. The actual amount of future capital expenditures may fluctuate due to a number of factors, including, without limitation, capital expenditures related to potential future acquisitions and new business initiatives, which are difficult to predict and which could change significantly over time. Additionally, we may choose to invest in technological advances in support of our business initiatives or make capital expenditures to develop or acquire new equipment or technology in order to replace aging or technologically obsolete equipment.

Net cash used for financing activities decrease d $1.4 million primarily due to common stock shares repurchased totaling $12.0 million during the nine months ended September 30, 2016 under our 2016 Repurchase Program. We did not repurchase any shares under this program during the nine months ended September 30, 2017 . Partially offsetting this decrease was the net repayment of amounts outstanding under the Credit Agreement totaling $25.0 million during the nine months ended September 30, 2017 compared to the repayment of $15.0 million during the nine months ended September 30, 2016 .

We expect that positive cash flows from operations and availability under our Credit Agreement, if needed, will provide enough liquidity to enable us to meet our cash requirements over the next twelve months. We may use our existing cash balances and future cash generated from operations as well as available liquidity under our Credit Agreement to fund, among other things, working capital; stock repurchases; interest payment obligations; quarterly debt amortization payments and mandatory prepayments, if any, under the Credit Agreement; capital expenditures; and acquisitions.

If we need to raise additional capital through public or private debt or equity financings, strategic relationships, or other arrangements, this capital might not be available to us in a timely manner, on acceptable terms, or at all. Our failure to raise sufficient capital when needed could severely constrain or prevent us from, among other factors, developing new or enhancing existing services or products, acquiring other services, businesses, or technologies, or funding significant capital expenditures and may have a material adverse effect on our business, financial position, results of operations, and cash flows, as well as impair our ability to service our debt obligations. If additional funds were raised through the issuance of equity or convertible debt securities, the percentage of stock owned by the then-current stockholders could be reduced. Furthermore, such equity or any debt securities that we issue might have rights, preferences, or privileges senior to holders of our common stock. In addition, trends in the securities and credit markets may restrict our ability to raise any such additional funds, at least in the near term.

On March 8, 2016, our board of directors authorized the 2016 Repurchase Program, which allows us to repurchase up to $60 million of FTD common stock from time to time over a two-year period in both open market and privately negotiated transactions. The objective of the 2016 Repurchase Program is to offset the dilutive effect on earnings per share from stock-based compensation and allow for opportunistic stock purchases to return capital to shareholders. The Company did not repurchase any shares of its common stock during the nine months ended September 30, 2017 . As of September 30, 2017, $44.8 million was available under this program for future purchases.

Contractual Obligations and Other Commitments

There have been no material changes, outside the ordinary course of business, related to the Company’s contractual obligations or other commitments as disclosed in Item 7 of the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 .

Off-Balance Sheet Arrangements

At September 30, 2017 , we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated by the SEC, that have, or are reasonably likely to have, a current or future material effect on our consolidated financial condition, results of operations, liquidity, capital expenditures, or capital resources.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS

There have been no changes to the Company's Critical Accounting Policies, Estimates, and Assumptions as disclosed in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2016 except as noted below.

Goodwill, Intangible Assets, and Other Long-Lived Assets

Goodwill is tested for impairment at the reporting unit level. A reporting unit is a business or a group of businesses for which discrete financial information is available and is regularly reviewed by management. An operating segment is made up of one or more reporting units. The Company reports its business operations in four operating and reportable segments: Consumer, Provide Commerce, Florist, and International. Each of the Consumer, Florist, and International segments is a reporting unit. The Provide Commerce segment is comprised of two reporting units, ProFlowers/Gourmet Foods and Personal Creations. The ProFlowers and Gourmet Foods businesses have similar margins and share operations and business team structure, among other similarities. Therefore, these businesses meet the aggregation criteria, and as such, we have aggregated these two businesses into one reporting unit.

Goodwill represents the excess of the purchase price of an acquired entity over the fair value of the net tangible and intangible assets acquired and liabilities assumed. Indefinite-lived intangible assets acquired in a business combination are initially recorded at management's estimate of their fair value. We account for goodwill and indefinite-lived intangible assets in accordance with ASC 350, *Intangibles, Goodwill and Other* .

Goodwill and indefinite-lived intangible assets are not subject to amortization but are reviewed for impairment in the fourth quarter of each year, or more frequently if events or substantive changes in circumstances indicate that the carrying value of a reporting unit may exceed its fair value (i.e. that a triggering event has occurred). Testing goodwill, intangible assets, and other long-lived assets for impairment involves comparing the fair value of the reporting unit or intangible asset to its carrying value. If the carrying amount of a reporting unit, intangible asset, or other long-lived asset exceeds its fair value, an impairment loss is recognized in an amount equal to the excess, up to the amount of goodwill in the case of a reporting unit.

In calculating the fair value of the reporting units, we used a combination of the market approach and the income approach valuation methodologies. The income approach was used primarily, as we believe that a discounted cash flow approach is the most reliable indicator of the fair values of the businesses. Under the market approach, we used the guideline company method, which focuses on comparing our risk profile and growth prospects to select reasonably similar companies based on business description, revenue size, markets served, and profitability. The key assumptions used in the income approach discounted cash flow valuation model included discount rates, growth rates, cash flow projections, and terminal growth rates. The discount rate utilized is indicative of the return an investor would expect to receive for investing in a similar business. Considering industry and company specific historical data and internal forecasts and projections, management developed growth rates and cash flow projections for each reporting unit. In determining the terminal growth rates, we considered GDP growth, consumer price inflation and the long term growth prospects of each reporting unit. The discount rate, growth rates, royalty rates, cash flow projections, and terminal growth rates are also significant estimates used in the determination of the fair value of the indefinite-lived intangible assets.

The assessment of whether or not goodwill and/or indefinite-lived intangible assets are impaired involves a significant level of judgment and estimates in selecting the assumptions used to determine the fair values of our reporting units and indefinite-lived intangible assets. We believe our analysis included sufficient tolerance for sensitivity in key assumptions. We believe the assumptions and rates used in our impairment assessments are reasonable, but they are judgmental, and variations in any assumptions could result in materially different calculations of fair value. Factors that have the potential to create variances in the estimated fair value of the reporting units include, but are not limited to, fluctuations in (1) forecasted order volumes and average order values, which can be driven by multiple external factors affecting demand, including macroeconomic factors, competitive dynamics, and changes in consumer preferences; (2) marketing costs to generate orders; (3) product and fulfillment costs; (4) operational efficiency; and (5) equity valuations of peer companies.

Due to a sustained decline in our market capitalization during the three months ended September 30, 2017, we determined that a triggering event had occurred that required an interim impairment assessment for all of our reporting units, intangible assets, and other long-lived assets. We performed a quantitative interim test which resulted in our determination that the fair values of our Florist, International, and Personal Creations reporting units exceeded their carrying values and, therefore, their goodwill was not impaired. The International and Personal Creations reporting unit fair values reasonably exceed their carrying values, while the fair value of the Florist reporting unit exceeded its carrying value by 7.5%. The fair values of the Consumer and ProFlowers/Gourmet Foods reporting units were less than their carrying values and, as such, the goodwill of these reporting units was deemed to be impaired. Impairment charges of $16.8 million and $26.8 million, respectively, were recorded during the three months ended September 30, 2017 related to the goodwill of the Consumer and ProFlowers/Gourmet Foods reporting units.

Certain key assumptions used in determining the fair value for the Company's reporting units were as follows:

	Discount Rates	Terminal Growth Rates
Consumer	16.5%	2.0%
Florist	13.5%	0.5%
International	12.5%	2.0%
ProFlowers/Gourmet Foods	14.0%	2.0%
Personal Creations	14.0%	2.5%

In conjunction with the interim goodwill impairment test, we also reviewed the fair values of our indefinite-lived intangible assets for impairment. The interim impairment test for the indefinite-lived intangible assets was performed by comparing the fair values of such assets to their respective carrying values and resulted in the determination that the fair value of the indefinite-lived intangible asset related to the International segment trademark and trade name exceeded its carrying amount and, therefore, was not impaired. The Consumer and Florist segments share a trademark and trade name and, therefore, share the related indefinite-lived asset. The fair value of this indefinite-lived intangible asset was less than its carrying value, and, accordingly, a pre-tax impairment charge of $13.1 million was recorded in the three months ended September 30, 2017. Certain key assumptions used in determining the fair value of the indefinite-lived intangible assets were discount rates of 12.5% to 16.5% and average royalty rates of 2.5% to 6.0%.

We account for finite-lived intangible assets and other long-lived assets in accordance with ASC 360, Property, Plant and Equipment. Intangible assets acquired in a business combination are initially recorded at management's estimate of their fair values. We evaluate the recoverability of identifiable intangible assets and other long-lived assets, other than indefinite-lived intangible assets, for impairment when events occur or circumstances change that would indicate that the carrying amount of an asset may not be recoverable. Events or circumstances that may indicate that an asset is impaired include, but are not limited to, significant decreases in the market value of an asset, significant underperformance relative to expected historical or projected future operating results, a change in the extent or manner in which an asset is used, shifts in technology, significant negative industry or economic trends, changes in our operating model or strategy, and competitive forces. In determining if an impairment exists, we estimate the undiscounted cash flows to be generated from the use and ultimate disposition of these assets. If an impairment is indicated based on a comparison of the assets' carrying amounts and the undiscounted cash flows, the impairment loss is measured as the amount by which the carrying amounts of the assets exceed the respective fair values of the assets. Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives, ranging from five to fifteen years. Our identifiable intangible assets were acquired primarily in connection with business combinations.

The process of evaluating the potential impairment of long-lived intangible assets is subjective and requires significant judgment on matters such as, but not limited to, the asset group to be tested for recoverability. We are also required to make estimates that may significantly impact the outcome of the analyses. Such estimates include, but are not limited to, future operating performance and cash flows, cost of capital, terminal values, and remaining economic lives of assets.

In conjunction with the interim goodwill impairment test, the Company also reviewed its finite-lived intangible assets for potential impairment. An impairment evaluation of the finite-lived intangible assets was also performed which indicated that the carrying amount of the complete technology intangible related to the acquisition of Provide Commerce was not recoverable when compared to the expected undiscounted future cash flows. As such, a pre-tax impairment charge of $16.3 million was recorded related to the finite-lived intangible assets of the Provide Commerce segment during the quarter ended September 30, 2017.

Also in conjunction with the interim goodwill impairment test, the Company performed an impairment evaluation of its other long-lived assets by comparing the expected undiscounted future cash flows to the carrying amounts of the assets. The result of this evaluation was that the carrying amounts of the property and equipment associated with the Provide Commerce segment were not recoverable when compared to the expected undiscounted cash flows. Based on management's assessment of the fair value of this asset group, based on a discounted cash flow analysis, the Company determined that the carrying value of that asset group exceeded the fair value and, as a result, a $9.7 million pre-tax impairment charge was recorded during the three months ended September 30, 2017.

The Company is currently completing a significant strategic review of all its businesses. Given the uncertainties regarding the related impact on financial performance, there can be no assurance that the estimates and assumptions made for purposes of the interim impairment testing will prove to be accurate predictions of the future. If the our projections of future cash flows and financial performance are not achieved, or if our market capitalization declines further, we may be required to record impairment charges on our goodwill, intangible assets, or other long-lived assets in future periods, whether in connection with our next annual impairment testing in the fourth quarter of 2017, or on an interim basis, if any such change constitutes a triggering event outside of the quarter when we regularly performs our annual impairment tests. It is not possible at this time to determine if any such additional future impairment charge would result or, if it does, whether such charge would be material. See Note 5—"Goodwill, Intangible Assets, and Other Long-Lived Assets" of the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q for the remaining balances of goodwill by reporting unit and intangible assets.

RECENT ACCOUNTING PRONOUNCEMENTS

For information about recently adopted and recently issued accounting pronouncements refer to Note 1—"Description of Business, Basis of Presentation, Accounting Policies, and Recent Accounting Pronouncements" of the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes related to the Company's market risk as disclosed in Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2016 .

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Interim Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Interim Chief Financial Officer have concluded that, as of the end of such period, due to the material weakness in our internal control over financial reporting as described below, the Company's disclosure controls and procedures are not effective in recording, processing, summarizing, and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and are not effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Previously Identified Material Weakness

In connection with the preparation of our Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the SEC on March 16, 2017, we concluded that there was a material weakness in our internal control over financial reporting. The material weakness related to our control over the assessment of cross-border indirect taxes that allowed immaterial errors to occur that were not detected in a timely manner. Management reviewed the control related to the completeness and precision of its assessment as well as the periodic monitoring of cross-border indirect taxes and concluded that there was a reasonable possibility that a material misstatement of the annual or interim financial statements would not be prevented or detected on a timely basis.

Remediation Plan

We are committed to remediating the material weakness by implementing improvements to our internal control over financial reporting. With the oversight of senior management and the audit committee, we have implemented new internal controls to remediate the underlying cause of the material weakness as follows:

- Enhance control procedures to ensure completeness of analyses supporting significant tax positions taken by the Company related to cross-border indirect taxes.

- Enhance monitoring activities over highly technical tax-related aspects of cross-border transactions, including implementation of formal periodic meetings attended by the Interim Chief Financial Officer, corporate and divisional controllers, and members of the Company's legal and tax departments, along with the engagement of external legal and tax experts as appropriate, to ensure that significant tax positions related to cross-border indirect taxes are fully reviewed and continuously monitored for appropriate accounting and disclosure.

Management is committed to a strong internal control environment and believes that, when fully tested in the fourth quarter, the measures described above will remediate the material weakness in our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

Other than the improvements noted above, there have been no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, please refer to Note 14—"Contingencies—Legal Matters" of the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q.

ITEM 1A. RISK FACTORS

Our business and common stock are subject to a number of risks and uncertainties. The information presented below updates, and should be read in conjunction with, the risks summarized under the caption "Risk Factors" in Part I, Item 1A of our most recent Form 10-K. Except as presented below, there have been no material changes from the risk factors described in our Form 10-K.

The United Kingdom vote to leave the European Union could adversely impact our business, financial condition, results of operations, and cash flows.

On June 23, 2016, the U.K. held a referendum in which a majority of voters voted to leave the European Union ("E.U."), commonly referred to as "Brexit." On March 29, 2017, the Prime Minister of the U.K. submitted formal notice to the E.U. in order to trigger Article 50 of the Treaty on European Union. This is the formal mechanism which begins the two-year process of negotiating the U.K.'s exit from the E.U. and the future terms of the U.K.'s relationship with the E.U., including the terms of trade between the U.K. and the E.U., and potentially other countries. A withdrawal could, among other outcomes, disrupt the free movement of goods, services and people between the U.K. and the E.U., undermine bilateral cooperation in key geographic areas, disrupt the markets we serve, and significantly disrupt trade between the U.K. and the E.U. or other nations as the U.K. pursues independent trade relations. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which E.U. laws to replace or replicate. The effects of Brexit will depend on any agreements the U.K. makes to retain access to the E.U. or other markets either during a transitional period or more permanently. Compliance with new laws or regulations regarding trade, delivery and other cross-border activities between the U.K. and the E.U. could be costly, negatively impacting our business, financial condition, operating results and cash flows. Our International segment operates principally in the U.K. For the nine months ended September 30, 2017 , our International segment contributed approximately 13.2% of our consolidated revenues.

In addition, the announcement of the referendum results was followed by significant volatility in global stock markets and currency exchange rates, including in particular a decline in the value of the GBP in comparison to both the USD and EUR. Uncertainty before, during and after the period of negotiation could have a negative economic impact and result in further market and exchange rate volatility for several years. Any of these effects, and others that the Company cannot anticipate, could adversely impact the Company's business, financial condition, results of operations, and cash flows.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On March 8, 2016, the Company's board of directors authorized a common stock repurchase program that allows the Company to repurchase up to $60 million of its common stock from time to time over a two year period in both open market and privately negotiated transactions. The Company did not repurchase any shares of common stock during the nine months ended September 30, 2017 . As of September 30, 2017 , $44.8 million was available under this program for future purchases.

ITEM 6. EXHIBITS

			Incorporated by Reference to			
No.	**Exhibit Description**	**Filed with this Form 10-Q**	**Form**	**File No.**	**Date Filed**	**Exhibit Number (if different)**
10.1	Employment Agreement by and between FTD Companies, Inc. and Jeffery Severts	X				
10.2	Employment Agreement by and between FTD Companies, Inc. and Simha Kumar	X				
10.3	Separation of Employment Agreement by and between FTD.Com, Inc. and Helen Quinn	X				
10.4	Form of Option Agreement for Officers with Employment Agreements	X				
10.5	Form of Restricted Stock Unit Issuance Agreement for Officers with Employment Agreements	X				
10.6	Assignment and Assumption Agreement between General Communication, Inc., Liberty Interactive Corporation, Liberty Interactive, LLC, Ventures Holdco, LLC, and FTD Companies, Inc.	X				
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002	X				
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002	X				
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002	X				
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002	X				
101.INS	XBRL Instance Document	X				
101.SCH	XBRL Taxonomy Extension Schema Document	X				
101.CAL	XBRL Taxonomy Calculation Linkbase Document	X				
101.LAB	XBRL Taxonomy Label Linkbase Document	X				
101.PRE	XBRL Taxonomy Presentation Linkbase Document	X				
101.DEF	XBRL Taxonomy Extension Definition Document	X				

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, thereunto duly authorized.

Date: November 9, 2017

FTD Companies, Inc. (Registrant)

By: /s/ Brian S. Cooper

Brian S. Cooper

Interim Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

EMPLOYMENT AGREEMENT

This Employment Agreement (the *" **Agreement** ")* is made and entered into as of July 10, 2017 (the " ***Effective Date*** "), by and between FTD Companies, Inc., a Delaware corporation (the *" **Company** "),* with principal corporate offices at 3113 Woodcreek Drive, Downers Grove, Illinois 60515, and Jeffrey Severts, whose address is 3113 Woodcreek Drive, Downers Grove, Illinois 60515 *(" **Employee** ").*

WHEREAS , effective as of the date hereof, Employee and the Company desire to enter into an employment agreement.

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

1. **Term; Position.**

(a) The term of this Agreement will commence on the Effective Date and continue until this Agreement is terminated as provided herein (the *" **Term** ").*

(b) Employee will serve as Executive Vice President and Chief Marketing Officer of the Company effective as of the Effective Date and report to the Chief Executive Officer of the Company. Employee agrees to devote Employee's full-time attention, skill and efforts to the performance of Employee's duties for the Company.

2. **Salary and Benefits.**

(a) Employee will be paid a salary at an annualized rate of $420,000, payable in successive bi-weekly or other installments in accordance with the Company's standard payroll practices for salaried employees. Employee's rate of salary will be subject to such increases as may be determined from time to time by the Board of Directors. As used in this Agreement, the term *" **Board of Directors** "* shall refer to the Board of Directors of the Company or other governing body or committee to which the authority of the Board of Directors of the Company with respect to executive compensation matters has been delegated, including (without limitation) the Compensation Committee of the Board of Directors of the Company.

(b) Employee will be eligible to participate in each of the Company's employee benefit plans that is made generally available either to the Company's employees or to the Company's senior executives and for which Employee satisfies the applicable eligibility requirements. Employee will be entitled to a minimum of four (4) weeks of paid vacation each year or such greater amount as determined in accordance with the Company's standard vacation policy.

(c) The Company will promptly reimburse Employee for all reasonable and necessary business expenses Employee incurs in connection with the business of the Company and the performance of Employee's duties hereunder upon Employee's submission of reasonable and timely documentation of those expenses. In no event shall any expense be reimbursed later than the end of the calendar year following the calendar year in which that expense is incurred, and the amounts reimbursed in any one calendar year shall not affect the amounts reimbursable in any other calendar year. Employee's right to receive such reimbursements may not be exchanged or liquidated for any other benefit.

(d) As soon as practicable following the Effective Date, the Compensation Committee of the Board of Directors shall grant to Employee (i) 25,000 restricted stock units relating to Company common stock and (ii) 200,000 options to purchase shares of Company common stock. Such equity grants units

shall vest at the rate of 25% on each of the first four anniversaries of the date of grant and shall be subject to the terms and conditions of the Company's standard issuance agreements and the applicable stock incentive plan. The grant shall be made effective as of the third trading day after the Company announces its results for the quarterly period ended June 30, 2017.

3. **Bonus.**

For each fiscal year of the Company during the Term of this Agreement, Employee will be eligible to participate in a bonus program with a target bonus set by the Board of Directors in an amount of 100% of Employee's annual rate of base salary. The performance criteria for purposes of determining Employee's actual bonus for each fiscal year will be established by the Board of Directors, and Employee's annual bonus for one or more of those fiscal years may be increased to include any additional amounts approved by the Board of Directors. Except as otherwise determined by the Board of Directors or set forth herein, Employee will not be entitled to a bonus payment for any fiscal year unless Employee is employed by, and in good standing with, the Company at the time such bonus payment is paid. Employee's bonus payment for each fiscal year shall in no event be paid later than the 15th day of the third month following the end of the Company's fiscal year for which such bonus is earned. Notwithstanding anything to the contrary contained herein, to the extent the bonus paid to Employee with respect to the Company's 2017 fiscal year is less than 50% of Employee's annual earned base salary for such fiscal year (prorated for the period of time employed during such year) then the Company shall make an additional payment to Employee with respect to such bonus so that the amount of the bonus paid to Employee equals 50% of Employee's annual earned base salary for such fiscal year (prorated for the period of time employed during such year).

4. **Restricted Stock Units and Other Equity Awards.**

(a) If Employee's employment is terminated by the Company "without cause" or by Employee for "good reason" (as each term is defined below) during the Term, then upon Employee's satisfaction of the Release Condition set forth in Section 7(b) below, any and all equity awards Employee holds on the date of such termination (other than any equity award that expressly provides for more favorable treatment) will vest on an accelerated basis as to that number of additional shares in which Employee would have otherwise been vested at the time of such termination had Employee completed an additional twelve (12) months of employment with the Company and had each applicable equity award been structured so as to vest in successive equal monthly installments over the vesting schedule for that award. In no event will the number of additional shares which vest on such an accelerated basis with respect to any particular equity award exceed the number of shares unvested under that award immediately prior to the date of such termination. Except as otherwise expressly provided in the agreement evidencing a particular restricted stock unit or other equity award or to the extent another issuance date may be required to comply with any applicable requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the *" **Code** "),* the shares of the common stock of the Company *(" **Common Stock ")*** underlying the equity awards that vest on an accelerated basis in accordance with this Section 4(a) will be issued to Employee within the sixty (60)-day period following the date of Employee's "separation from service" (as defined below) as a result of Employee's termination "without cause" (as defined below) or Employee's resignation for "good reason" (as defined below), provided the Release required of Employee pursuant to Section 7(b) has become effective and enforceable in accordance with its terms following the expiration of the applicable revocation period in effect for that Release. However, should such sixty (60)-day period span two taxable years, the issuance shall be effected during the portion of that period that occurs in the second taxable year.

(b) If Employee's employment is terminated by the Company "without cause" or by Employee for "good reason" (as each term is defined below) at any time during the Term and within the period commencing with the execution by the Company of a definitive agreement for a Change in Control (as defined below) and ending with the ***earlier*** of (i) the termination of that agreement without the

consummation of such Change in Control or (ii) the expiration of the twelve (12) month period measured from the date such Change in Control occurs, then upon Employee's satisfaction of the Release Condition set forth in Section 7(b) below, any and all equity awards Employee holds on the date of such termination will fully vest on an accelerated basis with respect to all non-vested shares of Common Stock at the time subject to those awards. Except as otherwise expressly provided in the agreement evidencing a particular restricted stock unit or other equity award or to the extent another issuance date may be required in order to comply with any applicable requirements of Section 409A of the Code, the shares of Common Stock (or any replacement securities) underlying the equity awards that fully vest on an accelerated basis in accordance with this Section 4(b), or the proceeds of any cash retention program established in replacement of those shares pursuant to the terms of the applicable award agreement, will be issued or distributed to Employee within the sixty (60)-day period following the date of Employee's "separation from service" (as defined below) as a result of Employee's termination "without cause" (as defined below) or Employee's resignation for "good reason" (as defined below), provided the Release required of Employee pursuant to Section 7(b) has become effective and enforceable in accordance with its terms following the expiration of the applicable revocation period in effect for that Release. However, should such sixty (60)-day period span two taxable years, the issuance shall be effected during the portion of that period that occurs in the second taxable year.

(c) Upon Employee's "separation from service" (as defined below) as a result of Employee's death or Disability (as defined below), any and all equity awards Employee holds on the date of such separation from service will vest on an accelerated basis as to that number of additional shares in which Employee would have otherwise been vested on the date of such separation from service had Employee completed an additional twelve (12) months of employment with the Company and had each applicable equity award been structured so as to vest in successive equal monthly installments over the vesting schedule for that award. Except as otherwise expressly provided in the agreement evidencing a particular restricted stock unit or other equity award or to the extent another issuance date may be required in order to comply with any applicable requirements of Section 409A of the Code, the shares of Common Stock underlying the equity awards that vest on an accelerated basis in accordance with this Section 4(c) will be issued on the date of such separation from service or as soon as administratively practicable thereafter, but in no event later than the ***later*** of (i) the end of the calendar year in which such separation from service occurs or (ii) the 15th day of the third calendar month following the date of such separation from service. For purposes of this Agreement, ***" Disability "*** means Employee's inability to engage in any substantial activity necessary to perform Employee's duties and responsibilities hereunder by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than twelve (12) months.

(d) The vesting acceleration provisions of this Section 4 and Section 7 will apply to all outstanding equity awards held by Employee on the Effective Date, unless the agreements evidencing those awards provide for more favorable acceleration, and those agreements, to the extent they provide for a lesser amount of acceleration, are hereby amended to incorporate the acceleration provisions of Section 4 and Section 7 of this Agreement for the period this Agreement remains in effect, and such vesting acceleration provisions will also apply to equity awards made after the Effective Date of this Agreement unless the agreements evidencing these awards provide for more favorable acceleration. The shares subject to each equity award that vests pursuant to the vesting acceleration provisions of this Section 4 shall be issued in accordance with the applicable issuance date provisions of this Section 4, except to the extent the agreement evidencing such award provides otherwise or to the extent another issuance date may be required in order to comply with any applicable requirements of Section 409A of the Code.

5. **Policies; Procedures.**

As an employee of the Company, Employee will be expected to abide by all of the Company's policies and procedures, including (without limitation) the terms of any Company handbook, insider trading policy and code of ethics in effect from time to time.

6. **At Will Employment.**

Notwithstanding anything to the contrary contained herein, Employee's employment with the Company is "at will" and will not be for any specified term, meaning that either Employee or the Company will be entitled to terminate Employee's employment at any time and for any reason, with or without cause or advance notice. Any contrary representations that may have been made to Employee are hereby superseded by the terms set forth in this Agreement. This is the full and complete agreement between Employee and the Company on this subject. Although Employee's job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of Employee's employment may only be changed in an express written agreement signed by Employee and the Chief Executive Officer of the Company and approved by the Board of Directors.

7. **Separation from Service.**

(a) **Termination by Employee** . If Employee terminates his or her employment with the Company for any reason other than as a result of his or her death or Disability or his or her resignation for "good reason" (as defined below), then all the obligations of the Company set forth in this Agreement will cease, other than the obligation to pay Employee, on his or her employment termination date, any earned but unpaid compensation for services rendered through that termination date, any accrued but unused vacation days as of that termination date, and any accrued and unpaid reimbursable expenses pursuant to Section 2(c) (collectively, the *" **Accrued Obligations** ")*. If Employee terminates his or her employment with the Company for "good reason" (as defined below) during the Term, then in addition to Employee's right to receive the Accrued Obligations, Employee will, upon Employee's satisfaction of the Release Condition set forth in Section 7(b) below, become entitled to the Separation Payment (as defined below) and the Additional Payments (as defined below), to the same extent as if Employee's employment had been terminated by the Company "without cause" (as defined below) during the Term, and Employee will also be entitled, in accordance with the applicable provisions of Section 4 above, to the accelerated vesting of any equity awards Employee holds at the time of such termination. Following Employee's termination of his or her employment with the Company under this Section 7(a), Employee will continue to be obligated to comply with the terms of Section 9 below.

(b) **Termination by the Company** . If Employee's employment is terminated by the Company "without cause" (as defined below) during the Term, then in addition to Employee's right to receive the Accrued Obligations, Employee will, upon Employee's satisfaction of the Release Condition set forth below in this Section 7(b), become entitled to a cash separation payment (the *" **Separation Payment** ")* in an aggregate amount equal to the sum of (i) Employee’s base salary at the annual rate in effect for Employee at the time and (ii) Employee’s target bonus for the fiscal year in which Employee’s employment is terminated. In addition, contingent upon Employee's satisfaction of the Release Condition, Employee will be eligible for the following additional separation payments (the *" **Additional Payments** "):*

(I) If the date of such involuntary termination occurs after the end of a fiscal year of the Company but prior to the date in the subsequent fiscal year on which Employee's bonus for that fiscal year would have otherwise become due and payable on the basis of the applicable performance goals attained for that year had Employee continued in employment with the Company, then the Company will pay Employee an

additional separation payment equal to the bonus that Employee would have received on the basis of the attained performance goals had Employee remained employed by, and in good standing with, the Company through the payment date for such bonus, with that amount to be paid in a lump sum (in the same form in which such bonus payment would have been paid had Employee remained in the Company's employ through the payment date) on the ***later*** of (i) the date on which the first monthly installment of the Separation Payment (or, in the case of a termination following a Qualifying Change in Control, the lump sum Separation Payment) is paid to Employee as set forth below in this Section 7(b) or (ii) the date such bonus would have been paid to Employee pursuant to Section 3 of this Agreement had Employee continued in the Company's employ through such payment date.

(II) In no event shall any such Additional Payment described in (I) above be made later than the last day of the applicable period necessary to qualify such Additional Payment for the short-term deferral exception under Code Section 409A.

(III) For a period of twelve (12) months following the date of termination, if Employee elects COBRA health care continuation coverage, Employee shall be eligible to continue to receive the medical and dental coverage provided by the Company as of the date of termination (or generally comparable coverage) for himself and, where applicable his spouse and dependents, as the same may be changed from time to time for employees of the Company generally; provided that in order to receive such continued coverage, Employee shall be required to pay to the Company the full amount of the monthly premium payments for such coverage, at the time such payments are due, and the Company shall, on the first payroll of the month following the payment of each such premium, reimburse Employee for an amount that, prior to withholding for applicable taxes, is equal to the amount of such monthly premium.

Payment of the Separation Payment and the Additional Payments (if any) and the accelerated vesting of Employee's equity awards under Section 4 will each be contingent upon the satisfaction of the following requirements (collectively the *" **Release Condition** ")* : (i) Employee must execute and deliver to the Company, within twenty-one (21) days (or forty-five (45) days to the extent such longer period is required under applicable law) after the effective date of Employee's termination of employment, a comprehensive agreement releasing the Company and its officers, directors, employees, stockholders, subsidiaries, affiliates, representatives and other related parties from all claims that Employee may have with respect to such parties relating to Employee's employment with the Company and the termination of that employment relationship and containing such other and additional terms as the Company deems satisfactory (the *" **Release** ")* and (ii) such Release must become effective and enforceable after the expiration of any applicable revocation period under federal or state law.

Except as provided in the following paragraph, the Separation Payment to which Employee becomes entitled under this Section 7(b) or under Section 7(a) above will be payable in a series of twelve (12) successive equal monthly installments, beginning on the first regular payday for the Company's salaried employees, within the sixty (60)-day period following the date of Employee's "separation from service" (as defined below) as a result of Employee's termination "without cause" (as defined below) or Employee's resignation for "good reason" (as defined below), on which Employee's executed Release is effective and enforceable in accordance with its terms following the expiration of the applicable revocation period in effect for that Release. However, should such sixty (60)-day period span two taxable years, the first such monthly installment shall be paid during the portion of that period that occurs in the second taxable year. The remaining monthly installments shall be paid on successive monthly anniversaries of the initial monthly installment hereunder. For purposes of Section 409A of the Code, Employee's right to receive such Separation Payment shall be deemed a right to receive a series of separate individual payments and not a right to single payment.

If Employee’s employment is terminated by the Company “without cause” (as defined below) or if Employee terminates his or her employment with the Company for “good reason” (as defined below) during the Term and within the twelve (12) month period beginning on the effective date of a Qualifying Change in Control (as defined below), the Separation Payment to which Employee becomes entitled under this Section 7(b) or under Section 7(a) above upon Employee’s satisfaction of the Release Condition will be payable in a single lump-sum payment on the first regular payday for the Company’s salaried employees, within the sixty (60)-day period following the date of Employee’s “separation from service” (as defined below) as a result of Employee’s termination “without cause” (as defined below) or Employee’s resignation for “good reason” (as defined below), on which Employee’s executed Release is effective and enforceable in accordance with its terms following the expiration of the applicable revocation period in effect for that Release. However, should such sixty (60)-day period span two taxable years, then such payment shall be made during the portion of that period that occurs in the second taxable year. Any Separation Payment to which Employee becomes entitled hereunder in connection with a termination following a Change in Control other than a Qualifying Change in Control will be paid in installments as set forth in the immediately preceding paragraph of this Section 7(b). For purposes of this Agreement, a ***"Change in Control "*** shall have the meaning assigned to such term in the Company's most recently-adopted equity compensation plan, and a ***" Qualifying Change in Control "*** shall mean the date on which there occurs a "Change in Control" (as defined above) that also qualifies as: (i) a change in the ownership of the Company, as determined in accordance with Section 1.409A-3(i)(5)(v) of the Treasury Regulations, (ii) a change in the effective control of the Company, as determined in accordance with Section 1.409A-3(i)(5)(vi) of the Treasury Regulations, or (iii) a change in the ownership of a substantial portion of the assets of the Company, as determined in accordance with Section 1.409A-3(i)(5)(vii) of the Treasury Regulations.

If Employee's employment is terminated by the Company "without cause" (as defined below), the Company will have no further obligation to Employee pursuant to this Agreement other than the Accrued Obligations, the vesting of Employee's outstanding equity awards in accordance with the applicable vesting acceleration provisions of Section 4 above and the obligations of the Company pursuant to this Section 7(b).

If Employee's employment is terminated by the Company "with cause" (as defined below), the Company will have no further obligation to Employee under the terms of this Agreement, other than the Accrued Obligations.

Notwithstanding the termination of Employee's employment by the Company "with cause" or "without cause," or by Employee for "good reason" or without "good reason", Employee will continue to be subject to the restrictive covenants set forth in Section 9, whether or not Employee becomes entitled to any severance or separation payments or benefits pursuant to Section 4 or Section 7 of this Agreement.

If any payment or benefit received or to be received by Employee (including any payment or benefit received pursuant to this Agreement or otherwise) would be (in whole or part) subject to the excise tax imposed by Section 4999 of the Code, or any successor provision thereto, or any similar tax imposed by state or local law, or any interest or penalties with respect to such excise tax (such tax or taxes, together with any such interest and penalties, are hereafter collectively referred to as the ***" Excise Tax "),*** then the cash payments provided to Employee under this Agreement shall first be reduced, with each such payment to be reduced pro-rata but without any change in the payment date and with the monthly installments of the Separation Payment (or the lump sum Separation Payment in the event of a Qualifying Change in Control) to be the first such cash payments so reduced, and then, if necessary, the accelerated vesting of Employee's equity awards pursuant to the provisions of this Agreement shall be reduced in the reverse chronological order (i.e., the options that vest later in time would be subject to this provision prior to the options that vest earlier in time) as to which those awards would otherwise vest, but only to the extent necessary to assure that Employee receives only the ***greater*** of (i) the amount of those payments and benefits which would not constitute a parachute payment under Code Section 280G or (ii)

the amount which yields Employee the greatest after-tax amount of benefits after taking into account any Excise Tax imposed on the payments and benefits provided Employee hereunder (or on any other payments or benefits to which Employee may become entitled in connection with any change in control or ownership of the Company or the subsequent termination of Employee's employment with the Company).

(c) Termination by Death or Disability.

If Employee incurs a "separation from service" (as defined below) as a result of his or her death or Disability, the Company will be obligated to pay the Accrued Obligations to Employee, Employee's estate or beneficiaries (as the case may be) on the date of such separation from service or as soon as administratively practicable thereafter, but in no event later than sixty (60) days after the date of such separation from service. In the event of such separation from service due to Employee's death or Disability, Employee or Employee's estate or beneficiaries, as the case may be, will also be entitled to the accelerated vesting of Employee's equity awards as set forth in Section 4(c) above. The provisions of this Section 7(c) will not affect or change the rights or benefits to which Employee is otherwise entitled under the Company's employee benefit plans or otherwise.

(d) Definitions.

For purposes of this Agreement, the following definitions will be in effect:

" ***good reason*** " means:

(i) a material reduction in either Employee's base salary or annual bonus opportunity, in either case without Employee's prior written consent;

(ii) a material reduction in Employee's position, duties and responsibilities without Employee's prior written consent; provided, however, that a material reduction as contemplated hereunder shall not be presumed to have occurred solely as a result of a change in organizational structure or reporting relationship(s);

(iii) a material change in the geographic location at which Employee must perform services which is not within a 50-mile radius of the following locations, without Employee's prior written consent: 3113 Woodcreek Drive, Downers Grove, Illinois 60515 or any other location in Chicago, IL; or

(iv) any material un-waived breach by the Company of the terms of this Agreement;

provided however, that with respect to any of the clause (i) - (iv) events above, Employee will not be deemed to have resigned for good reason unless (A) Employee provides written notice to the Company of the existence of the good reason event within ninety (90) days after its initial occurrence, (B) the Company is provided with thirty (30) days after receipt of such notice in which to cure such good reason event and (C) Employee effectively terminates Employee's employment within one hundred eighty (180) days following the occurrence of the non-cured clause (i) - (iv) event.

*" **separation from servic** e"* means Employee's cessation of employee status with the Company by reason of Employee's death, resignation, dismissal or other termination event and shall be deemed to occur at such time as the level of bona fide services Employee is to render as such an employee (or as a non-employee consultant) permanently decreases to a level that is not more than twenty percent (20%) of the average level of services Employee rendered as an employee during the immediately preceding thirty-

six (36) months (or such shorter period of time in which Employee has actually been in employee status with the Company). Any such determination of Employee's separation from service shall, however, be made in accordance with the applicable standards of the Treasury Regulations issued under Section 409A of the Code.

" with cause " means Employee's termination of employment by the Company for any of the following reasons:

(i) if Employee is convicted of, or enters a plea of *nolo contendere* to, a felony or a misdemeanor involving any act of moral turpitude;

(ii) if Employee commits an act of actual fraud, embezzlement, theft or similar dishonesty against the Company or any of its subsidiaries or affiliates;

(iii) if Employee commits any willful misconduct or gross negligence resulting in material harm to the Company or any of its subsidiaries or affiliates;

(iv) failure for any reason within five (5) days after receipt by Employee of written notice thereof from the Company, to correct, cease or otherwise alter any insubordination, failure to comply with instructions, inattention to or neglect of the duties to be performed by Employee or other act or omission to act that in the opinion of the Company does or may adversely affect the business or operations of the Company or any of its subsidiaries or affiliates;

(v) breach of any material provision of this Agreement or any of the agreements referred to in Section 9 hereof; or

(vi) any other act or omission that is determined to constitute “cause” in the good faith discretion of the Board of Directors.

" without cause " means any reason not within the scope of the definition of the term "with cause."

(e) Code Section 409A Deferral Period.

Notwithstanding any provision in this Agreement to the contrary (other than Section 7(f) below), no payment or distribution under this Agreement which constitutes an item of deferred compensation under Section 409A of the Code and becomes payable by reason of Employee's termination of employment with the Company will be made to Employee until Employee incurs a separation from service (as such term is defined above and determined in accordance with Treasury Regulations issued under Section 409A of the Code) in connection with such termination of employment. For purposes of this Agreement, each amount to be paid or benefit to be provided Employee shall be treated as a separate identified payment or benefit for purposes of Section 409A of the Code. In addition, no payment or benefit which constitutes an item of deferred compensation under Section 409A of the Code and becomes payable by reason of Employee's separation from service will be made to Employee prior to the ***earlier*** of (i) the first day of the seventh (7th) month measured from the date of such separation from service or (ii) the date of Employee's death, if Employee is deemed at the time of such separation from service to be a "specified employee" (as determined pursuant to Code Section 409A and the Treasury Regulations thereunder) and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). Upon the expiration of the applicable deferral period, all payments and benefits deferred pursuant to this Section 7(e) (whether they would have otherwise been payable in a single sum or in installments in the absence of such deferral) shall be paid or provided to Employee in a lump sum on the first day of the seventh (7th) month after the date of Employee's separation from service or, if earlier, the first day of the month immediately following the date

the Company receives proof of Employee's death. Any remaining payments or benefits due under this Agreement will be paid in accordance with the normal payment dates specified herein.

(f) Provisions Applicable to "Specified Employee"

. Notwithstanding Section 7(e) above, the following provisions shall also be applicable to Employee if Employee is a "specified employee" at the time of Employee's separation of service:

(i) Any payments or benefits which become due and payable to Employee during the period beginning with the date of Employee's separation from service and ending on March 15 of the following calendar year and otherwise qualify for the short-term deferral exception to Code Section 409A shall not be subject to the holdback provisions of Section 7(e) and shall accordingly be paid as and when they become due and payable under this Agreement in accordance with such short-term deferral exception to Code Section 409A.

(ii) The remaining portion of the payments and benefits to which Employee becomes entitled under this Agreement, to the extent they do not in the aggregate exceed the dollar limit described below and are otherwise scheduled to be paid no later than the last day of the second calendar year following the calendar year in which Employee's separation from service occurs, shall not be subject to the holdback provisions of Section 7(e) and shall be paid to Employee as they become due and payable under this Agreement. For purposes of this subparagraph (ii), the applicable dollar limitation will be equal to two times the *lesser* of (i) Employee's annualized compensation (based on Employee's annual rate of pay for the calendar year preceding the calendar year of Employee's separation from service, adjusted to reflect any increase during that calendar year which was expected to continue indefinitely had such separation from service not occurred) or (ii) the compensation limit under Section 401(a)(17) of the Code as in effect in the year of such separation from service. To the extent the portion of the severance payments and benefits to which Employee would otherwise be entitled under this Agreement during the deferral period under Section 7(e) exceeds the foregoing dollar limitation, such excess shall be paid in a lump sum upon the expiration of that deferral period, in accordance with the deferred payment provisions of Section 7(e), and the remaining severance payments and benefits (if any) shall be paid in accordance with the normal payment dates specified for them herein.

8. **Withholding Taxes.**

All forms of compensation payable pursuant to the terms this Agreement, whether payable in cash, shares of Common Stock or other property, are subject to reduction to reflect the applicable withholding and payroll taxes.

9. **Restrictive Covenants.**

Employee hereby agrees to enter into a Confidentiality and Non-Competition Agreement and an Employee Proprietary Information and Inventions Agreement with the Company on or prior to the Effective Date, which agreements shall be in substantially the forms attached hereto as Appendix A and B, respectively .

10. **Deferred Compensation Programs**

Any compensation deferred by Employee pursuant to one or more non-qualified deferred compensation plans or arrangements of the Company subject to Section 409A of the Code and not otherwise expressly addressed by the terms of this Agreement, shall be paid at such time and in such form of payment as set forth in each applicable plan or arrangement governing the payment of any such deferred amounts.

11. **Clawback.**

Any amounts paid or payable to Employee pursuant to this Agreement or the Company's equity or compensation plans shall be subject to recovery or clawback to the extent required by any applicable law or any applicable securities exchange listing standards.

12. **Entire Agreement/Construction of Terms.**

(a) This Agreement, together with any Company handbooks and policies in effect from time to time and the applicable stock plans and agreements evidencing the equity awards made to Employee from time to time during Employee's period of employment, contains all of the terms of Employee's employment with the Company and supersedes any prior understandings or agreements, whether oral or written, between Employee and the Company.

(b) If any provision of this Agreement is held by an arbitrator or a court of competent jurisdiction to conflict with any federal, state or local law, or to be otherwise invalid or unenforceable, such provision shall be construed or modified in a manner so as to maximize its enforceability while giving the greatest effect as possible to the intent of the parties. To the extent any provision cannot be construed or modified to be enforceable, such provision will be deemed to be eliminated from this Agreement and of no force or effect, and the remainder of this Agreement will otherwise remain in full force and effect and be construed as if such portion had not been included in this Agreement.

(c) This Agreement is not assignable by Employee. This Agreement may be assigned by the Company to its subsidiaries or affiliates or to successors in interest to the Company or its lines of business.

(d) The severance payments and benefits under this Agreement are intended, where possible, to comply with the "short term deferral exception" and the "involuntary separation pay exception" to Code Section 409A. Accordingly, the provisions of this Agreement applicable to the Separation Payment and the accelerated vesting of Employee's equity awards and the issuance of shares of Common Stock thereunder and the determination of Employee's separation from service due to termination of Employee's employment without cause or Employee's resignation for good reason shall be applied, construed and administered so that those payments and benefits qualify for one or both of those exceptions, to the maximum extent allowable. However, to the extent any payment or benefit to which Employee becomes entitled under this Agreement is deemed to constitute an item of deferred compensation subject to the requirements of Code Section 409A, the provisions of this Agreement applicable to that payment or benefit shall be applied, construed and administered so that such payment or benefit is made or provided in compliance with the applicable requirements of Code Section 409A. In addition, should there arise any ambiguity as to whether any other provisions of this Agreement would contravene one or more applicable requirements or limitations of Code Section 409A and the Treasury Regulations thereunder, such provisions shall be interpreted, administered and applied in a manner that complies with the applicable requirements of Code Section 409A and the Treasury Regulations thereunder.

13. **Amendment and Governing Law.**

This Agreement may not be amended or modified except by an express written agreement signed by Employee and the Chief Executive Officer of the Company and approved by the Board of Directors. Employee agrees that any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of Illinois without regard to the conflict of laws provisions thereof. Employee hereby irrevocably submits to the jurisdiction (including without limitation *in personam* jurisdiction), process and venue of the courts of the State of Illinois and the Federal courts of the United States located in Chicago, Illinois, and hereby agrees that any action, suit or proceeding initiated by Illinois for the interpretation or enforcement of the provisions of this Agreement shall, and that any action, suit or proceeding initiated by Company for the interpretation or enforcement of the provisions of this Agreement may, be heard and determined exclusively in a Federal court, or, if not permitted by applicable law, then in a State court, situated in Chicago, Illinois.

14. **Surviving Provisions.**

Following any termination or expiration of this Agreement, Sections 5, 6, 7(e), 7(f), 8, 9, 10, 11, 12, 13 and 14 will survive, and, if Employee's employment with the Company continues thereafter, Employee's employment with the Company will continue to be "at will".

[**SIGNATURE PAGE FOLLOWS**]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date stated in the opening paragraph.

/s/ Jeffrey Severts
Jeffrey Severts

FTD COMPANIES, INC.

By: /s/ Scott Levin
Name: Scott Levin
Title: EVP & General Counsel

Appendix A

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT (the " ***Agreement*** ") is made and entered into as of the Effective Date (as defined below), between FTD Companies, Inc. (the " ***Company*** ") and Jeffrey Severts (the " ***Executive*** ").

R E C I T A L S:

A. The Company and the Executive have entered into that certain employment agreement dated as of July 10, 2017 (the " ***Employment Agreement*** "), pursuant to which the Executive will serve as Executive Vice President and Chief Marketing Officer of the Company, commencing on July 10, 2017 (the " ***Effective Date*** "); and

B. In connection therewith, the Company and the Executive desire to provide for certain additional obligations.

NOW, THEREFORE, in consideration of the offer to and acceptance by the Executive of employment as Executive Vice President and Chief Marketing Officer of the Company and of other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto additionally agree as follows:

Section 1. Non-Competition, Confidentiality, No Interference and Non-Solicitation .

(a) No Competing Employment . The Executive acknowledges that (i) the agreements and covenants contained in this Section 1 are essential to protect the value of the Company's business and assets and (ii) by virtue of Executive's employment with the Company, the Executive will obtain such knowledge, know-how, training and experience of such a character that there is a substantial probability that such knowledge, know-how, training and experience could be used to the substantial advantage of a competitor of the Company and to the Company's substantial detriment. Therefore, the Executive agrees that, for the period (the " ***Restricted Period*** ") commencing on the date of this Agreement and ending on the date that is twelve (12) months after the date on which the Executive is no longer employed by the Company for any reason, the Executive shall not participate, operate, manage, consult, join, control or engage, directly or indirectly, for the benefit of the Executive or on behalf of or in conjunction with any person, partnership, corporation or other entity, whether as an employee, consultant, agent, officer, stockholder, member, investor, agent or otherwise, in any business activity if such activity constitutes the sale or provision of floral products or services or other gifts that are similar to, or competitive with, floral products or services or other gifts then being sold or provided by the Company or any of its subsidiaries, including, without limitation, retail florists' business services, floral order transmission and related network services, development and distribution of branded floral products or other gifts (including, without limitation, gourmet foods and personalized gifts), on the Internet or through retail, mass marketing, franchise, wholesale, catalog, supermarket, wholesale club and telemarketing channels (a

" ***Competitive Activity*** "), in any of: the City of Downers Grove, Illinois, the County of DuPage, Illinois or any other city or county in the State of Illinois; the District of Columbia or any other state, territory, district or commonwealth of the United States or any county, parish, city or similar political subdivision in any other state, territory, district or commonwealth of the United States; any other country or territory anywhere in the world or in any city, canton, county, district, parish, province or any other political subdivision in any such country or territory; or anywhere in the world (each city, canton, commonwealth, county, district, parish, province, state, country, territory or other political subdivision or other location in the world shall be referred to as a " ***Non-competition Area*** "). The parties to this Agreement intend that the covenant contained in the preceding sentence of this Section 1(a) shall be construed as a series of separate covenants, one for each city, canton, commonwealth, county, district, parish, state, province, country, territory, or other political subdivision or other area of the world specified. Except for geographic coverage, each separate covenant shall be considered identical in terms to the covenant contained in the preceding sentence. The parties further acknowledge the breadth of the covenants, but agree that such broad covenants are necessary and appropriate in the light of the global nature of the Competitive Activity. If, in any judicial or other proceeding, a court or other body declines to enforce any of the separate covenants included in this Section 1(a), the unenforceable covenant shall be considered eliminated from these provisions for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants to be enforced. Notwithstanding the foregoing, the Executive may maintain or undertake purely passive investments on behalf of the Executive, the Executive's immediate family or any trust on behalf of the Executive or the Executive's immediate family in companies engaged in a Competitive Activity so long as the aggregate interest represented by such investments does not exceed 1% of any class of the outstanding publicly traded debt or equity securities of any company engaged in a Competitive Activity. Notwithstanding anything to the contrary set forth in this Section 1(a), the Executive may participate, operate, manage, consult, join, control or engage any person, partnership, corporation or other entity for which Competitive Activity does not account for more than twenty percent (20%) of its revenue; provided that this exception shall not apply to the companies listed on Schedule I hereto.

(b) Nondisclosure of Confidential Information . The Executive, except in connection with Executive's employment hereunder, shall not disclose to any person or entity or use, either during the Executive's employment with the Company or at any time thereafter, any information in any form relating to the Company, or any of its successors or their subsidiaries (collectively, the " ***Company Group*** "), including but not limited to trade secrets, technical information, systems, procedures, test data, price lists, financial or other data (including the revenues, costs or profits associated with any of the Company's products or services), business and product plans, code books, invoices and other financial statements, computer programs, discs and printouts, customer and supplier lists or names, personnel files, sales and advertising material, telephone numbers, names, addresses or any other compilation of information, written or unwritten, that is or was used in the business of the Company, any predecessor of the Company, or any of the Company's subsidiaries or successors ("Confidential Information"). Confidential Information does not include any information that: (i) is publicly known or available through lawful means; (ii) was rightfully in the Executive's possession prior to the Executive's employment with the Company as demonstrated by written documents currently in existence; (iii) is disclosed to the Executive without restriction by a third party who to the Executive's knowledge rightfully possesses and discloses the

information and to the Executive's knowledge is not under a duty of confidentiality to the Company or any of its subsidiaries; (iv) is reasonably known to people in the trade or industry; or (v) is independently developed by the Executive without access to Confidential Information. The Executive agrees and acknowledges that all of such Confidential Information, in any form, and copies and extracts thereof are and shall remain the sole and exclusive property of the Company or other Company Group entity, and upon termination of Executive's employment with the Company, the Executive shall return to the Company the originals and all copies (and shall delete all such items in electronic format) of any such information provided to or acquired by the Executive in connection with the performance of the Executive's duties for the Company, and shall return to the Company all files, correspondence, computer equipment and disks or other communications (including any such materials in electronic format) received, maintained or originated by the Executive during the course of the Executive's employment.

(c) No Interference and Non-Solicitation of Employees . During the Restricted Period, the Executive shall not, whether for the Executive's own account or for the account of any other individual, partnership, firm, corporation or other business organization, solicit, endeavor to entice away from the Company, or any of the Company's subsidiaries, or otherwise knowingly interfere with the relationship of the Company or any of its subsidiaries with, any person who, to the knowledge of the Executive, is (or has at any time within the preceding three months been) employed by or otherwise engaged to perform services for the Company or any of the Company's subsidiaries (including, but not limited to, any independent sales representatives or organizations).

(d) No Interference and Non-Solicitation of Customers and Suppliers . During the Restricted Period, the Executive shall not, whether for the Executive's own account or for the account of any other individual, partnership, firm, corporation or other business organization, knowingly (i) solicit, encourage or induce any Customer or Supplier to cease doing business with the Company or any of the Company's subsidiaries or (ii) interfere with, impair or damage the relationship between the Company or any of the Company's subsidiaries and any Customer or Supplier; provided , however , that this Section 1(d) shall not prohibit the Executive from soliciting or employing, for the Executive's own account, following a termination of the employment of the Executive, any person employed by a Customer or Supplier, if such solicitation or employment is not in connection with a Competitive Activity. " ***Customer or Supplier*** " shall mean any entity who, to the knowledge of the Executive, (A) is, or was within the then most recent 12-month period, a customer or client of the Company, any predecessor of the Company or any of the Company's subsidiaries; (B) is a supplier or vendor of the Company or any of the Company's subsidiaries; or (C) is a potential Customer or Supplier with whom the Company or any of the Company's subsidiaries was engaged in substantial negotiations during the Executive's employment.

(e) Conflicting Employment . Executive agrees that, during the term of Executive's employment with the Company, he will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or is then involved during the term of Executive's employment, nor will Executive engage in any other business activities that conflict with Executive's obligations to the Company, except as otherwise specifically permitted pursuant to the terms of this Agreement

(including, without limitation, the last sentence of Section 1(a) hereof) or the Employment Agreement.

(f) Sufficient Consideration. The Executive understands that the foregoing restrictions may limit the Executive's ability to earn a livelihood in a business engaged in a Competitive Activity, but the Executive nevertheless believes that the Executive has received and will receive sufficient consideration and other benefits as an employee of the Company to clearly justify restrictions that, in any event, given Executive's education, skills and ability, the Executive does not believe would prevent the Executive from earning a living.

Section 2. Irreparable Injury. It is further expressly agreed that the Company will or would suffer irreparable injury if the Executive were to compete with the Company, its successors or any of its or their subsidiaries in violation of this Agreement or the Executive were to otherwise breach this Agreement. Any such violation or breach will cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. Consequently, the Company shall have the right to apply to a court of appropriate jurisdiction for, and the Executive consents and stipulates to the entry of, an order of injunctive relief in prohibiting the Executive from competing with the Company, its successors or any of its or their subsidiaries in violation of this Agreement, an order restraining any other breach or threatened breach of this Agreement, and any other relief the Company and such court deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity. The parties hereby agree that the attorneys' fees of the prevailing party in any such proceeding or action shall be paid by the non-prevailing party.

Section 3. Representation and Warranties of the Executive. The Executive represents and warrants that the execution of this Agreement and subsequent employment with the Company does not and will not conflict with any obligations that the Executive has to any former employers or any other entity. The Executive further represents and warrants that the Executive has not brought to the Company, and will not at any time bring to the Company, any materials, documents or other property of any nature of a former employer.

Section 4. Miscellaneous.

(a) Jurisdiction, Choice of Law and Venue. The validity and construction of this Agreement shall be governed by the internal laws of the State of Illinois, excluding the conflicts-of-laws principles thereof. Each party hereto consents to the jurisdiction of, and venue in, any federal or state court of competent jurisdiction located in Chicago, Illinois.

(b) Entire Agreement. This Agreement and any other agreement or document delivered in connection with this Agreement, state the entire agreement and understanding of the parties on the subject matter of this Agreement, and supersede all previous agreements, arrangements, communications and understandings relating to that subject matter.

(c) Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be deemed an original, with the same effect as if all signatures were on the same document.

(d) Amendment; Waiver; etc . This Agreement, and each other agreement or document delivered in connection with this Agreement, may be amended, modified, superseded or canceled, and any of the terms thereof may be waived, only by a written document signed by each party to this Agreement or, in the case of waiver, by the party or parties waiving compliance. The delay or failure of any party at any time or times to exercise any right or require the performance of any duty under this Agreement or any other agreement or document delivered in connection with this Agreement shall in no way affect the right of that party at a later time to exercise that right or enforce that duty or any other right or duty. No waiver by any party of any condition or of any breach of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed to be a further or continuing waiver of any such condition or breach or of the breach of any other term of this Agreement. A single or partial exercise of any right shall not preclude any other or further exercise of the same right or of any other right. The rights and remedies provided by this Agreement shall be cumulative and not exclusive of each other or of any other rights or remedies provided by law.

(e) Severability . If any provision of this Agreement or any other agreement or document delivered in connection with this Agreement, if any, is partially or completely invalid or unenforceable in any jurisdiction, then that provision shall be ineffective in that jurisdiction to the extent of its invalidity or unenforceability, but the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted, nor shall the invalidity or unenforceability of that provision in one jurisdiction affect its validity or enforceability in any other jurisdiction. The Company and the Executive agree that the period of time and the geographical area described in Section 1 are reasonable in view of the nature of the business in which the Company is engaged and proposes to be engaged, and the Executive's understanding of her prospective future employment opportunities. However, if the time period or the geographical area, or both, described in Section 1 should be judged unreasonable in any judicial proceeding, then the period of time shall be reduced by that number of months and the geographical area shall be reduced by elimination of that portion, or both, as are deemed unreasonable, so that the restriction covenant of Section 1 may be enforced during the longest period of time and in the fullest geographical area as is adjudged to be reasonable.

(f) Employment “At-Will” . Both the Executive and the Company acknowledge that nothing in this Agreement creates a contract for employment for any specific duration. The Executive's employment shall be "at-will", meaning both the Company and the Executive can terminate the relationship at any time, with or without reason or notice.

(g) Survival of Obligations . The obligations of the Executive set forth in this Agreement shall survive the termination of Employee’s employment with the Company and the termination of this Agreement.

(h) Assignment . This Agreement may be freely assigned by the Company, but may not be assigned by the Executive without the prior written consent of the Company which may be withheld at the Company’s sole discretion.

(i) Binding Effect . This Agreement shall inure to the benefit of the Company and its successors and assigns, and shall be binding upon the Executive and the Executive's heirs, personal representatives and any permitted assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

FTD COMPANIES, INC.

By: /s/ Scott Levin
Name: Scott Levin
Its: EVP and General Counsel

/s/ Jeffrey Severts
Jeffrey Severts

Appendix B

EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

In consideration of my employment or continued employment by FTD Companies, Inc. or one of its subsidiaries (my "Employer"), the compensation I receive, and any other consideration I have been provided that was conditioned on my execution of this Employee Proprietary Information and Inventions Agreement ("the Agreement"), I agree as follows:

1. PROPRIETARY INFORMATION.

(a) Parties. I understand and agree that this Agreement is intended to benefit Employer and all of its subsidiaries and parent companies including, but not limited to, all of its current and future direct and indirect subsidiaries and parent companies and their respective successors (all of the foregoing being referred to, individually and collectively, as the "Company").

(b) Confidential Restrictions. I understand that, during the course of my work as an employee of Employer, I have had and will have access to Proprietary Information (as defined below) concerning the Company and parties with which the Company has a business relationship. I acknowledge that the Company has developed, compiled, and otherwise obtained, at great expense, such Proprietary Information. I agree to hold in strict confidence all Proprietary Information and will not disclose any Proprietary Information to anyone outside of the Company and will not use, copy, publish, summarize, or remove from Company premises Proprietary Information, except during my employment in connection with carrying out my responsibilities as an employee of Employer. I further agree that the publication of any Proprietary Information through literature or speeches must be approved in advance in accordance with the Company's applicable policies and procedures. **I understand that my employment creates a relationship of confidence and trust between me and Employer with respect to Proprietary Information, and I voluntarily accept this trust and confidence.**

(c) Proprietary Information Defined. I understand that the term "Proprietary Information" in this Agreement means all information and any idea, in whatever form, tangible or intangible, whether disclosed to or learned or developed by me, pertaining in any manner to the current or proposed business of the Company unless the information: (i) is publicly known or available through lawful means; (ii) was rightfully in my possession prior to my employment with the Company as demonstrated by written documents currently in existence; (iii) is disclosed to me without restriction by a third party who to my knowledge rightfully possesses and discloses the information and to my knowledge is not under a duty of confidentiality to the Company or any of its subsidiaries; (iv) is reasonably known to people in the trade or industry; or (v) is independently developed by me without access to Proprietary Information. Without limiting the scope of the definition, I understand that the Company considers the following to be included in the definition of Proprietary Information: (i) all client/customer lists and all lists or other compilations containing client, customer or

vendor information; (ii) information about products, proposed products, research, product development, techniques, processes, costs, profits, product pricing, markets, marketing plans, strategies, forecasts, sales and commissions; (iii) plans for the future development and new product concepts; (iv) all information regarding the Company's subscribers and all information regarding the Company's subscribers compiled by or derived from the Company's database; (v) the compensation and terms of employment of other employees; (vi) all other information that has been or will be given to me in confidence by the Company; and (vii) software in various stages of development, designs, drawings, specifications, techniques, models, data, source code, algorithms, object code, documentation, diagrams, flow charts, computer programs, databases, and other data of any kind and description, including electronic data recorded or retrieved by any means. Proprietary Information also includes any information described above which the Company obtains from another party and which the Company treats as proprietary or designates as Proprietary Information whether or not owned or developed by the Company or the other party.

(d) Company Materials. I understand that I will be entrusted with "Company Materials" (as defined below) which are important to the Company's business or the business of Company customers or clients. I agree that during my employment, I will not deliver any Company Materials to any person or entity outside the Company, except as I am required to do in connection with performing my duties for Company. For purposes of this Agreement, "Company Materials" are documents, electronic files or any other tangible or electronic items that contain information concerning the business, operations or plans of the Company or its customers, whether the documents have been prepared by me or others. Company Materials include, but are not limited to, computers, computer disk drives, computer files, computer disks, documents, code, flowcharts, schematics, designs, graphics, customer lists, drawings, photographs, customer information, etc.

(e) Information Use Return and Acknowledgement. I agree that I will not retain and I will return all Proprietary Information and all copies of it in whatever form, as well as all Company Materials, apparatus, equipment and other Company property along with all reproductions, to Employer after my employment terminates. The only exceptions are: (i) my personal copies of records of my compensation, benefits or other terms of my employment with the Company; (ii) any agreements between me and the Company that I have signed; and (iii) my copy of this Agreement. I agree to execute reasonable documentation if requested by Employer upon the termination of my employment reflecting such return and acknowledging my obligations under this Agreement.

(f) Prior Actions and Knowledge. I represent and warrant that from the time of my first contact or communication with the Company, I have held in strict confidence all Proprietary Information and have not disclosed any Proprietary Information to anyone outside of the Company other than my counsel and other advisors, or used, copied, published, or summarized any Proprietary Information except to the extent necessary to carry out my responsibilities as an employee of Employer or to evaluate my potential employment with the Company.

(g) Former Employer Information; Consents. I agree that I will not, during my employment, improperly use or disclose any **confidential** information, proprietary information or trade secrets of my former or any concurrent employers. I agree that I will not bring onto the premises of the Company any document or any property belonging to my former or any concurrent employers unless consented to in writing by them. I represent and warrant that I have returned all confidential or proprietary property and confidential information belonging to all prior employers to the extent required under any agreement I have with them. I also represent and warrant that my performance of services for Employer will not require any authorization, consent, exemption or other action by any other party and will not conflict with, violate or breach any agreement, instrument, order, judgment or decree to which I am subject.

2. INVENTIONS.

(a) Defined. I understand that during the term of my employment, there will be certain restrictions on my development of technology, ideas, and inventions, referred to in this Agreement as "Invention Ideas." The term Invention Ideas means all ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, relating to any existing or planned service or product of the Company and all improvements, rights, and claims related to the foregoing that are conceived, developed, or reduced to practice by me alone or with others, except to the extent that applicable state law prohibits the assignment of these rights. I agree that all original works of authorship which are made by me (solely or jointly with others) as a member of the Company's (or any of its subsidiary's) Board of Directors or within the scope of my employment and which are protectable by copyright are "works made for hire," as the term is defined in the United States Copyright Act (17 USCA, Section 101).

(b) Notice Regarding State Invention Assignment Laws. The laws of some states prohibit the assignment of certain invention rights (*e.g* ., Delaware Code Title 19 § 805; Illinois 765 ILCS 1060/1-3; Kansas Stat. Ann. § 44-130; Minnesota Stat. 13A, § 181.78; North Carolina Gen. Stat. Art. 10A, § 66-57.1; Utah Stat. § 34-39-1 through 34-39-3; Washington RCW 49.44.140). This Agreement shall be construed so that it complies with all such applicable laws. To that end, to the extent applicable state law requires it, you are notified as follows:

> **NOTICE: This Agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates at the time of conception or reduction to practice (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.**

If the state law that applies provides greater invention rights to you than are described in the above notice, those greater rights will apply to you.

(c) Disclosure. I agree to maintain adequate and current written records on the development of all Invention Ideas and to disclose promptly to Employer all Invention Ideas and relevant records, which records will remain the sole property of Employer. I further agree that all information and records pertaining to any idea, process, trademark, service mark, invention, technology, computer program, original work of authorship, design formula, discovery, patent, or copyright that might reasonably be construed to be an Invention Idea, but is conceived, developed, or reduced to practice by me (alone or with others) during my employment or during the one year period following termination of my employment, shall be promptly disclosed to Employer. If I inform Employer before making a specific disclosure pursuant to this paragraph that I contend the subject matter being disclosed is not subject to this Agreement, then the disclosure will be received by Employer in confidence so that Employer may examine such information to determine if in fact it constitutes Invention Ideas subject to this Agreement.

(d) Assignment. I agree to assign and hereby do assign to Employer, without further consideration, all right, title, and interest that I may presently have or may acquire in the future (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, in and to each Invention Idea, which shall be the sole property of Employer, whether or not patentable. The rights I have assigned, and will assign, include all copyrights, patent rights, trade secret rights and any rights of publicity or personality, vested and contingent, and include extensions and renewals thereof and the right to license and assign. I will waive and hereby do waive any moral rights I have or may have in any Invention Idea. In the event any Invention Idea shall be deemed by Employer to be patentable or otherwise registrable, I will assist Employer or the Company, as Employer may reasonably direct (at its expense) in obtaining letters patent or other applicable registrations, and I will execute all documents and do all other things (including testifying at Employer's expense) necessary or proper, as reasonably requested by Employer, to obtain letters patent or other applicable registrations and to vest Employer or the Company, as Employer may direct, with full title to them. My obligation to assist Employer in obtaining and enforcing patents, registrations or other rights for such inventions in any and all countries, shall continue beyond the termination of my employment, but Employer or the Company shall compensate me at a reasonable rate after such termination for the time actually spent by me at Employer's reasonable request for such assistance. Should Employer be unable to secure my signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention Idea, whether due to my mental or physical incapacity or any other cause, I irrevocably designate and appoint Employer and each of its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf, to execute and file any such document and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights of protections with the same force and effect as if executed and delivered by me.

(e) License . In the case of any invention or work of authorship that I own or in which I have an interest that is not owned by Employer pursuant to the other terms in this Agreement, the following shall apply. If I use the invention or work of authorship, or allow it to be used, in the course of the Company's business, or incorporate the invention or work of authorship, or allow it to be incorporated, into any product or process owned or developed in whole or in part by the Company, I will grant, and I hereby do grant to Employer and/or one or more subsidiaries of the Company, as Employer may reasonably direct, and their assigns a nonexclusive, perpetual, irrevocable, fully paid-up, royalty-free, worldwide license of all of my interests in the invention or work of authorship, including all rights to make, use, sell, reproduce, modify, distribute, perform publicly, display publicly and transmit the invention or work of authorship, without restriction. At Employer's reasonable direction and expense I will execute all documents and take all actions necessary or convenient for Employer and the Company to document, obtain, maintain or assign their license rights hereunder of my interest in any such invention or work of authorship.

(f) Exclusions. Except as disclosed in Exhibit A, there are no ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, or improvements to the foregoing that I wish to exclude from this Agreement. If nothing is listed on Exhibit A, I represent that I have no such inventions or improvements at the time of signing this Agreement. I am not aware of any existing contract in conflict with this Agreement.

(g) Post-Termination Period. I acknowledge that because of the difficulty of establishing when any idea, process, invention, etc., is first conceived or developed by me, or whether it results from access to Proprietary Information or the Company's equipment, facilities, and data, I agree that any idea, process, trademark, service mark, invention, technology, computer program, original work of authorship, design, formula, discovery, patent, copyright, or any improvement, rights, or claims related to the foregoing shall be presumed to be an Invention Idea if it relates to any existing or planned service or product of the Company, and if it is conceived, developed, used, sold, exploited, or reduced to practice by me or with my aid within six months after my termination of employment (voluntarily or involuntarily) with Employer, or any other subsidiary of the Company, or the Company. I can rebut the above presumption if I prove that the invention, idea, process, etc., is not an Invention Idea as defined in paragraph 2(a).

(h) State Law Regarding Invention Rights. I understand that nothing in this Agreement is intended to expand the scope of protection regarding invention rights that is provided to me by applicable state law.

3. CONTRACTS.

I understand that the Company has or may enter into contracts with the government or other companies under which certain intellectual property rights will be required to be protected, assigned, licensed, or otherwise transferred and I hereby agree to execute such

other documents and agreements as are necessary to enable the Company to meet its obligations under those contracts.

4. REMEDIES.

I recognize that nothing in this Agreement is intended to limit any remedy of the Company under applicable state law protecting confidential information or trade secrets or any other relevant state or federal law. In addition, I recognize that my violation of this Agreement could cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. Therefore, I agree that the Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity.

5. MISCELLANEOUS PROVISIONS.

(a) Assignment/Successors and Assigns . I agree that Employer may assign to another person or entity any of its rights under this Agreement. This Agreement shall be binding upon me and my heirs, personal representatives, and successors, and shall inure to the benefit of the Employer's successors and assigns.

(b) Jurisdiction, Choice of Law and Venue . The validity, interpretation, enforceability and performance of this Agreement shall be governed and construed in accordance with the laws of the State of Illinois, excluding the conflicts-of-laws principles thereof. Each party hereto consents to the jurisdiction of, and venue in, any federal or state court of competent jurisdiction located in the City of Chicago in the State of Illinois.

(c) Severability. If any provision of this Agreement, or application thereof to any person, place, or circumstances, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be deemed to be modified to the maximum extent possible to give effect to the intent of the language while still remaining enforceable under applicable law. The remainder of this Agreement and application thereof shall remain in full force and effect.

(d) No Guarantee of Employment . I understand this Agreement is not a guarantee of continued employment. My employment is terminable at any time by Employer or me, with or without cause or prior notice, except as may be otherwise provided in an express written employment agreement properly authorized by Employer.

(e) Entire Agreement. The terms of this Agreement are the final expression of my agreement with respect to these subjects and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement shall replace and supersede any similar agreement that currently is in effect between me and Employer or the Company, provided that Employer shall retain all rights that have arisen under that prior agreement up to the time I sign this new Agreement. This Agreement shall constitute the complete and exclusive statement of its terms and no extrinsic evidence

whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. This Agreement can only be modified in writing signed by Employer's General Counsel.

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY NOTED ON EXHIBIT A TO THIS AGREEMENT ANY PROPRIETARY INFORMATION, IDEAS, PROCESSES, TRADEMARKS, SERVICE MARKS, INVENTIONS, TECHNOLOGY, COMPUTER PROGRAMS, ORIGINAL WORKS OF AUTHORSHIP, DESIGNS, FORMULAS, DISCOVERIES, PATENTS, COPYRIGHTS, OR IMPROVEMENTS, OR RIGHTS THAT I DESIRE TO EXCLUDE FROM THIS AGREEMENT.

Date: July 10, 2017

/s/ Jeffrey Severts

Jeffrey Severts

EXHIBIT A
EMPLOYEE'S DISCLOSURE

Prior Inventions. Except as set forth below, there are no ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, or any claims, rights, or improvements to the foregoing that I wish to exclude from the operation of this Agreement:

All intellectual property associated with PlayBow Health LLC, my small, fully-owned pet health products company.

Date: July 10, 2017

/s/ Jeffrey Severts
Jeffrey Severts

EMPLOYMENT AGREEMENT

This Employment Agreement (the *" **Agreement** ")* is made and entered into as of August 1, 2017 (the " ***Effective Date*** "), by and between FTD Companies, Inc., a Delaware corporation (the *" **Company** "),* with principal corporate offices at 3113 Woodcreek Drive, Downers Grove, Illinois 60515, and Simha Kumar, whose address is 3113 Woodcreek Drive, Downers Grove, Illinois 60515 *(" **Employee** ").*

WHEREAS , effective as of the date hereof, Employee and the Company desire to enter into an employment agreement.

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

1. **Term; Position.**

(a) The term of this Agreement will commence on the Effective Date and continue until this Agreement is terminated as provided herein (the *" **Term** ").*

(b) Employee will serve as Executive Vice President and Chief Operating Officer of the Company effective as of the Effective Date and report to the Chief Executive Officer of the Company. Employee agrees to devote Employee's full-time attention, skill and efforts to the performance of Employee's duties for the Company.

2. **Salary and Benefits.**

(a) Employee will be paid a salary at an annualized rate of $500,000, payable in successive bi-weekly or other installments in accordance with the Company's standard payroll practices for salaried employees. Employee's rate of salary will be subject to such increases as may be determined from time to time by the Board of Directors. As used in this Agreement, the term *" **Board of Directors** "* shall refer to the Board of Directors of the Company or other governing body or committee to which the authority of the Board of Directors of the Company with respect to executive compensation matters has been delegated, including (without limitation) the Compensation Committee of the Board of Directors of the Company.

(b) Employee will be eligible to participate in each of the Company's employee benefit plans that is made generally available either to the Company's employees or to the Company's senior executives and for which Employee satisfies the applicable eligibility requirements. Employee will be entitled to a minimum of four (4) weeks of paid vacation each year or such greater amount as determined in accordance with the Company's standard vacation policy.

(c) The Company will promptly reimburse Employee for all reasonable and necessary business expenses Employee incurs in connection with the business of the Company and the performance of Employee's duties hereunder upon Employee's submission of reasonable and timely documentation of those expenses. In no event shall any expense be reimbursed later than the end of the calendar year following the calendar year in which that expense is incurred, and the amounts reimbursed in any one calendar year shall not affect the amounts reimbursable in any other calendar year. Employee's right to receive such reimbursements may not be exchanged or liquidated for any other benefit.

(d) As soon as practicable following the Effective Date, the Compensation Committee of the Board of Directors shall grant to Employee (i) 25,000 restricted stock units relating to Company common stock and (ii) 200,000 options to purchase shares of Company common stock. Such equity grants units

shall vest at the rate of 25% on each of the first four anniversaries of the date of grant and shall be subject to the terms and conditions of the Company's standard issuance agreements and the applicable stock incentive plan. The grant shall be made effective as of the third trading day after the Company announces its results for the quarterly period ended June 30, 2017.

3. **Bonus.**

For each fiscal year of the Company during the Term of this Agreement, Employee will be eligible to participate in a bonus program with a target bonus set by the Board of Directors in an amount of 100% of Employee's annual rate of base salary. The performance criteria for purposes of determining Employee's actual bonus for each fiscal year will be established by the Board of Directors, and Employee's annual bonus for one or more of those fiscal years may be increased to include any additional amounts approved by the Board of Directors. Except as otherwise determined by the Board of Directors or set forth herein, Employee will not be entitled to a bonus payment for any fiscal year unless Employee is employed by, and in good standing with, the Company at the time such bonus payment is paid. Employee's bonus payment for each fiscal year shall in no event be paid later than the 15th day of the third month following the end of the Company's fiscal year for which such bonus is earned. Notwithstanding anything to the contrary contained herein, to the extent the bonus paid to Employee with respect to the Company's 2017 fiscal year is less than 50% of Employee's annual earned base salary for such fiscal year (prorated for the period of time employed during such year) then the Company shall make an additional payment to Employee with respect to such bonus so that the amount of the bonus paid to Employee equals 50% of Employee's annual earned base salary for such fiscal year (prorated for the period of time employed during such year).

4. **Restricted Stock Units and Other Equity Awards.**

(a) If Employee's employment is terminated by the Company "without cause" or by Employee for "good reason" (as each term is defined below) during the Term, then upon Employee's satisfaction of the Release Condition set forth in Section 7(b) below, any and all equity awards Employee holds on the date of such termination (other than any equity award that expressly provides for more favorable treatment) will vest on an accelerated basis as to that number of additional shares in which Employee would have otherwise been vested at the time of such termination had Employee completed an additional twelve (12) months of employment with the Company and had each applicable equity award been structured so as to vest in successive equal monthly installments over the vesting schedule for that award. In no event will the number of additional shares which vest on such an accelerated basis with respect to any particular equity award exceed the number of shares unvested under that award immediately prior to the date of such termination. Except as otherwise expressly provided in the agreement evidencing a particular restricted stock unit or other equity award or to the extent another issuance date may be required to comply with any applicable requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the *" **Code** "),* the shares of the common stock of the Company *(" **Common Stock ")*** underlying the equity awards that vest on an accelerated basis in accordance with this Section 4(a) will be issued to Employee within the sixty (60)-day period following the date of Employee's "separation from service" (as defined below) as a result of Employee's termination "without cause" (as defined below) or Employee's resignation for "good reason" (as defined below), provided the Release required of Employee pursuant to Section 7(b) has become effective and enforceable in accordance with its terms following the expiration of the applicable revocation period in effect for that Release. However, should such sixty (60)-day period span two taxable years, the issuance shall be effected during the portion of that period that occurs in the second taxable year.

(b) If Employee's employment is terminated by the Company "without cause" or by Employee for "good reason" (as each term is defined below) at any time during the Term and within the period commencing with the execution by the Company of a definitive agreement for a Change in Control (as defined below) and ending with the ***earlier*** of (i) the termination of that agreement without the

consummation of such Change in Control or (ii) the expiration of the twelve (12) month period measured from the date such Change in Control occurs, then upon Employee's satisfaction of the Release Condition set forth in Section 7(b) below, any and all equity awards Employee holds on the date of such termination will fully vest on an accelerated basis with respect to all non-vested shares of Common Stock at the time subject to those awards. Except as otherwise expressly provided in the agreement evidencing a particular restricted stock unit or other equity award or to the extent another issuance date may be required in order to comply with any applicable requirements of Section 409A of the Code, the shares of Common Stock (or any replacement securities) underlying the equity awards that fully vest on an accelerated basis in accordance with this Section 4(b), or the proceeds of any cash retention program established in replacement of those shares pursuant to the terms of the applicable award agreement, will be issued or distributed to Employee within the sixty (60)-day period following the date of Employee's "separation from service" (as defined below) as a result of Employee's termination "without cause" (as defined below) or Employee's resignation for "good reason" (as defined below), provided the Release required of Employee pursuant to Section 7(b) has become effective and enforceable in accordance with its terms following the expiration of the applicable revocation period in effect for that Release. However, should such sixty (60)-day period span two taxable years, the issuance shall be effected during the portion of that period that occurs in the second taxable year.

(c) Upon Employee's "separation from service" (as defined below) as a result of Employee's death or Disability (as defined below), any and all equity awards Employee holds on the date of such separation from service will vest on an accelerated basis as to that number of additional shares in which Employee would have otherwise been vested on the date of such separation from service had Employee completed an additional twelve (12) months of employment with the Company and had each applicable equity award been structured so as to vest in successive equal monthly installments over the vesting schedule for that award. Except as otherwise expressly provided in the agreement evidencing a particular restricted stock unit or other equity award or to the extent another issuance date may be required in order to comply with any applicable requirements of Section 409A of the Code, the shares of Common Stock underlying the equity awards that vest on an accelerated basis in accordance with this Section 4(c) will be issued on the date of such separation from service or as soon as administratively practicable thereafter, but in no event later than the ***later*** of (i) the end of the calendar year in which such separation from service occurs or (ii) the 15th day of the third calendar month following the date of such separation from service. For purposes of this Agreement, *"* ***Disability*** *"* means Employee's inability to engage in any substantial activity necessary to perform Employee's duties and responsibilities hereunder by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than twelve (12) months.

(d) The vesting acceleration provisions of this Section 4 and Section 7 will apply to all outstanding equity awards held by Employee on the Effective Date, unless the agreements evidencing those awards provide for more favorable acceleration, and those agreements, to the extent they provide for a lesser amount of acceleration, are hereby amended to incorporate the acceleration provisions of Section 4 and Section 7 of this Agreement for the period this Agreement remains in effect, and such vesting acceleration provisions will also apply to equity awards made after the Effective Date of this Agreement unless the agreements evidencing these awards provide for more favorable acceleration. The shares subject to each equity award that vests pursuant to the vesting acceleration provisions of this Section 4 shall be issued in accordance with the applicable issuance date provisions of this Section 4, except to the extent the agreement evidencing such award provides otherwise or to the extent another issuance date may be required in order to comply with any applicable requirements of Section 409A of the Code.

5. **Policies; Procedures.**

As an employee of the Company, Employee will be expected to abide by all of the Company's policies and procedures, including (without limitation) the terms of any Company handbook, insider trading policy and code of ethics in effect from time to time.

6. **At Will Employment.**

Notwithstanding anything to the contrary contained herein, Employee's employment with the Company is "at will" and will not be for any specified term, meaning that either Employee or the Company will be entitled to terminate Employee's employment at any time and for any reason, with or without cause or advance notice. Any contrary representations that may have been made to Employee are hereby superseded by the terms set forth in this Agreement. This is the full and complete agreement between Employee and the Company on this subject. Although Employee's job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of Employee's employment may only be changed in an express written agreement signed by Employee and the Chief Executive Officer of the Company and approved by the Board of Directors.

7. **Separation from Service.**

(a) **Termination by Employee** . If Employee terminates his or her employment with the Company for any reason other than as a result of his or her death or Disability or his or her resignation for "good reason" (as defined below), then all the obligations of the Company set forth in this Agreement will cease, other than the obligation to pay Employee, on his or her employment termination date, any earned but unpaid compensation for services rendered through that termination date, any accrued but unused vacation days as of that termination date, and any accrued and unpaid reimbursable expenses pursuant to Section 2(c) (collectively, the *" **Accrued Obligations** ")*. If Employee terminates his or her employment with the Company for "good reason" (as defined below) during the Term, then in addition to Employee's right to receive the Accrued Obligations, Employee will, upon Employee's satisfaction of the Release Condition set forth in Section 7(b) below, become entitled to the Separation Payment (as defined below) and the Additional Payments (as defined below), to the same extent as if Employee's employment had been terminated by the Company "without cause" (as defined below) during the Term, and Employee will also be entitled, in accordance with the applicable provisions of Section 4 above, to the accelerated vesting of any equity awards Employee holds at the time of such termination. Following Employee's termination of his or her employment with the Company under this Section 7(a), Employee will continue to be obligated to comply with the terms of Section 9 below.

(b) **Termination by the Company** . If Employee's employment is terminated by the Company "without cause" (as defined below) during the Term, then in addition to Employee's right to receive the Accrued Obligations, Employee will, upon Employee's satisfaction of the Release Condition set forth below in this Section 7(b), become entitled to a cash separation payment (the *" **Separation Payment** ")* in an aggregate amount equal to the sum of (i) Employee’s base salary at the annual rate in effect for Employee at the time and (ii) Employee’s target bonus for the fiscal year in which Employee’s employment is terminated. In addition, contingent upon Employee's satisfaction of the Release Condition, Employee will be eligible for the following additional separation payments (the *" **Additional Payments** "):*

(I) If the date of such involuntary termination occurs after the end of a fiscal year of the Company but prior to the date in the subsequent fiscal year on which Employee's bonus for that fiscal year would have otherwise become due and payable on the basis of the applicable performance goals attained for that year had Employee continued in employment with the Company, then the Company will pay Employee an

additional separation payment equal to the bonus that Employee would have received on the basis of the attained performance goals had Employee remained employed by, and in good standing with, the Company through the payment date for such bonus, with that amount to be paid in a lump sum (in the same form in which such bonus payment would have been paid had Employee remained in the Company's employ through the payment date) on the ***later*** of (i) the date on which the first monthly installment of the Separation Payment (or, in the case of a termination following a Qualifying Change in Control, the lump sum Separation Payment) is paid to Employee as set forth below in this Section 7(b) or (ii) the date such bonus would have been paid to Employee pursuant to Section 3 of this Agreement had Employee continued in the Company's employ through such payment date.

(II) In no event shall any such Additional Payment described in (I) above be made later than the last day of the applicable period necessary to qualify such Additional Payment for the short-term deferral exception under Code Section 409A.

(III) For a period of twelve (12) months following the date of termination, if Employee elects COBRA health care continuation coverage, Employee shall be eligible to continue to receive the medical and dental coverage provided by the Company as of the date of termination (or generally comparable coverage) for himself and, where applicable his spouse and dependents, as the same may be changed from time to time for employees of the Company generally; provided that in order to receive such continued coverage, Employee shall be required to pay to the Company the full amount of the monthly premium payments for such coverage, at the time such payments are due, and the Company shall, on the first payroll of the month following the payment of each such premium, reimburse Employee for an amount that, prior to withholding for applicable taxes, is equal to the amount of such monthly premium.

Payment of the Separation Payment and the Additional Payments (if any) and the accelerated vesting of Employee's equity awards under Section 4 will each be contingent upon the satisfaction of the following requirements (collectively the ***" Release Condition ")*** : (i) Employee must execute and deliver to the Company, within twenty-one (21) days (or forty-five (45) days to the extent such longer period is required under applicable law) after the effective date of Employee's termination of employment, a comprehensive agreement releasing the Company and its officers, directors, employees, stockholders, subsidiaries, affiliates, representatives and other related parties from all claims that Employee may have with respect to such parties relating to Employee's employment with the Company and the termination of that employment relationship and containing such other and additional terms as the Company deems satisfactory (the ***" Release ")*** and (ii) such Release must become effective and enforceable after the expiration of any applicable revocation period under federal or state law.

Except as provided in the following paragraph, the Separation Payment to which Employee becomes entitled under this Section 7(b) or under Section 7(a) above will be payable in a series of twelve (12) successive equal monthly installments, beginning on the first regular payday for the Company's salaried employees, within the sixty (60)-day period following the date of Employee's "separation from service" (as defined below) as a result of Employee's termination "without cause" (as defined below) or Employee's resignation for "good reason" (as defined below), on which Employee's executed Release is effective and enforceable in accordance with its terms following the expiration of the applicable revocation period in effect for that Release. However, should such sixty (60)-day period span two taxable years, the first such monthly installment shall be paid during the portion of that period that occurs in the second taxable year. The remaining monthly installments shall be paid on successive monthly anniversaries of the initial monthly installment hereunder. For purposes of Section 409A of the Code, Employee's right to receive such Separation Payment shall be deemed a right to receive a series of separate individual payments and not a right to single payment.

If Employee's employment is terminated by the Company "without cause" (as defined below) or if Employee terminates his or her employment with the Company for "good reason" (as defined below) during the Term and within the twelve (12) month period beginning on the effective date of a Qualifying Change in Control (as defined below), the Separation Payment to which Employee becomes entitled under this Section 7(b) or under Section 7(a) above upon Employee's satisfaction of the Release Condition will be payable in a single lump-sum payment on the first regular payday for the Company's salaried employees, within the sixty (60)-day period following the date of Employee's "separation from service" (as defined below) as a result of Employee's termination "without cause" (as defined below) or Employee's resignation for "good reason" (as defined below), on which Employee's executed Release is effective and enforceable in accordance with its terms following the expiration of the applicable revocation period in effect for that Release. However, should such sixty (60)-day period span two taxable years, then such payment shall be made during the portion of that period that occurs in the second taxable year. Any Separation Payment to which Employee becomes entitled hereunder in connection with a termination following a Change in Control other than a Qualifying Change in Control will be paid in installments as set forth in the immediately preceding paragraph of this Section 7(b). For purposes of this Agreement, a ***"Change in Control "*** shall have the meaning assigned to such term in the Company's most recently-adopted equity compensation plan, and a ***" Qualifying Change in Control "*** shall mean the date on which there occurs a "Change in Control" (as defined above) that also qualifies as: (i) a change in the ownership of the Company, as determined in accordance with Section 1.409A-3(i)(5)(v) of the Treasury Regulations, (ii) a change in the effective control of the Company, as determined in accordance with Section 1.409A-3(i)(5)(vi) of the Treasury Regulations, or (iii) a change in the ownership of a substantial portion of the assets of the Company, as determined in accordance with Section 1.409A-3(i)(5)(vii) of the Treasury Regulations.

If Employee's employment is terminated by the Company "without cause" (as defined below), the Company will have no further obligation to Employee pursuant to this Agreement other than the Accrued Obligations, the vesting of Employee's outstanding equity awards in accordance with the applicable vesting acceleration provisions of Section 4 above and the obligations of the Company pursuant to this Section 7(b).

If Employee's employment is terminated by the Company "with cause" (as defined below), the Company will have no further obligation to Employee under the terms of this Agreement, other than the Accrued Obligations.

Notwithstanding the termination of Employee's employment by the Company "with cause" or "without cause," or by Employee for "good reason" or without "good reason", Employee will continue to be subject to the restrictive covenants set forth in Section 9, whether or not Employee becomes entitled to any severance or separation payments or benefits pursuant to Section 4 or Section 7 of this Agreement.

If any payment or benefit received or to be received by Employee (including any payment or benefit received pursuant to this Agreement or otherwise) would be (in whole or part) subject to the excise tax imposed by Section 4999 of the Code, or any successor provision thereto, or any similar tax imposed by state or local law, or any interest or penalties with respect to such excise tax (such tax or taxes, together with any such interest and penalties, are hereafter collectively referred to as the ***" Excise Tax "),*** then the cash payments provided to Employee under this Agreement shall first be reduced, with each such payment to be reduced pro-rata but without any change in the payment date and with the monthly installments of the Separation Payment (or the lump sum Separation Payment in the event of a Qualifying Change in Control) to be the first such cash payments so reduced, and then, if necessary, the accelerated vesting of Employee's equity awards pursuant to the provisions of this Agreement shall be reduced in the reverse chronological order (i.e., the options that vest later in time would be subject to this provision prior to the options that vest earlier in time) as to which those awards would otherwise vest, but only to the extent necessary to assure that Employee receives only the ***greater*** of (i) the amount of those payments and benefits which would not constitute a parachute payment under Code Section 280G or (ii)

the amount which yields Employee the greatest after-tax amount of benefits after taking into account any Excise Tax imposed on the payments and benefits provided Employee hereunder (or on any other payments or benefits to which Employee may become entitled in connection with any change in control or ownership of the Company or the subsequent termination of Employee's employment with the Company).

(c) Termination by Death or Disability.

If Employee incurs a "separation from service" (as defined below) as a result of his or her death or Disability, the Company will be obligated to pay the Accrued Obligations to Employee, Employee's estate or beneficiaries (as the case may be) on the date of such separation from service or as soon as administratively practicable thereafter, but in no event later than sixty (60) days after the date of such separation from service. In the event of such separation from service due to Employee's death or Disability, Employee or Employee's estate or beneficiaries, as the case may be, will also be entitled to the accelerated vesting of Employee's equity awards as set forth in Section 4(c) above. The provisions of this Section 7(c) will not affect or change the rights or benefits to which Employee is otherwise entitled under the Company's employee benefit plans or otherwise.

(d) Definitions.

For purposes of this Agreement, the following definitions will be in effect:

" ***good reason*** " means:

(i) a material reduction in either Employee's base salary or annual bonus opportunity, in either case without Employee's prior written consent;

(ii) a material reduction in Employee's position, duties and responsibilities without Employee's prior written consent; provided, however, that a material reduction as contemplated hereunder shall not be presumed to have occurred solely as a result of a change in organizational structure or reporting relationship(s);

(iii) a material change in the geographic location at which Employee must perform services which is not within a 50-mile radius of the following locations, without Employee's prior written consent: 3113 Woodcreek Drive, Downers Grove, Illinois 60515 or any other location in Chicago, IL; or

(iv) any material un-waived breach by the Company of the terms of this Agreement;

provided however, that with respect to any of the clause (i) - (iv) events above, Employee will not be deemed to have resigned for good reason unless (A) Employee provides written notice to the Company of the existence of the good reason event within ninety (90) days after its initial occurrence, (B) the Company is provided with thirty (30) days after receipt of such notice in which to cure such good reason event and (C) Employee effectively terminates Employee's employment within one hundred eighty (180) days following the occurrence of the non-cured clause (i) - (iv) event.

*" **separation from servic** e"* means Employee's cessation of employee status with the Company by reason of Employee's death, resignation, dismissal or other termination event and shall be deemed to occur at such time as the level of bona fide services Employee is to render as such an employee (or as a non-employee consultant) permanently decreases to a level that is not more than twenty percent (20%) of the average level of services Employee rendered as an employee during the immediately preceding thirty-six (36) months (or such shorter period of time in which Employee has actually been in employee status

with the Company). Any such determination of Employee's separation from service shall, however, be made in accordance with the applicable standards of the Treasury Regulations issued under Section 409A of the Code.

" with cause " means Employee's termination of employment by the Company for any of the following reasons:

(i) if Employee is convicted of, or enters a plea of *nolo contendere* to, a felony or a misdemeanor involving any act of moral turpitude;

(ii) if Employee commits an act of actual fraud, embezzlement, theft or similar dishonesty against the Company or any of its subsidiaries or affiliates;

(iii) if Employee commits any willful misconduct or gross negligence resulting in material harm to the Company or any of its subsidiaries or affiliates;

(iv) failure for any reason within five (5) days after receipt by Employee of written notice thereof from the Company, to correct, cease or otherwise alter any insubordination, failure to comply with instructions, inattention to or neglect of the duties to be performed by Employee or other act or omission to act that in the opinion of the Company does or may adversely affect the business or operations of the Company or any of its subsidiaries or affiliates;

(v) breach of any material provision of this Agreement or any of the agreements referred to in Section 9 hereof; or

(vi) any other act or omission that is determined to constitute “cause” in the good faith discretion of the Board of Directors.

" without cause " means any reason not within the scope of the definition of the term "with cause."

(e) Code Section 409A Deferral Period. Notwithstanding any provision in this Agreement to the contrary (other than Section 7(f) below), no payment or distribution under this Agreement which constitutes an item of deferred compensation under Section 409A of the Code and becomes payable by reason of Employee's termination of employment with the Company will be made to Employee until Employee incurs a separation from service (as such term is defined above and determined in accordance with Treasury Regulations issued under Section 409A of the Code) in connection with such termination of employment. For purposes of this Agreement, each amount to be paid or benefit to be provided Employee shall be treated as a separate identified payment or benefit for purposes of Section 409A of the Code. In addition, no payment or benefit which constitutes an item of deferred compensation under Section 409A of the Code and becomes payable by reason of Employee's separation from service will be made to Employee prior to the ***earlier*** of (i) the first day of the seventh (7th) month measured from the date of such separation from service or (ii) the date of Employee's death, if Employee is deemed at the time of such separation from service to be a "specified employee" (as determined pursuant to Code Section 409A and the Treasury Regulations thereunder) and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). Upon the expiration of the applicable deferral period, all payments and benefits deferred pursuant to this Section 7(e) (whether they would have otherwise been payable in a single sum or in installments in the absence of such deferral) shall be paid or provided to Employee in a lump sum on the first day of the seventh (7th) month after the date of Employee's separation from service or, if earlier, the first day of the month immediately following the date the Company receives proof of Employee's death. Any remaining payments or benefits due

under this Agreement will be paid in accordance with the normal payment dates specified herein.

(f) Provisions Applicable to "Specified Employee". Notwithstanding Section 7(e) above, the following provisions shall also be applicable to Employee if Employee is a "specified employee" at the time of Employee's separation of service:

(i) Any payments or benefits which become due and payable to Employee during the period beginning with the date of Employee's separation from service and ending on March 15 of the following calendar year and otherwise qualify for the short-term deferral exception to Code Section 409A shall not be subject to the holdback provisions of Section 7(e) and shall accordingly be paid as and when they become due and payable under this Agreement in accordance with such short-term deferral exception to Code Section 409A.

(ii) The remaining portion of the payments and benefits to which Employee becomes entitled under this Agreement, to the extent they do not in the aggregate exceed the dollar limit described below and are otherwise scheduled to be paid no later than the last day of the second calendar year following the calendar year in which Employee's separation from service occurs, shall not be subject to the holdback provisions of Section 7(e) and shall be paid to Employee as they become due and payable under this Agreement. For purposes of this subparagraph (ii), the applicable dollar limitation will be equal to two times the *lesser* of (i) Employee's annualized compensation (based on Employee's annual rate of pay for the calendar year preceding the calendar year of Employee's separation from service, adjusted to reflect any increase during that calendar year which was expected to continue indefinitely had such separation from service not occurred) or (ii) the compensation limit under Section 401(a)(17) of the Code as in effect in the year of such separation from service. To the extent the portion of the severance payments and benefits to which Employee would otherwise be entitled under this Agreement during the deferral period under Section 7(e) exceeds the foregoing dollar limitation, such excess shall be paid in a lump sum upon the expiration of that deferral period, in accordance with the deferred payment provisions of Section 7(e), and the remaining severance payments and benefits (if any) shall be paid in accordance with the normal payment dates specified for them herein.

8. **Withholding Taxes.**

All forms of compensation payable pursuant to the terms this Agreement, whether payable in cash, shares of Common Stock or other property, are subject to reduction to reflect the applicable withholding and payroll taxes.

9. **Restrictive Covenants.**

Employee hereby agrees to enter into a Confidentiality and Non-Competition Agreement and an Employee Proprietary Information and Inventions Agreement with the Company on or prior to the Effective Date, which agreements shall be in substantially the forms attached hereto as Appendix A and B, respectively .

10. **Deferred Compensation Programs**

Any compensation deferred by Employee pursuant to one or more non-qualified deferred compensation plans or arrangements of the Company subject to Section 409A of the Code and not otherwise expressly addressed by the terms of this Agreement, shall be paid at such time and in such form of payment as set forth in each applicable plan or arrangement governing the payment of any such deferred amounts.

11. **Clawback.**

Any amounts paid or payable to Employee pursuant to this Agreement or the Company's equity or compensation plans shall be subject to recovery or clawback to the extent required by any applicable law or any applicable securities exchange listing standards.

12. **Entire Agreement/Construction of Terms.**

(a) This Agreement, together with any Company handbooks and policies in effect from time to time and the applicable stock plans and agreements evidencing the equity awards made to Employee from time to time during Employee's period of employment, contains all of the terms of Employee's employment with the Company and supersedes any prior understandings or agreements, whether oral or written, between Employee and the Company.

(b) If any provision of this Agreement is held by an arbitrator or a court of competent jurisdiction to conflict with any federal, state or local law, or to be otherwise invalid or unenforceable, such provision shall be construed or modified in a manner so as to maximize its enforceability while giving the greatest effect as possible to the intent of the parties. To the extent any provision cannot be construed or modified to be enforceable, such provision will be deemed to be eliminated from this Agreement and of no force or effect, and the remainder of this Agreement will otherwise remain in full force and effect and be construed as if such portion had not been included in this Agreement.

(c) This Agreement is not assignable by Employee. This Agreement may be assigned by the Company to its subsidiaries or affiliates or to successors in interest to the Company or its lines of business.

(d) The severance payments and benefits under this Agreement are intended, where possible, to comply with the "short term deferral exception" and the "involuntary separation pay exception" to Code Section 409A. Accordingly, the provisions of this Agreement applicable to the Separation Payment and the accelerated vesting of Employee's equity awards and the issuance of shares of Common Stock thereunder and the determination of Employee's separation from service due to termination of Employee's employment without cause or Employee's resignation for good reason shall be applied, construed and administered so that those payments and benefits qualify for one or both of those exceptions, to the maximum extent allowable. However, to the extent any payment or benefit to which Employee becomes entitled under this Agreement is deemed to constitute an item of deferred compensation subject to the requirements of Code Section 409A, the provisions of this Agreement applicable to that payment or benefit shall be applied, construed and administered so that such payment or benefit is made or provided in compliance with the applicable requirements of Code Section 409A. In addition, should there arise any ambiguity as to whether any other provisions of this Agreement would contravene one or more applicable requirements or limitations of Code Section 409A and the Treasury Regulations thereunder, such provisions shall be interpreted, administered and applied in a manner that complies with the applicable requirements of Code Section 409A and the Treasury Regulations thereunder.

13. **Amendment and Governing Law.**

This Agreement may not be amended or modified except by an express written agreement signed by Employee and the Chief Executive Officer of the Company and approved by the Board of Directors. Employee agrees that any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of Illinois without regard to the conflict of laws provisions thereof. Employee hereby irrevocably submits to the jurisdiction (including without limitation *in personam* jurisdiction), process and venue of the courts of the State of Illinois and the Federal courts of the United States located in Chicago, Illinois, and hereby agrees that any action, suit or proceeding initiated by Illinois for the interpretation or enforcement of the provisions of this Agreement shall, and that any action, suit or proceeding initiated by Company for the interpretation or enforcement of the provisions of this Agreement may, be heard and determined exclusively in a Federal court, or, if not permitted by applicable law, then in a State court, situated in Chicago, Illinois.

14. **Surviving Provisions.**

Following any termination or expiration of this Agreement, Sections 5, 6, 7(e), 7(f), 8, 9, 10, 11, 12, 13 and 14 will survive, and, if Employee's employment with the Company continues thereafter, Employee's employment with the Company will continue to be "at will".

[**SIGNATURE PAGE FOLLOWS**]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date stated in the opening paragraph.

/s/ Simha Kumar
Simha Kumar

FTD COMPANIES, INC.

By: /s/ Scott Levin
Name: Scott Levin
Title: EVP & General Counsel

Appendix A

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT (the " ***Agreement*** ") is made and entered into as of the Effective Date (as defined below), between FTD Companies, Inc. (the " ***Company*** ") and Simha Kumar (the " ***Executive*** ").

R E C I T A L S:

A. The Company and the Executive have entered into that certain employment agreement dated as of August 1, 2017 (the " ***Employment Agreement*** "), pursuant to which the Executive will serve as Executive Vice President and Chief Operating Officer of the Company, commencing on August 1, 2017 (the " ***Effective Date*** "); and

B. In connection therewith, the Company and the Executive desire to provide for certain additional obligations.

NOW, THEREFORE, in consideration of the offer to and acceptance by the Executive of employment as Executive Vice President and Chief Operating Officer of the Company and of other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto additionally agree as follows:

Section 1. Non-Competition, Confidentiality, No Interference and Non-Solicitation .

(a) No Competing Employment . The Executive acknowledges that (i) the agreements and covenants contained in this Section 1 are essential to protect the value of the Company's business and assets and (ii) by virtue of Executive's employment with the Company, the Executive will obtain such knowledge, know-how, training and experience of such a character that there is a substantial probability that such knowledge, know-how, training and experience could be used to the substantial advantage of a competitor of the Company and to the Company's substantial detriment. Therefore, the Executive agrees that, for the period (the " ***Restricted Period*** ") commencing on the date of this Agreement and ending on the date that is twelve (12) months after the date on which the Executive is no longer employed by the Company for any reason, the Executive shall not participate, operate, manage, consult, join, control or engage, directly or indirectly, for the benefit of the Executive or on behalf of or in conjunction with any person, partnership, corporation or other entity, whether as an employee, consultant, agent, officer, stockholder, member, investor, agent or otherwise, in any business activity if such activity constitutes the sale or provision of floral products or services or other gifts that are similar to, or competitive with, floral products or services or other gifts then being sold or provided by the Company or any of its subsidiaries, including, without limitation, retail florists' business services, floral order transmission and related network services, development and distribution of branded floral products or other gifts (including, without limitation, gourmet foods and personalized gifts), on the Internet or through retail, mass marketing, franchise, wholesale, catalog, supermarket, wholesale club and telemarketing channels (a

" ***Competitive Activity*** "), in any of: the City of Downers Grove, Illinois, the County of DuPage, Illinois or any other city or county in the State of Illinois; the District of Columbia or any other state, territory, district or commonwealth of the United States or any county, parish, city or similar political subdivision in any other state, territory, district or commonwealth of the United States; any other country or territory anywhere in the world or in any city, canton, county, district, parish, province or any other political subdivision in any such country or territory; or anywhere in the world (each city, canton, commonwealth, county, district, parish, province, state, country, territory or other political subdivision or other location in the world shall be referred to as a " ***Non-competition Area*** "). The parties to this Agreement intend that the covenant contained in the preceding sentence of this Section 1(a) shall be construed as a series of separate covenants, one for each city, canton, commonwealth, county, district, parish, state, province, country, territory, or other political subdivision or other area of the world specified. Except for geographic coverage, each separate covenant shall be considered identical in terms to the covenant contained in the preceding sentence. The parties further acknowledge the breadth of the covenants, but agree that such broad covenants are necessary and appropriate in the light of the global nature of the Competitive Activity. If, in any judicial or other proceeding, a court or other body declines to enforce any of the separate covenants included in this Section 1(a), the unenforceable covenant shall be considered eliminated from these provisions for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants to be enforced. Notwithstanding the foregoing, the Executive may maintain or undertake purely passive investments on behalf of the Executive, the Executive's immediate family or any trust on behalf of the Executive or the Executive's immediate family in companies engaged in a Competitive Activity so long as the aggregate interest represented by such investments does not exceed 1% of any class of the outstanding publicly traded debt or equity securities of any company engaged in a Competitive Activity. Notwithstanding anything to the contrary set forth in this Section 1(a), the Executive may participate, operate, manage, consult, join, control or engage any person, partnership, corporation or other entity for which Competitive Activity does not account for more than twenty percent (20%) of its revenue; provided that this exception shall not apply to the companies listed on Schedule I hereto.

(b) Nondisclosure of Confidential Information . The Executive, except in connection with Executive's employment hereunder, shall not disclose to any person or entity or use, either during the Executive's employment with the Company or at any time thereafter, any information in any form relating to the Company, or any of its successors or their subsidiaries (collectively, the " ***Company Group*** "), including but not limited to trade secrets, technical information, systems, procedures, test data, price lists, financial or other data (including the revenues, costs or profits associated with any of the Company's products or services), business and product plans, code books, invoices and other financial statements, computer programs, discs and printouts, customer and supplier lists or names, personnel files, sales and advertising material, telephone numbers, names, addresses or any other compilation of information, written or unwritten, that is or was used in the business of the Company, any predecessor of the Company, or any of the Company's subsidiaries or successors ("Confidential Information"). Confidential Information does not include any information that: (i) is publicly known or available through lawful means; (ii) was rightfully in the Executive's possession prior to the Executive's employment with the Company as demonstrated by written documents currently in existence; (iii) is disclosed to the Executive without restriction by a third party who to the Executive's knowledge rightfully possesses and discloses the information and to the Executive's

knowledge is not under a duty of confidentiality to the Company or any of its subsidiaries; (iv) is reasonably known to people in the trade or industry; or (v) is independently developed by the Executive without access to Confidential Information. The Executive agrees and acknowledges that all of such Confidential Information, in any form, and copies and extracts thereof are and shall remain the sole and exclusive property of the Company or other Company Group entity, and upon termination of Executive's employment with the Company, the Executive shall return to the Company the originals and all copies (and shall delete all such items in electronic format) of any such information provided to or acquired by the Executive in connection with the performance of the Executive's duties for the Company, and shall return to the Company all files, correspondence, computer equipment and disks or other communications (including any such materials in electronic format) received, maintained or originated by the Executive during the course of the Executive's employment.

(c) No Interference and Non-Solicitation of Employees . During the Restricted Period, the Executive shall not, whether for the Executive's own account or for the account of any other individual, partnership, firm, corporation or other business organization, solicit, endeavor to entice away from the Company, or any of the Company's subsidiaries, or otherwise knowingly interfere with the relationship of the Company or any of its subsidiaries with, any person who, to the knowledge of the Executive, is (or has at any time within the preceding three months been) employed by or otherwise engaged to perform services for the Company or any of the Company's subsidiaries (including, but not limited to, any independent sales representatives or organizations).

(d) No Interference and Non-Solicitation of Customers and Suppliers . During the Restricted Period, the Executive shall not, whether for the Executive's own account or for the account of any other individual, partnership, firm, corporation or other business organization, knowingly (i) solicit, encourage or induce any Customer or Supplier to cease doing business with the Company or any of the Company's subsidiaries or (ii) interfere with, impair or damage the relationship between the Company or any of the Company's subsidiaries and any Customer or Supplier; provided , however , that this Section 1(d) shall not prohibit the Executive from soliciting or employing, for the Executive's own account, following a termination of the employment of the Executive, any person employed by a Customer or Supplier, if such solicitation or employment is not in connection with a Competitive Activity. " ***Customer or Supplier*** " shall mean any entity who, to the knowledge of the Executive, (A) is, or was within the then most recent 12-month period, a customer or client of the Company, any predecessor of the Company or any of the Company's subsidiaries; (B) is a supplier or vendor of the Company or any of the Company's subsidiaries; or (C) is a potential Customer or Supplier with whom the Company or any of the Company's subsidiaries was engaged in substantial negotiations during the Executive's employment.

(e) Conflicting Employment . Executive agrees that, during the term of Executive's employment with the Company, he will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or is then involved during the term of Executive's employment, nor will Executive engage in any other business activities that conflict with Executive's obligations to the Company, except as otherwise specifically permitted pursuant to the terms of this

Agreement (including, without limitation, the last sentence of Section 1(a) hereof) or the Employment Agreement.

(f) Sufficient Consideration . The Executive understands that the foregoing restrictions may limit the Executive's ability to earn a livelihood in a business engaged in a Competitive Activity, but the Executive nevertheless believes that the Executive has received and will receive sufficient consideration and other benefits as an employee of the Company to clearly justify restrictions that, in any event, given Executive's education, skills and ability, the Executive does not believe would prevent the Executive from earning a living.

Section 2. Irreparable Injury . It is further expressly agreed that the Company will or would suffer irreparable injury if the Executive were to compete with the Company, its successors or any of its or their subsidiaries in violation of this Agreement or the Executive were to otherwise breach this Agreement. Any such violation or breach will cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. Consequently, the Company shall have the right to apply to a court of appropriate jurisdiction for, and the Executive consents and stipulates to the entry of, an order of injunctive relief in prohibiting the Executive from competing with the Company, its successors or any of its or their subsidiaries in violation of this Agreement, an order restraining any other breach or threatened breach of this Agreement, and any other relief the Company and such court deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity. The parties hereby agree that the attorneys' fees of the prevailing party in any such proceeding or action shall be paid by the non-prevailing party.

Section 3. Representation and Warranties of the Executive . The Executive represents and warrants that the execution of this Agreement and subsequent employment with the Company does not and will not conflict with any obligations that the Executive has to any former employers or any other entity. The Executive further represents and warrants that the Executive has not brought to the Company, and will not at any time bring to the Company, any materials, documents or other property of any nature of a former employer.

Section 4. Miscellaneous .

(a) Jurisdiction, Choice of Law and Venue . The validity and construction of this Agreement shall be governed by the internal laws of the State of Illinois, excluding the conflicts-of-laws principles thereof. Each party hereto consents to the jurisdiction of, and venue in, any federal or state court of competent jurisdiction located in Chicago, Illinois.

(b) Entire Agreement . This Agreement and any other agreement or document delivered in connection with this Agreement, state the entire agreement and understanding of the parties on the subject matter of this Agreement, and supersede all previous agreements, arrangements, communications and understandings relating to that subject matter.

(c) Counterparts . This Agreement may be signed in two or more counterparts, each of which shall be deemed an original, with the same effect as if all signatures were on the same document.

(d) Amendment; Waiver; etc . This Agreement, and each other agreement or document delivered in connection with this Agreement, may be amended, modified, superseded or canceled, and any of the terms thereof may be waived, only by a written document signed by each party to this Agreement or, in the case of waiver, by the party or parties waiving compliance. The delay or failure of any party at any time or times to exercise any right or require the performance of any duty under this Agreement or any other agreement or document delivered in connection with this Agreement shall in no way affect the right of that party at a later time to exercise that right or enforce that duty or any other right or duty. No waiver by any party of any condition or of any breach of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed to be a further or continuing waiver of any such condition or breach or of the breach of any other term of this Agreement. A single or partial exercise of any right shall not preclude any other or further exercise of the same right or of any other right. The rights and remedies provided by this Agreement shall be cumulative and not exclusive of each other or of any other rights or remedies provided by law.

(e) Severability . If any provision of this Agreement or any other agreement or document delivered in connection with this Agreement, if any, is partially or completely invalid or unenforceable in any jurisdiction, then that provision shall be ineffective in that jurisdiction to the extent of its invalidity or unenforceability, but the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted, nor shall the invalidity or unenforceability of that provision in one jurisdiction affect its validity or enforceability in any other jurisdiction. The Company and the Executive agree that the period of time and the geographical area described in Section 1 are reasonable in view of the nature of the business in which the Company is engaged and proposes to be engaged, and the Executive's understanding of her prospective future employment opportunities. However, if the time period or the geographical area, or both, described in Section 1 should be judged unreasonable in any judicial proceeding, then the period of time shall be reduced by that number of months and the geographical area shall be reduced by elimination of that portion, or both, as are deemed unreasonable, so that the restriction covenant of Section 1 may be enforced during the longest period of time and in the fullest geographical area as is adjudged to be reasonable.

(f) Employment “At-Will” . Both the Executive and the Company acknowledge that nothing in this Agreement creates a contract for employment for any specific duration. The Executive's employment shall be "at-will", meaning both the Company and the Executive can terminate the relationship at any time, with or without reason or notice.

(g) Survival of Obligations . The obligations of the Executive set forth in this Agreement shall survive the termination of Employee’s employment with the Company and the termination of this Agreement.

(h) Assignment . This Agreement may be freely assigned by the Company, but may not be assigned by the Executive without the prior written consent of the Company which may be withheld at the Company’s sole discretion.

(i) Binding Effect . This Agreement shall inure to the benefit of the Company and its successors and assigns, and shall be binding upon the Executive and the Executive's heirs, personal representatives and any permitted assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

FTD COMPANIES, INC.

By: /s/ Scott Levin
Name: Scott Levin
Its: EVP & General Counsel

/s/ Simha Kumar
Simha Kumar

Appendix B

EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

In consideration of my employment or continued employment by FTD Companies, Inc. or one of its subsidiaries (my "Employer"), the compensation I receive, and any other consideration I have been provided that was conditioned on my execution of this Employee Proprietary Information and Inventions Agreement ("the Agreement"), I agree as follows:

1. PROPRIETARY INFORMATION.

(a) Parties. I understand and agree that this Agreement is intended to benefit Employer and all of its subsidiaries and parent companies including, but not limited to, all of its current and future direct and indirect subsidiaries and parent companies and their respective successors (all of the foregoing being referred to, individually and collectively, as the "Company").

(b) Confidential Restrictions. I understand that, during the course of my work as an employee of Employer, I have had and will have access to Proprietary Information (as defined below) concerning the Company and parties with which the Company has a business relationship. I acknowledge that the Company has developed, compiled, and otherwise obtained, at great expense, such Proprietary Information. I agree to hold in strict confidence all Proprietary Information and will not disclose any Proprietary Information to anyone outside of the Company and will not use, copy, publish, summarize, or remove from Company premises Proprietary Information, except during my employment in connection with carrying out my responsibilities as an employee of Employer. I further agree that the publication of any Proprietary Information through literature or speeches must be approved in advance in accordance with the Company's applicable policies and procedures. **I understand that my employment creates a relationship of confidence and trust between me and Employer with respect to Proprietary Information, and I voluntarily accept this trust and confidence.**

(c) Proprietary Information Defined. I understand that the term "Proprietary Information" in this Agreement means all information and any idea, in whatever form, tangible or intangible, whether disclosed to or learned or developed by me, pertaining in any manner to the current or proposed business of the Company unless the information: (i) is publicly known or available through lawful means; (ii) was rightfully in my possession prior to my employment with the Company as demonstrated by written documents currently in existence; (iii) is disclosed to me without restriction by a third party who to my knowledge rightfully possesses and discloses the information and to my knowledge is not under a duty of confidentiality to the Company or any of its subsidiaries; (iv) is reasonably known to people in the trade or industry; or (v) is independently developed by me without access to Proprietary Information. Without limiting the scope of the definition, I understand that the Company considers the following to be included in the definition of Proprietary Information: (i) all client/customer lists and all lists or other compilations containing client, customer or

vendor information; (ii) information about products, proposed products, research, product development, techniques, processes, costs, profits, product pricing, markets, marketing plans, strategies, forecasts, sales and commissions; (iii) plans for the future development and new product concepts; (iv) all information regarding the Company's subscribers and all information regarding the Company's subscribers compiled by or derived from the Company's database; (v) the compensation and terms of employment of other employees; (vi) all other information that has been or will be given to me in confidence by the Company; and (vii) software in various stages of development, designs, drawings, specifications, techniques, models, data, source code, algorithms, object code, documentation, diagrams, flow charts, computer programs, databases, and other data of any kind and description, including electronic data recorded or retrieved by any means. Proprietary Information also includes any information described above which the Company obtains from another party and which the Company treats as proprietary or designates as Proprietary Information whether or not owned or developed by the Company or the other party.

(d) Company Materials. I understand that I will be entrusted with "Company Materials" (as defined below) which are important to the Company's business or the business of Company customers or clients. I agree that during my employment, I will not deliver any Company Materials to any person or entity outside the Company, except as I am required to do in connection with performing my duties for Company. For purposes of this Agreement, "Company Materials" are documents, electronic files or any other tangible or electronic items that contain information concerning the business, operations or plans of the Company or its customers, whether the documents have been prepared by me or others. Company Materials include, but are not limited to, computers, computer disk drives, computer files, computer disks, documents, code, flowcharts, schematics, designs, graphics, customer lists, drawings, photographs, customer information, etc.

(e) Information Use Return and Acknowledgement. I agree that I will not retain and I will return all Proprietary Information and all copies of it in whatever form, as well as all Company Materials, apparatus, equipment and other Company property along with all reproductions, to Employer after my employment terminates. The only exceptions are: (i) my personal copies of records of my compensation, benefits or other terms of my employment with the Company; (ii) any agreements between me and the Company that I have signed; and (iii) my copy of this Agreement. I agree to execute reasonable documentation if requested by Employer upon the termination of my employment reflecting such return and acknowledging my obligations under this Agreement.

(f) Prior Actions and Knowledge. I represent and warrant that from the time of my first contact or communication with the Company, I have held in strict confidence all Proprietary Information and have not disclosed any Proprietary Information to anyone outside of the Company other than my counsel and other advisors, or used, copied, published, or summarized any Proprietary Information except to the extent necessary to carry out my responsibilities as an employee of Employer or to evaluate my potential employment with the Company.

(g) Former Employer Information; Consents. I agree that I will not, during my employment, improperly use or disclose any confidential information, proprietary information or trade secrets of my former or any concurrent employers. I agree that I will not bring onto the premises of the Company any document or any property belonging to my former or any concurrent employers unless consented to in writing by them. I represent and warrant that I have returned all confidential or proprietary property and confidential information belonging to all prior employers to the extent required under any agreement I have with them. I also represent and warrant that my performance of services for Employer will not require any authorization, consent, exemption or other action by any other party and will not conflict with, violate or breach any agreement, instrument, order, judgment or decree to which I am subject.

2. INVENTIONS.

(a) Defined. I understand that during the term of my employment, there will be certain restrictions on my development of technology, ideas, and inventions, referred to in this Agreement as "Invention Ideas." The term Invention Ideas means all ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, relating to any existing or planned service or product of the Company and all improvements, rights, and claims related to the foregoing that are conceived, developed, or reduced to practice by me alone or with others, except to the extent that applicable state law prohibits the assignment of these rights. I agree that all original works of authorship which are made by me (solely or jointly with others) as a member of the Company's (or any of its subsidiary's) Board of Directors or within the scope of my employment and which are protectable by copyright are "works made for hire," as the term is defined in the United States Copyright Act (17 USCA, Section 101).

(b) Notice Regarding State Invention Assignment Laws. The laws of some states prohibit the assignment of certain invention rights (*e.g* ., Delaware Code Title 19 § 805; Illinois 765 ILCS 1060/1-3; Kansas Stat. Ann. § 44-130; Minnesota Stat. 13A, § 181.78; North Carolina Gen. Stat. Art. 10A, § 66-57.1; Utah Stat. § 34-39-1 through 34-39-3; Washington RCW 49.44.140). This Agreement shall be construed so that it complies with all such applicable laws. To that end, to the extent applicable state law requires it, you are notified as follows:

> **NOTICE: This Agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates at the time of conception or reduction to practice (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.**

If the state law that applies provides greater invention rights to you than are described in the above notice, those greater rights will apply to you.

(c) Disclosure. I agree to maintain adequate and current written records on the development of all Invention Ideas and to disclose promptly to Employer all Invention Ideas and relevant records, which records will remain the sole property of Employer. I further agree that all information and records pertaining to any idea, process, trademark, service mark, invention, technology, computer program, original work of authorship, design formula, discovery, patent, or copyright that might reasonably be construed to be an Invention Idea, but is conceived, developed, or reduced to practice by me (alone or with others) during my employment or during the one year period following termination of my employment, shall be promptly disclosed to Employer. If I inform Employer before making a specific disclosure pursuant to this paragraph that I contend the subject matter being disclosed is not subject to this Agreement, then the disclosure will be received by Employer in confidence so that Employer may examine such information to determine if in fact it constitutes Invention Ideas subject to this Agreement.

(d) Assignment. I agree to assign and hereby do assign to Employer, without further consideration, all right, title, and interest that I may presently have or may acquire in the future (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, in and to each Invention Idea, which shall be the sole property of Employer, whether or not patentable. The rights I have assigned, and will assign, include all copyrights, patent rights, trade secret rights and any rights of publicity or personality, vested and contingent, and include extensions and renewals thereof and the right to license and assign. I will waive and hereby do waive any moral rights I have or may have in any Invention Idea. In the event any Invention Idea shall be deemed by Employer to be patentable or otherwise registrable, I will assist Employer or the Company, as Employer may reasonably direct (at its expense) in obtaining letters patent or other applicable registrations, and I will execute all documents and do all other things (including testifying at Employer's expense) necessary or proper, as reasonably requested by Employer, to obtain letters patent or other applicable registrations and to vest Employer or the Company, as Employer may direct, with full title to them. My obligation to assist Employer in obtaining and enforcing patents, registrations or other rights for such inventions in any and all countries, shall continue beyond the termination of my employment, but Employer or the Company shall compensate me at a reasonable rate after such termination for the time actually spent by me at Employer's reasonable request for such assistance. Should Employer be unable to secure my signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention Idea, whether due to my mental or physical incapacity or any other cause, I irrevocably designate and appoint Employer and each of its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf, to execute and file any such document and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights of protections with the same force and effect as if executed and delivered by me.

(e) License . In the case of any invention or work of authorship that I own or in which I have an interest that is not owned by Employer pursuant to the other terms in this Agreement, the following shall apply. If I use the invention or work of authorship, or allow it to be used, in the course of the Company's business, or incorporate the invention or work of authorship, or allow it to be incorporated, into any product or process owned or developed in whole or in part by the Company, I will grant, and I hereby do grant to Employer and/or one or more subsidiaries of the Company, as Employer may reasonably direct, and their assigns a nonexclusive, perpetual, irrevocable, fully paid-up, royalty-free, worldwide license of all of my interests in the invention or work of authorship, including all rights to make, use, sell, reproduce, modify, distribute, perform publicly, display publicly and transmit the invention or work of authorship, without restriction. At Employer's reasonable direction and expense I will execute all documents and take all actions necessary or convenient for Employer and the Company to document, obtain, maintain or assign their license rights hereunder of my interest in any such invention or work of authorship.

(f) Exclusions. Except as disclosed in Exhibit A, there are no ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, or improvements to the foregoing that I wish to exclude from this Agreement. If nothing is listed on Exhibit A, I represent that I have no such inventions or improvements at the time of signing this Agreement. I am not aware of any existing contract in conflict with this Agreement.

(g) Post-Termination Period. I acknowledge that because of the difficulty of establishing when any idea, process, invention, etc., is first conceived or developed by me, or whether it results from access to Proprietary Information or the Company's equipment, facilities, and data, I agree that any idea, process, trademark, service mark, invention, technology, computer program, original work of authorship, design, formula, discovery, patent, copyright, or any improvement, rights, or claims related to the foregoing shall be presumed to be an Invention Idea if it relates to any existing or planned service or product of the Company, and if it is conceived, developed, used, sold, exploited, or reduced to practice by me or with my aid within six months after my termination of employment (voluntarily or involuntarily) with Employer, or any other subsidiary of the Company, or the Company. I can rebut the above presumption if I prove that the invention, idea, process, etc., is not an Invention Idea as defined in paragraph 2(a).

(h) State Law Regarding Invention Rights. I understand that nothing in this Agreement is intended to expand the scope of protection regarding invention rights that is provided to me by applicable state law.

3. CONTRACTS.

I understand that the Company has or may enter into contracts with the government or other companies under which certain intellectual property rights will be required to be protected, assigned, licensed, or otherwise transferred and I hereby agree to execute such

other documents and agreements as are necessary to enable the Company to meet its obligations under those contracts.

4. REMEDIES.

I recognize that nothing in this Agreement is intended to limit any remedy of the Company under applicable state law protecting confidential information or trade secrets or any other relevant state or federal law. In addition, I recognize that my violation of this Agreement could cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. Therefore, I agree that the Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity.

5. MISCELLANEOUS PROVISIONS.

(a) Assignment/Successors and Assigns . I agree that Employer may assign to another person or entity any of its rights under this Agreement. This Agreement shall be binding upon me and my heirs, personal representatives, and successors, and shall inure to the benefit of the Employer's successors and assigns.

(b) Jurisdiction, Choice of Law and Venue . The validity, interpretation, enforceability and performance of this Agreement shall be governed and construed in accordance with the laws of the State of Illinois, excluding the conflicts-of-laws principles thereof. Each party hereto consents to the jurisdiction of, and venue in, any federal or state court of competent jurisdiction located in the City of Chicago in the State of Illinois.

(c) Severability. If any provision of this Agreement, or application thereof to any person, place, or circumstances, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be deemed to be modified to the maximum extent possible to give effect to the intent of the language while still remaining enforceable under applicable law. The remainder of this Agreement and application thereof shall remain in full force and effect.

(d) No Guarantee of Employment . I understand this Agreement is not a guarantee of continued employment. My employment is terminable at any time by Employer or me, with or without cause or prior notice, except as may be otherwise provided in an express written employment agreement properly authorized by Employer.

(e) Entire Agreement. The terms of this Agreement are the final expression of my agreement with respect to these subjects and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement shall replace and supersede any similar agreement that currently is in effect between me and Employer or the Company, provided that Employer shall retain all rights that have arisen under that prior agreement up to the time I sign this new Agreement. This Agreement shall constitute the complete and exclusive statement of its terms and no extrinsic evidence

whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement. This Agreement can only be modified in writing signed by Employer's General Counsel.

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY NOTED ON EXHIBIT A TO THIS AGREEMENT ANY PROPRIETARY INFORMATION, IDEAS, PROCESSES, TRADEMARKS, SERVICE MARKS, INVENTIONS, TECHNOLOGY, COMPUTER PROGRAMS, ORIGINAL WORKS OF AUTHORSHIP, DESIGNS, FORMULAS, DISCOVERIES, PATENTS, COPYRIGHTS, OR IMPROVEMENTS, OR RIGHTS THAT I DESIRE TO EXCLUDE FROM THIS AGREEMENT.

Date: August 1, 2017

/s/ Simha Kumar

Simha Kumar

EXHIBIT A
EMPLOYEE'S DISCLOSURE

Prior Inventions. Except as set forth below, there are no ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, or any claims, rights, or improvements to the foregoing that I wish to exclude from the operation of this Agreement:

_____

_____

_____

_____

Date: August 1, 2017

/s/ Simha Kumar
Simha Kumar

CONFIDENTIAL SEPARATION AGREEMENT
AND GENERAL RELEASE OF ALL CLAIMS

This Confidential Separation Agreement and General Release of All Claims ("Agreement") is made by and between FTD.COM Inc. ("Company") and Helen Quinn ("Employee") (collectively, the "Parties"). In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

A. **WHEREAS,** Company wishes to reach an amicable separation with Employee, and this Agreement assumes that each party will act in a professional and amicable manner during such separation from employment;

B. **WHEREAS,** The parties desire to settle all claims and issues that have, or could have been raised, in relation to Employee's employment with Company and arising out of or in any way related to the acts, transactions or occurrences between Employee and Company to date, including, but not limited to, Employee's employment with Company or the termination of that employment, on the terms set forth below;

THEREFORE, in consideration of the promises and mutual agreements hereinafter set forth, it is agreed by and between the undersigned as follows:

1. Separation Date . Employee's employment with Company will cease effective on September 17, 2017 ("Separation Date").

1.1 Right to Terminate . Nothing in this Agreement constitutes a waiver of the Company's right to take any disciplinary action, including termination, against Employee for inadequate job performance or violation of Company policy as defined by the Company's policies and procedures at any time.

2. Separation Package . Provided Employee timely accepts and does not revoke Employee's acceptance of this Agreement during the period allowed by law, as further explained in paragraph 13 and its sub-paragraphs, Company agrees to provide Employee with the following payments and benefits ("Separation Package") to which Employee is not otherwise entitled. Employee acknowledges and agrees that this Separation Package constitutes good and valuable consideration for the promises and representations made by Employee in this Agreement.

2.1 Severance Payment . Company agrees to provide Employee the equivalent of eighteen (18) months base wages ($503,250.00), less all applicable federal and state income and employment taxes ("Severance Payment"). The Severance Payment will be made in the form of a lump sum payment on the first payday following the Effective Date, as described in paragraph 13.

3. General Release .

3.1 In exchange for the promises contained in this Agreement, Employee agrees that he/she, and his/her heirs, executors, administrations, successors and assigns, or any person acting by, through, or under him/her, unconditionally, irrevocably and absolutely releases and discharges Company, its current, former and future stockholders, parents,

subsidiaries, affiliates, related entities, and employee benefit plans, and their respective fiduciaries, predecessors, successors, officers, directors, insurers, agents, employees and assigns, and all persons acting by, through, under, or in concert with them, or any of them (collectively, the "Released Parties") from any and all suits, debts, liens, contracts, agreements, promises, claims, liabilities, demands, causes of action, costs, expenses, attorneys' fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, fixed or contingent, suspected and unsuspected, disclosed and undisclosed ("Claims"), from the beginning of time to the date hereof, including, without limitation, Claims that arose as a consequence of Employee's employment with the Company, or arising out of the termination of such employment relationship, or arising out of any act committed or omitted during or after the existence of such employment relationship, all up through and including the date on which this Release is executed. This release is intended to have the broadest possible application and includes, but is not limited to, any tort, contract, common law, constitutional or other statutory claims, including, but not limited to alleged violations of the Americans with Disabilities Act, the Illinois Human Rights Act, the Age Discrimination in Employment Act of 1967, as amended, and all claims for attorneys' fees, costs and expenses; provided, however, nothing herein shall release or preclude any claims that arise after execution of this Agreement, including claims to enforce the terms of this Agreement, that cannot be waived by operation of law, such as claims for workers' compensation benefits, unemployment insurance benefits, statutory indemnity, or any right to file a charge with or participate in an investigation conducted by the United States Equal Employment Opportunity Commission (EEOC), The Illinois Department of Human Rights (IDHR) or the National Labor Relations Board (NLRB), but Employee agrees to forfeit any monetary recovery or other relief should the EEOC, IDHR, NLRB, or any other agency pursue claims on Employee's behalf.

3.2 Employee acknowledges that Employee may discover facts or law different from, or in addition to, the facts or law that Employee knows or believes to be true with respect to the claims released in this Agreement and agrees, nonetheless, that this Agreement and the release contained in it shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of them.

3.3 Employee declares and represents that Employee intends this Agreement to be complete and not subject to any claim of mistake, and that the release herein expresses a full and complete release and Employee intends the release herein to be final and complete. Employee executes this release with the full knowledge that this release covers all possible claims against the Released Parties, to the fullest extent permitted by law. This release does not extend to any obligations incurred under this Agreement and does not impair or restrict Employee's right to bring a claim to enforce this Agreement.

4. Representation Concerning Filing of Legal Actions . Employee represents that, as of the date of this Agreement, Employee has not filed any lawsuits, charges, complaints, petitions, claims or other accusatory pleadings against Company or any of the other Released Parties in any court or with any governmental agency.

5. Nondisparagement . Employee agrees that Employee will not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage or in any way criticize the personal and/or business reputations, practices or conduct of Company or any of the other Released Parties, except if required by a validly-issued subpoena from a court of competent jurisdiction.

6. Confidentiality and Return of Company Property .

6.1 Confidential Separation Information . Employee agrees that the terms and conditions of this Agreement, as well as the discussions that led to the terms and conditions of this Agreement (collectively referred to as the "Confidential Separation Information") are intended to remain confidential between Employee and Company. Employee further agrees that Employee will not disclose the Confidential Separation Information to any other persons, except that Employee may disclose such information to Employee's immediate family members and to Employee's attorney(s) and accountant(s), if any, to the extent needed for legal advice or income tax planning purposes. When releasing this information to any such person, Employee shall advise the person receiving the information of its confidential nature. Neither Employee, nor anyone to whom the Confidential Separation Information has been disclosed will respond to, or in any way participate in or contribute to, any public discussion, notice or other publicity concerning the Confidential Separation Information. Without limiting the generality of the foregoing, Employee specifically agrees that neither Employee, Employee's immediate family, Employee's attorney nor Employee's accountant, if any, shall disclose the Confidential Separation Information to any current or former employees of the Company or other Released Parties. Nothing in this paragraph will preclude Employee from disclosing information required in response to a subpoena duly issued by a court of law or a government agency having jurisdiction or power to compel such disclosure, or from giving full, truthful and cooperative answers in response to a duly issued subpoena.

6.2 Confidential or Proprietary Information . Employee also agrees that Employee will not use, remove from Company's premises, make unauthorized copies of or disclose any confidential or proprietary information of Company or any affiliated or related entities, including but not limited to, their trade secrets, copyrighted information, customer lists, any information encompassed in any research and development, reports, work in progress, drawings, software, computer files or models, designs, plans, proposals, marketing and sales programs, financial projections, and all concepts or ideas, materials or information related to the business or sales of Company and any affiliated or related entities that has not previously been released to the public by an authorized representative of those companies.

6.3 Continuing Obligations . Employee further agrees to comply with the surviving provisions of the offer letter and such other employee-related documentation executed as part of Employee's employment with the Company including without limitation the Employee Nondisclosure and Assignment Agreement and/or the Proprietary Information and Inventions Agreement (collectively, "Employment Agreements"). Such continuing obligations include, but are not limited to, promises to protect all confidential and proprietary information of Company and promises not to solicit any Company employees for a period of one (1) year following the Separation Date.

6.4 Return of Company Property . By signing this Agreement, Employee represents and warrants that Employee will have returned to Company on or before the Separation Date, all Company property, including all confidential and proprietary information, as described in paragraph 6.2 above and the Proprietary Information and Inventions Agreement, and all materials and documents containing trade secrets and copyrighted materials, including all copies and excerpts of the same.

7. No Admissions . By entering into this Agreement, the Released Parties make no admission that they have engaged, or are now engaging, in any unlawful conduct. The parties understand and acknowledge that this Agreement is not an admission of liability and shall not be used or construed as such in any legal or administrative proceeding.

8. Cooperation . Employee agrees to cooperate with Company in respect to all matters arising during or related to Employee's employment with Company, including but not limited to all matters in connection with any governmental investigation, litigation or regulatory or other proceeding that may have arisen during Employee's employment or that may arise following the signing of this Agreement. Nothing herein is intended or should be construed as requiring anything other than Employee's cooperation in providing truthful and accurate information.

9. Enforcement . If Employee breaches any of the terms of this Agreement, Company will immediately cease making the payments described in paragraph 2 to the extent those payments have not yet been made, to the fullest extent permitted by law. This shall in no way limit Company's right to pursue all legal and equitable remedies available to it as a result of Employee's breach of this Agreement. This enforcement provision shall not apply to an action brought by Employee to challenge the enforceability of Employee's waiver of rights under the Age Discrimination in Employment Act or the Older Workers' Benefit Protection Act.

10. No Other Severance . Employee acknowledges and agrees that the Severance Package provided pursuant to this Agreement is in lieu of any other severance benefits to which Employee may be eligible under any other agreement and/or severance plan or practice.

11. No Contact with Press . Employee agrees that, to the fullest extent permitted by law, Employee will not discuss or make known to any person affiliated with any media, news, television, radio, broadcast, blog, website, social media outlet (such as Facebook, LinkedIn and Twitter), podcast, telecommunications, reporting or publishing entity or organization or entity that disseminates news to the general public, any matter relating to this Agreement, or the termination of Employee's employment, unless expressly agreed in writing in advance by the Executive Vice President and General Counsel of the Company.

12. Agreement to Arbitrate . In the event of any dispute between the parties, including the interpretation or enforcement of this Agreement, Employee and the Company agree that, to the fullest extent permitted by law, all such disputes shall be fully and finally resolved by binding arbitration conducted before a single neutral arbitrator in Chicago, Illinois, pursuant to the rules then in effect for arbitration of employment disputes by the American Arbitration Association (available on-line at www.adr.org or from Company upon request). In no event shall the request for arbitration be made after the date when institution of legal or equitable proceedings based on such claims would be barred by the applicable statute of limitations. The arbitrator shall permit adequate discovery and is empowered to award all remedies otherwise available in a court of competent jurisdiction. The arbitrator shall issue an award in writing and state the essential findings and conclusions on which the award is based. Any judgment rendered by the arbitrator may be entered by any court of competent jurisdiction. By executing this Agreement, Employee and the Company are both waiving the right to a jury trial with respect to any such disputes. The Company shall bear the costs of the arbitrator, forum and filing fees. This arbitration provision excludes claims for workers' compensation benefits, state disability benefits, state unemployment benefits, and claims that, as a matter of law, cannot legally be subject to arbitration.

13. Older Workers' Benefit Protection Act . This Agreement is intended to satisfy the requirements of the Older Workers' Benefit Protection Act ("OWBPA") 29 U.S.C. sec. 626(f). Employee, by this Agreement, is advised to consult with an attorney before executing this Agreement.

13.1 Acknowledgments/Time to Consider . To be eligible to receive the Separation Package, and for the mutual promises contained herein, Employee must sign this Agreement, acknowledging Employee's agreement to its terms, within forty-five (45) days, **but no earlier than Employee's Separation Date.** Employee acknowledges and agrees that: (a) Employee has read and understands the terms of this Agreement; (b) Employee has been advised in writing to consult with an attorney before executing this Agreement; (c) Employee has obtained and considered such legal counsel as Employee deems necessary; (d) Employee has been given forty-five (45) days to consider whether or not to enter into this Agreement (although Employee may elect not to use the full 45-day period at Employee's option); and (e) by signing this Agreement, Employee acknowledges that Employee does so freely, knowingly, and voluntarily.

13.2 Revocation/Effective Date . This Agreement shall not become effective or enforceable until the eighth day after Employee signs this Agreement. In other words, Employee may revoke Employee's acceptance of this Agreement within seven (7) days after the date Employee signs it. Employee's revocation must be in writing and received by the Company's Director, Human Resources no later than the seventh day in order to be effective. If Employee does not revoke acceptance within the seven (7) day period, Employee's acceptance of this Agreement shall become binding and enforceable on the eighth day ("Effective Date"). The Separation Package will become due and payable in accordance with paragraph 2 above and its subparts after the Effective Date, provided Employee does not revoke. **The Parties agree that Employee will not sign the Agreement earlier than Employee's Separation Date; further, notwithstanding when Employee signs the Agreement, the Agreement is not considered effective before the Separation Date.**

13.3 Preserved Rights of Employee . This Agreement does not waive or release any rights or claims that Employee may have under the Age Discrimination in Employment Act that arise after the execution of this Agreement. In addition, this Agreement does not prohibit Employee from challenging the validity of this Agreement's waiver and release of claims under the Age Discrimination in Employment Act of 1967, as amended.

13.4 Older Workers Benefit Protection Act Information . Information related to the employment termination program is provided in Exhibit A.

14. Severability . In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected by the unenforceable provision(s).

15. Applicable Law . The validity, interpretation and performance of this Agreement shall be construed and interpreted according to the laws of the United States of America and the State of Illinois.

16. Successors and Assigns . This Agreement is binding on Employee's heirs, family members, executors, agents and assigns.

17. Full Defense . This Agreement may be pled as a full and complete defense to, and may be used as a basis for an injunction against, any action, suit or other proceeding that may be prosecuted, instituted or attempted by Employee in breach hereof. Employee agrees that in the event an action or proceeding is instituted by the Released Parties to enforce this Agreement, the Released Parties shall be entitled to an award of reasonable costs and attorneys' fees incurred in connection with enforcing this Agreement. This attorneys' fees

provision shall not apply to an action brought by Employee to challenge the enforceability of Employee's waiver of rights under the Age Discrimination in Employment Act or the Older Workers' Benefit Protection Act.

18. Counterparts . This Agreement may be signed in counterparts, and each shall be treated as though signed as one document.

19. Entire Agreement; Modification . This Agreement, including the Proprietary Information and Inventions Agreement and the surviving provisions of the Employment Agreements, is intended to be the entire agreement between the parties and supersedes and cancels any and all other and prior agreements, written or oral, between the parties regarding this subject matter. This Agreement may be amended only by a written instrument executed by all parties hereto.

20. Section 409A . This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (" **Code** ") or an exemption thereunder and will be construed and administered in accordance with Code Section 409A. Any payments under this Agreement that may be excluded from Code Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral will be excluded from Code Section 409A to the maximum extent possible.

Notwithstanding anything in this Agreement to the contrary, if Employee is a "specified employee" (within the meaning of Code Section 409A) on the Separation Date, then any payment made under this Agreement will be delayed to the extent necessary to comply with Code Section 409A(a)(2)(B)(i), and the applicable cash will be paid to Employee during the five-day period commencing on the earlier of: (1) the expiration of the six-month period measured from the Separation Date, or (2) the date of Employee's death. Upon the expiration of the applicable six-month period under Code Section 409A(a)(2)(B)(i) (or, if earlier, the date of Employee's death), all payments deferred pursuant to this paragraph will be paid or delivered to Employee (or Employee's estate, in the event of Employee's death) in a lump sum. For purposes of Code Section 409A, any installment payment provided under this Agreement will be treated as a separate payment.

If the thirty (30)-day period following a "separation from service" begins in one calendar year and ends in a second calendar year (a " **Crossover 30-Day Period** ") and if there are payments due Employee that are subject to Code Section 409A (and not exempt from Code Section 409A) that are: (i) conditioned on Employee signing and not revoking a release of claims and (ii) otherwise due to be paid during the portion of the Crossover 30-Day Period that falls within the first year, then such payments will be delayed and paid in a lump sum during the portion of the Crossover 30-Day Period that falls within the second year.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Dated: September 19, 2017

By: /s/ Helen Quinn
Helen Quinn

FTD.COM, Inc.

Dated: September 19, 2017

By: /s/ Patricia Carl
Patricia Carl
Senior Vice President, Human Resources

Exhibit A
OWBPA Disclosure

The following disclosure is provided in accordance with the Older Workers' Benefit Protection Act ("OWBPA"), 29 U.S.C. section 626(f).

As described in the Release, you will have 45 days from the time the Release is presented to you in which to consider this disclosure and the Release. Additionally, you will have 7 days to revoke the Release after you sign it, should you so choose.

The class, unit or group of individuals covered by the program includes Direct Reports to the FTD Companies, Inc. Chief Executive Officer. To receive the benefits of this program, an eligible employee must sign and return the Agreement within the time period provided in the Agreement and not revoke it.

The selection criteria used as part of this layoff included job criticality and fitness for position.

Employees in the positions listed below under the "# Selected" column identify those individuals who were ("1"), or were not ("0") selected for termination. The ages listed below are current as of July 18, 2017. All employees working in the Decisional Unit for the Company, and who have been selected for termination as part of this reduction in force are eligible for the program.

Job	Age	# Selected
EVP & General Counsel	55	0
EVP, Florist Segment	53	0
EVP, Gifting	46	1
EVP, US Consumer Floral	57	1
SVP, Human Resources	47	0
EVP, Operations	52	0
EVP, Technology & CEM	56	0
EVP & Chief Financial Officer	50	0
EVP, Chief Marketing Officer	47	0
EVP, Chief Operating Officer	44	0

FTD COMPANIES, INC.
THIRD AMENDED AND RESTATED
2013 INCENTIVE COMPENSATION PLAN

NOTICE OF GRANT OF STOCK OPTION

Notice is hereby given of the following stock option grant (the "option") to purchase shares of the Common Stock of FTD Companies, Inc. (the "Corporation"):

Optionee : <Participant Name>

Grant Date : August 11, 2017

Exercise Price : $13.85 per share

Number of Option Shares : <Shares Granted> shares

Expiration Date: August 11, 2024

Type of Option: Non-Statutory Option

Exercise Schedule : The option shall become exercisable in a series of four (4) successive substantially equal installments starting with 25% of the Option Shares (rounded if possible to the nearest whole Option Share) on <First Vesting Date> and continuing with 25% (rounded if possible to the nearest whole Option Share) on each of the first three (3) anniversaries thereafter, provided that Optionee remains in continuous Service through each such vesting date. Except as may otherwise be provided in the attached Stock Option Agreement, the option shall not become exercisable for any additional Option Shares after Optionee's cessation of Service.

Optionee understands and agrees that the option is granted subject to and in accordance with the terms of the FTD Companies, Inc. Third Amended and Restated 2013 Incentive Compensation Plan (the "Plan"). Optionee further agrees to be bound by the terms of the Plan and the terms of the option as set forth in the Stock Option Agreement attached hereto as Exhibit A .

Employment at Will . Nothing in this Notice of Grant of Stock Option (this "Notice") or in the attached Stock Option Agreement or in the Plan shall confer upon Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Optionee) or of Optionee, which rights are hereby expressly reserved by each, to terminate Optionee's Service at any time for any reason, with cause or without cause.

Definitions . All capitalized terms in this Notice shall have the meaning assigned to them in this Notice, in the Stock Option Agreement attached as Exhibit A or in the Plan.

DATED: August 11, 2017

FTD COMPANIES, INC.

By: _____

Title: _____

Name: <Participant Name>

Signature: <Electronic signature>

ATTACHMENTS

EXHIBIT A --- STOCK OPTION AGREEMENT

EXHIBIT A

FTD COMPANIES, INC.
THIRD AMENDED AND RESTATED
2013 INCENTIVE COMPENSATION PLAN

STOCK OPTION AGREEMENT

RECITALS

A. The Corporation has implemented the Plan for the purpose of providing eligible persons in the Corporation's Service with the opportunity to participate in one or more cash or equity incentive compensation programs designed to encourage them to continue their Service relationship with the Corporation.

B. Optionee is to render valuable services to the Corporation (or a Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's grant of an option to Optionee.

C. All capitalized terms in this Agreement shall have the meanings assigned to them in the Plan unless otherwise defined in the Grant Notice to which this Agreement is attached (the "Grant Notice") or this Agreement, including on the Appendix attached hereto.

NOW, THEREFORE , it is hereby agreed as follows:

1. **Grant of Option** . The Corporation has awarded to Optionee, as of the Grant Date, the option to purchase up to the number of Option Shares specified in the Grant Notice. The Option Shares shall be purchasable from time to time during the option term specified in Paragraph 2 at the Exercise Price.

2. **Option Term** . The term of this option shall commence on the Grant Date and continue in effect until the close of business on the Expiration Date, unless sooner terminated in accordance with Paragraph 5 or 6.

3. **Limited Transferability** .

(a) Except to the limited extent provided in Paragraph 3(b), this option shall be neither transferable nor assignable by Optionee other than by will or the laws of inheritance following Optionee's death and may be exercised, during Optionee's lifetime, only by Optionee. However, Optionee may designate one or more persons as the beneficiary or beneficiaries of this option, and this option shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding this option. Such beneficiary or beneficiaries shall take the transferred option subject to all the terms and conditions of this Agreement and the Plan, including (without limitation) the limited time period during which this option may, pursuant to Paragraph 5, be exercised following Optionee's death.

(b) If this option is designated a Non-Statutory Option in the Grant Notice, then this option may, with the Plan Administrator's consent, be assigned in whole or in part during Optionee's lifetime through a gratuitous transfer to one or more of Optionee's Family Members or to a trust established for the exclusive benefit of Optionee and/or one or more such Family Members. The assigned portion shall be exercisable only by the person or persons who acquire a proprietary interest in the option pursuant to such assignment. The terms applicable to the assigned portion shall be the same as those in effect for this option immediately prior to such assignment.

4. **Dates of Exercise** .

(a) This option shall become exercisable for the Option Shares in one or more installments in accordance with the Exercise Schedule set forth in the Grant Notice. As the option becomes exercisable for such installments, those installments shall accumulate, and the option shall remain exercisable for the accumulated installments until the Expiration Date or sooner termination of the option term under Paragraph 5 or 6.

(b) Optionee's Employment Agreement sets forth certain terms and conditions under which Optionee's equity or equity-based awards from the Corporation, including this option, may vest in whole or in part on an accelerated basis in connection with Optionee's cessation of Service under various specified circumstances. To the extent this option vests in accordance with the terms and conditions of those vesting acceleration provisions of the Employment Agreement, this option shall become immediately exercisable for the Option Shares as to which the vesting acceleration pertains and may be exercised for any or all of those Option Shares until this option terminates in accordance with the provisions of Paragraph 5 or 6. The terms and provisions of the Employment Agreement (including any conditions, restrictions or limitations governing the accelerated vesting of this option, including (without limitation) the execution and delivery of an effective general release), as they apply to this option, are hereby incorporated by reference into this Agreement and shall have the same force and effect as if expressly set forth in this Agreement. Such vesting acceleration provisions and the conditions relating thereto shall also apply to any cash retention program established pursuant to Paragraph 6(a).

5. **Cessation of Service** . The option term specified in Paragraph 2 above shall terminate (and this option shall cease to be outstanding) prior to the Expiration Date should any of the following provisions become applicable:

(a) Except as otherwise expressly provided in subparagraphs (b) through (f) of this Paragraph 5, should Optionee cease to remain in Service for any reason while this option is outstanding, then (i) Optionee shall have until the close of business on the last business day coincident with or immediately preceding the expiration of the three (3)-month period measured from the date of such cessation of Service during which to exercise this option for any or all of the Option Shares for which this option is vested and exercisable at the time of Optionee's cessation of Service, but in no event shall this option be exercisable at any time after the close of business on the last business day coincident with or immediately preceding the Expiration Date and (ii) the portion of this option that is unvested and unexercisable at the time

of Optionee's cessation of Service shall immediately terminate and cease to be outstanding as of the date of such cessation of Service.

(b) In the event Optionee ceases Service by reason of his or her death while this option is outstanding, then this option may be exercised, for any or all of the Option Shares for which this option is vested and exercisable at the time of Optionee's cessation of Service, by (i) the personal representative of Optionee's estate or (ii) the person or persons to whom the option is transferred pursuant to Optionee's will or the laws of inheritance following Optionee's death. However, if Optionee dies while holding this option and has an effective beneficiary designation in effect for this option at the time of his or her death, then the designated beneficiary or beneficiaries shall have the exclusive right to exercise this option following Optionee's death. Any such right to exercise this option shall lapse, and this option shall cease to be outstanding, upon the close of business on the last business day coincident with or immediately preceding the ***earlier*** of (i) the expiration of the twelve (12)-month period measured from the date of Optionee's death and (ii) the Expiration Date. Upon the expiration of such limited exercise period, this option shall terminate and cease to be outstanding for any exercisable Option Shares for which the option has not otherwise been exercised.

(c) Should Optionee cease Service by reason of Disability while this option is outstanding, then Optionee shall have until the close of business on the last business day coincident with or immediately preceding the earlier of (i) the expiration of the twelve (12)-month period measured from the date of such cessation of Service during which to exercise this option for any or all of the Option Shares for which this option is vested and exercisable at the time of such cessation of Service and (ii) the Expiration Date. Upon the expiration of such limited exercise period, this option shall terminate and cease to be outstanding for any exercisable Option Shares for which the option has not otherwise been exercised.

(d) The applicable period of post-Service exercisability in effect pursuant to the foregoing provisions of this Paragraph 5 shall automatically be extended by an additional period of time equal in duration to any interval within such post-Service exercise period during which the exercise of this option or the immediate sale of the Option Shares acquired under this option cannot be effected in compliance with applicable federal and state securities laws, but in no event shall such an extension result in the continuation of this option beyond the close of business on the last business day coincident with or immediately preceding the Expiration Date.

(e) Should Optionee's Service be terminated with cause, or should Optionee engage in any other conduct, while in Service or during the exercisability period following cessation of Service, that is materially detrimental to the business or affairs of the Corporation, as determined in the sole discretion of the Plan Administrator, then this option, whether or not vested and exercisable at the time, shall terminate immediately and cease to be outstanding.

(f) Should Optionee's Service terminate by reason of an Involuntary Termination, within the period commencing with the Corporation's execution of a definitive agreement for a Change in Control transaction and ending with the ***earlier*** of (i) the termination of that agreement without the consummation of such Change in Control and (ii) the expiration of the twenty-four (24)-month period measured from the effective date of such Change in Control,

and while this option or a Replacement Award (as defined below), as applicable, is outstanding, then this option or such Replacement Award, as applicable, shall remain so outstanding until the close of business on the last business day coincident with or immediately preceding the ***earliest*** to occur of (i) the expiration of the twelve (12)-month period measured from the date of such Involuntary Termination and (ii) the Expiration Date. Upon the expiration of such limited exercise period, this option shall terminate and cease to be outstanding for any exercisable Option Shares for which the option has not been exercised.

(g) During the limited period of post-Service exercisability provided under this Paragraph 5, this option may not be exercised in the aggregate for more than the number of Option Shares for which this option is at the time of termination of Service vested and exercisable. Except to the extent otherwise provided in the Employment Agreement or as specifically authorized by the Plan Administrator pursuant to the terms of any other express written agreement with the Optionee, this option shall not vest or become exercisable for any additional Option Shares, whether pursuant to the normal Exercise Schedule set forth in the Grant Notice or the special vesting acceleration provisions of Paragraph 6 below, following Optionee's cessation of Service. Upon the expiration of such limited exercise period or (if earlier) upon the close of business on the last business day coincident with or immediately preceding the Expiration Date, this option shall terminate and cease to be outstanding for any exercisable Option Shares for which the option has not otherwise been exercised.

6. **Special Acceleration of Option** .

(a) This option, to the extent outstanding at the time of an actual Change in Control but not otherwise fully exercisable, shall automatically accelerate so that this option shall, immediately prior to the effective date of such Change in Control, become exercisable for all of the Option Shares at the time subject to this option and may be exercised for any or all of those Option Shares as fully vested shares of Common Stock. However, this option shall ***not*** become exercisable on such an accelerated basis if and to the extent: (i) a Replacement Award is provided by the successor entity (or parent thereof) to Optionee in accordance with Paragraph 6(c) to assume, convert or replace this option (a "Replaced Award"); or (ii) this option is replaced with a cash retention program of the successor entity (or parent thereof) which preserves the spread existing at the time of the Change in Control on any Option Shares for which this option is not otherwise at that time vested and exercisable (the excess of the Fair Market Value of those Option Shares over the aggregate Exercise Price payable for such shares) and provides for the subsequent vesting and concurrent payout of that spread in accordance with the same Exercise Schedule for those Option Shares set forth in the Grant Notice or the special vesting acceleration provisions of the Employment Agreement applicable to this option. Notwithstanding the foregoing, no such cash retention program shall be established for this option (or any other option granted to Optionee under the Plan) to the extent such program would not comply with, or would otherwise be deemed to constitute a deferred compensation arrangement subject to, the requirements of Code Section 409A and the Treasury Regulations thereunder.

(b) Immediately following the consummation of the Change in Control, this option shall terminate and cease to be outstanding, except to the extent it is assumed, converted or replaced in the form of a Replacement Award.

(c) For purposes of this Agreement, a "Replacement Award" means an award: (i) of the same type (e.g., time-based stock options) as the Replaced Award; (ii) that has a value at least equal to the value of the Replaced Award; (iii) that relates to publicly traded equity securities of the Corporation or its successor in the Change in Control or another entity that is affiliated with the Corporation or its successor following the Change in Control; (iv) if Optionee is subject to U.S. federal income tax under the Code, the tax consequences of which to Optionee under the Code are not less favorable to Optionee than the tax consequences of the Replaced Award; and (v) the other terms and conditions of which are not less favorable to Optionee than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this Paragraph 6(c) are satisfied will be made by the Plan Administrator, as constituted immediately before the Change in Control, in its sole discretion.

(d) In the event of a Replacement Award, the Replaced Award shall be appropriately adjusted, immediately after such Change in Control, including if applicable to apply to the number and class of securities into which the shares of Common Stock subject to the Replaced Award would have been converted in consummation of such Change in Control had those shares actually been outstanding at the time. Appropriate adjustments shall also be made as applicable to the Exercise Price, provided the aggregate Exercise Price shall remain the same. To the extent the actual holders of the Corporation's outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor entity (or parent thereof) may, in connection with the Replacement Award, but subject to the Plan Administrator's approval prior to the Change in Control, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in such Change in Control, provided such common stock is readily tradable on an established U.S. securities exchange.

(e) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

(f) For the avoidance of doubt, the provisions of the Employment Agreement with respect to accelerated vesting of equity awards in the event of a termination without cause or for good reason in connection with a Change in Control (as more fully described in the Employment Agreement) are deemed to apply to any Replacement Award.

7. **Adjustment in Option** . Option Shares and the other terms of this option shall be subject to adjustment upon certain corporate events as set forth in Article One, Section V(E) of the Plan. The adjustments shall be made in such manner as the Plan Administrator deems appropriate, and those adjustments shall be final, binding and conclusive upon Optionee and any other person or persons having an interest in this option.

8. **Stockholder Rights**. The holder of this option shall not have any stockholder rights with respect to the Option Shares until such holder shall have exercised the option, paid the Exercise Price and become a holder of record of the purchased Option Shares, and the holder of this option shall have no rights to dividends, DER Awards or dividend equivalents with respect to this option.

9. **Manner of Exercising Option**.

(a) In order to exercise this option with respect to all or any part of the Option Shares for which this option is at the time exercisable, Optionee (or any other person or persons exercising the option) must take the following actions:

(i) Execute and deliver to the Corporation a Notice of Exercise as to the Option Shares for which the option is exercised or comply with such other procedures as the Corporation may establish for notifying the Corporation, either directly or through an on-line internet transaction with a brokerage firm authorized by the Corporation to effect such option exercises, of the exercise of this option for one or more Option Shares.

(ii) Pay the aggregate Exercise Price for the purchased Option Shares in one or more of the following forms:

(A) cash or check made payable to the Corporation; or

(B) shares of Common Stock (whether delivered in the form of actual stock certificates or through attestation of ownership in a manner reasonably satisfactory to the Corporation) held for the requisite period (if any) necessary to avoid any resulting charge to the Corporation's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date; or

(C) withholding by the Corporation of shares of Common Stock otherwise issuable under the option in satisfaction of the Exercise Price, with such withheld shares of Common Stock valued at Fair Market Value on the Exercise Date; or

(D) to the extent both permitted by law and the option is exercised for vested shares, through a special sale and remittance procedure pursuant to which Optionee (or any other person or persons exercising the option) shall concurrently provide irrevocable instructions (i) to a brokerage firm (reasonably satisfactory to the Corporation for purposes of administering such procedure in accordance with the Corporation's pre-clearance/pre-notification policies) to effect the immediate sale of all or a sufficient portion of the purchased shares so that such brokerage firm can remit to the Corporation, on the settlement date, sufficient funds out of the resulting sale proceeds to cover the aggregate Exercise Price payable for all

the purchased shares plus all applicable Withholding Taxes and (ii) to the Corporation to deliver the certificates for the purchased shares directly to such brokerage firm (or provide for book entry transfer of such purchased shares) on such settlement date.

Except to the extent the sale and remittance procedure set forth in clause (D) above is utilized in connection with the option exercise, payment of the Exercise Price must accompany the Notice of Exercise (or other notification procedure) delivered to the Corporation in connection with the option exercise.

(iii) Furnish to the Corporation appropriate documentation that the person or persons exercising the option (if other than Optionee) have the right to exercise this option.

(iv) Make appropriate arrangements, including under Article Five, Section II(B) of the Plan, with the Corporation (or Parent or Subsidiary employing or retaining Optionee) for the satisfaction of all applicable Withholding Taxes.

(b) As soon as practical after the Exercise Date, the Corporation shall issue to or on behalf of Optionee (or any other person or persons exercising this option) a certificate for the purchased Option Shares (either in paper or electronic form) or provide for book entry transfer of such purchased shares, with the appropriate legends affixed thereto.

(c) In no event may this option be exercised for any fractional shares.

10. **Compliance with Laws and Regulations** .

(a) The exercise of this option and the issuance of the Option Shares upon such exercise shall be subject to compliance by the Corporation and Optionee with all applicable requirements of law relating thereto and with all applicable regulations of any Stock Exchange on which the Common Stock is listed for trading at the time of such exercise and issuance.

(b) The inability of the Corporation to obtain approval from any regulatory body having authority deemed by the Corporation to be necessary to the lawful issuance and sale of any Common Stock pursuant to this option shall relieve the Corporation of any liability with respect to the non-issuance or sale of the Common Stock as to which such approval shall not have been obtained. The Corporation, however, shall use its best efforts to obtain all such approvals.

11. **Successors and Assigns** . Except to the extent otherwise provided in Paragraphs 3 and 6 above, the provisions of this Agreement shall inure to the benefit of and be binding upon the Corporation and its successors and assigns and Optionee, Optionee's assigns, the legal representatives, heirs and legatees of Optionee's estate and any beneficiaries of this option designated by Optionee.

12. **Notices**. Any notice required to be given or delivered to the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate offices and directed to the attention of the Stock Plan Administrator. Any notice required to be given or delivered to Optionee shall be in writing and addressed to Optionee at the most current address then indicated for Optionee on the Corporation's employee records or shall be delivered electronically to Optionee through the Corporation's electronic mail system. All notices shall be deemed effective upon personal delivery or delivery through the Corporation's electronic mail system or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

13. **Construction**. This Agreement and the option evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. In the event of any conflict between the provisions of this Agreement and the terms of the Plan, the terms of the Plan shall be controlling. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in this option.

14. **Governing Law**. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without resort to that State's conflict-of-laws rules.

15. **Excess Shares**. If the Option Shares covered by this Agreement exceed, as of the Grant Date, the number of shares of Common Stock which may without stockholder approval be issued under the Plan, then this option shall be void with respect to those excess shares, unless stockholder approval of an amendment sufficiently increasing the number of shares of Common Stock issuable under the Plan is obtained in accordance with the provisions of the Plan. In no event shall the option be exercisable with respect to any of the excess Option Shares unless and until such stockholder approval is obtained.

16. **Additional Terms Applicable to an Incentive Option**. In the event this option is designated an Incentive Option in the Grant Notice, the following terms and conditions shall also apply to the grant:

(a) This option shall cease to qualify for favorable tax treatment as an Incentive Option if (and to the extent) this option is exercised for one or more Option Shares: (i) more than three (3) months after the date Optionee ceases to be an Employee for any reason other than death or Permanent Disability or (ii) more than twelve (12) months after the date Optionee ceases to be an Employee by reason of Permanent Disability.

(b) No installment under this option shall qualify for favorable tax treatment as an Incentive Option if (and to the extent) the aggregate Fair Market Value (determined at the Grant Date) of the Common Stock for which such installment first becomes exercisable hereunder would, when added to the aggregate value (determined as of the respective date or dates of grant) of the Common Stock or other securities for which this option or any other Incentive Options granted to Optionee prior to the Grant Date (whether under the Plan or any other option plan of the Corporation or any Parent or Subsidiary) first become exercisable during the same calendar year, exceed One Hundred Thousand Dollars ($100,000) in the aggregate.

Should such One Hundred Thousand Dollar ($100,000) limitation be exceeded in any calendar year, this option shall nevertheless become exercisable for the excess shares in such calendar year as a Non-Statutory Option.

(c) Should the exercisability of this option be accelerated upon a Change in Control, then this option shall qualify for favorable tax treatment as an Incentive Option only to the extent the aggregate Fair Market Value (determined at the Grant Date) of the Common Stock for which this option first becomes exercisable in the calendar year in which the Change in Control transaction occurs does not, when added to the aggregate value (determined as of the respective date or dates of grant) of the Common Stock or other securities for which this option or one or more other Incentive Options granted to Optionee prior to the Grant Date (whether under the Plan or any other option plan of the Corporation or any Parent or Subsidiary) first become exercisable during the same calendar year, exceed One Hundred Thousand Dollars ($100,000) in the aggregate. Should the applicable One Hundred Thousand Dollar ($100,000) limitation be exceeded in the calendar year of such Change in Control, the option may nevertheless be exercised for the excess shares in such calendar year as a Non-Statutory Option.

(d) Should Optionee hold, in addition to this option, one or more other options to purchase Common Stock which become exercisable for the first time in the same calendar year as this option, then for purposes of the foregoing limitations on the exercisability of such options as Incentive Options, this option and each of those other options shall be deemed to become first exercisable in that calendar year, on the basis of the chronological order in which such options were granted, except to the extent otherwise provided under applicable law or regulation.

17. **Employment at Will**. Nothing in this Agreement or in the Plan shall confer upon Optionee any right to remain in Employee status for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing Optionee) or of Optionee, which rights are hereby expressly reserved by each, to terminate Optionee's Employee status at any time for any reason, with cause or without cause.

18. **Plan Prospectus.** Optionee may obtain a copy of the official prospectus for the Plan by accessing Optionee's portfolio on Fidelity's website (www.fidelity.com). Optionee may also obtain a printed copy of the prospectus by contacting the Stock Plan Administrator.

19. **Optionee Acceptance**. Optionee must accept the terms and conditions of this Agreement either electronically through the electronic acceptance procedure established by the Corporation or through a written acceptance delivered to the Corporation in a form satisfactory to the Corporation. In no event shall this option be exercised in the absence of such acceptance.

IN WITNESS WHEREOF , FTD Companies, Inc. has caused this Agreement to be executed on its behalf by its duly-authorized officer on the day and year first indicated in the Grant Notice.

FTD COMPANIES, INC.

By: Scott D. Levin

Title: Executive Vice President & General Counsel

APPENDIX

The following definitions shall be in effect under the Agreement:

A. **Agreement** shall mean this Stock Option Agreement.

B. **Change in Control** shall have the meaning assigned to such term in the Employment Agreement. However, in the absence of such definition in the Employment Agreement, a Change in Control shall have the meaning set forth in the Plan.

C. **Disability** shall mean the Optionee's inability to engage in any substantial activity necessary to perform his or her duties and responsibilities under his or her Employment Agreement by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than twelve (12) months.

D. **Employment Agreement** shall mean the Employment Agreement between Optionee and the Corporation (or any Parent or Subsidiary) in effect on the Grant Date.

E. **Exercise Date** shall mean the date on which the option shall have been exercised in accordance with Paragraph 9 of the Agreement.

F. **Exercise Price** shall mean the exercise price payable per Option Share as specified in the Grant Notice.

G. **Exercise Schedule** shall mean the schedule set forth in the Grant Notice pursuant to which the option is to become exercisable for the Option Shares in one or more installments over the Optionee's period of Service.

H. **Expiration Date** shall mean the date specified in the Grant Notice for measuring the maximum term for which the option may remain outstanding.

I. **Good reason** shall have the meaning assigned to such term in the Employment Agreement.

J. **Grant Date** shall mean the date of grant of the option as specified in the Grant Notice.

K. **Involuntary Termination** shall mean the termination of Optionee's Service by reason of:

(i) Optionee's involuntary dismissal or discharge by the Corporation without cause, or

(ii) Optionee's resignation for good reason.

L. **Notice of Exercise** shall mean the notice of option exercise in the form authorized by the Corporation.

M. **Option Shares** shall mean the number of shares of Common Stock subject to the option as specified in the Grant Notice.

N. **Optionee** shall mean the person to whom the option is granted as specified in the Grant Notice.

O. **With cause** shall have the meaning assigned to such term in the Employment Agreement.

P. **Without cause** shall have the meaning assigned to such term in the Employment Agreement.

FTD COMPANIES, INC.
THIRD AMENDED AND RESTATED
2013 INCENTIVE COMPENSATION PLAN

RESTRICTED STOCK UNIT ISSUANCE AGREEMENT

RECITALS

A. The Board has adopted the FTD Companies, Inc. Third Amended and Restated 2013 Incentive Compensation Plan (the "Plan") for the purpose of retaining the services of selected Employees and consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. The Participant is to render valuable services to the Corporation (or a Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's grant of restricted stock units to the Participant under the Plan.

C. All capitalized terms in this Agreement shall have the meanings assigned to them in the Plan unless otherwise defined in this Agreement, including on Appendix A attached hereto.

NOW, THEREFORE , it is hereby agreed as follows:

1. **Grant of Restricted Stock Units** . The Corporation has awarded to the Participant, as of the Award Date, restricted stock units ("Restricted Stock Units") under the Plan. Each Restricted Stock Unit represents the right to receive one share of Common Stock on the date such Restricted Stock Unit vests in accordance with the express provisions of this Agreement. The number of shares of Common Stock subject to the awarded Restricted Stock Units, the applicable vesting schedule for the Restricted Stock Units, the dates on which those vested Restricted Stock Units shall become payable to the Participant and the remaining terms and conditions governing the award (the "Award") shall be as set forth in this Agreement.

AWARD SUMMARY

Award Date:	<Grant Date>
Number of Restricted Stock Units Subject to Award:	<Shares Granted> Restricted Stock Units
Vesting Schedule:	The Restricted Stock Units shall vest in a series of four (4) successive substantially equal installments starting with 25% (rounded if possible to the nearest whole Restricted Stock Unit) on <First Vesting Date> and continuing with 25% (rounded if possible to the nearest whole Restricted Stock Unit) on each of the first three (3) anniversaries thereafter. Such vesting schedule is hereby designated the "Normal Vesting Schedule" for the Restricted Stock Units. Should any scheduled vesting date under the Normal Vesting Schedule otherwise occur on a date on which the Common Stock is not traded on the Stock Exchange serving as the primary market for the Common Stock, then that vesting date shall instead be deemed to occur on the last day prior to such scheduled vesting date on which the Common Stock is so traded. The Restricted Stock Units shall also be

subject to accelerated vesting in accordance with the provisions of Paragraphs 3(b) and 5 of this Agreement.

Issuance Schedule: Subject to Paragraphs 5 and 6 of this Agreement, each Restricted Stock Unit in which the Participant vests in accordance with the Normal Vesting Schedule shall be settled in shares of Common Stock, subject to the Corporation's collection of all applicable Withholding Taxes, on the date on which the Restricted Stock Unit becomes nonforfeitable as set forth in the Normal Vesting Schedule or Paragraph 3(b) or 5, as applicable, but in all cases within the "short term deferral" period determined under Treasury Regulation Section 1.409A-1(b)(4) (the "Issuance Date"). For the sake of clarity, the settlement of shares in respect of nonforfeitable Restricted Stock Units is intended to comply with Treasury Regulation Section 1.409A-1(b)(4) and will be construed and administered in such a manner. As a result, the shares will be issued no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares subject to the Restricted Stock Units are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulation Section 1.409A-1(d). The applicable Withholding Taxes are to be collected pursuant to the procedures set forth in Paragraph 7 of this Agreement.

2. **Limited Transferability**. Prior to the vesting of the Restricted Stock Units and actual receipt of the underlying shares of Common Stock issued hereunder, the Participant may not transfer any interest in the Award or the underlying shares of Common Stock. Any Restricted Stock Units that vest hereunder but which otherwise remain unpaid at the time of the Participant's death may be transferred pursuant to the provisions of the Participant's will or the laws of inheritance or to the Participant's designated beneficiary or beneficiaries of this Award. The Participant may also direct the Corporation to re-issue the stock certificates for any shares of Common Stock that were issued pursuant to the Award during his or her lifetime to one or more designated family members or a trust established for the Participant and/or his or her family members. The Participant may make such a beneficiary designation or certificate directive at any time by filing the appropriate form with the Plan Administrator or its designee.

3. **Cessation of Service**.

(a) Except as otherwise provided in Paragraph 3(b) below, should the Participant cease Service for any reason prior to vesting in all or a portion of the Restricted Stock Units subject to this Award, then the Award will be immediately cancelled with respect to those unvested Restricted Stock Units. The Participant shall thereupon cease to have any right or entitlement to receive any shares of Common Stock under those cancelled Restricted Stock Units.

(b) The Participant's Employment Agreement sets forth certain terms and conditions under which Participant's equity or equity-based awards from the Corporation, including this Award, may vest in whole or in part on an accelerated basis in connection with his cessation of Service under various specified circumstances. The Employment Agreement also sets forth the date or dates on which the shares of Common Stock subject to the awards that vest on such an accelerated basis, including the Restricted Stock Units subject to this Award, are to be issued. The terms and provisions of the Employment Agreement (including any conditions, restrictions or limitations governing the accelerated vesting of the Restricted Stock Units or the issuance of the underlying shares of Common Stock, including (without limitation) the execution and delivery of an effective general release), as they apply to this Award, are hereby incorporated by reference into this Agreement and shall have the same force and effect as if expressly set forth in this Agreement.

4. **Stockholder Rights and Dividend Equivalents**

(a) The holder of this Award shall not have any stockholder rights, including voting or dividend rights, with respect to the Restricted Stock Units subject to the Award until the Participant becomes the record holder of the underlying shares of Common Stock upon their actual issuance following the Corporation's collection of the applicable Withholding Taxes.

(b) Notwithstanding the foregoing, should any dividend or other distribution, whether regular or extraordinary, payable in cash or other property (other than shares of Common Stock) be declared and paid on the outstanding Common Stock while one or more Restricted Stock Units remain subject to this Award (i.e., shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for the Participant and credited with a phantom dividend equivalent to the actual dividend or distribution which would have been paid on the underlying shares of Common Stock at the time subject to this Award had they been issued and outstanding and entitled to that dividend or distribution. As and to the extent that the Restricted Stock Units subsequently vest hereunder, the phantom dividend equivalents so credited to those Restricted Stock Units in the book account shall also vest, and those vested dividend equivalents shall be distributed to the Participant (in the same form the actual dividend or distribution was paid to the holders of the Common Stock entitled to that dividend or distribution) concurrently with the payment of the vested Restricted Stock Units to which those phantom dividend equivalents relate. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution. In no event shall any such phantom dividend equivalents vest or become distributable unless the Restricted Stock Units to which they relate vest in accordance with the terms of this Agreement.

5. **Change in Control** .

(a) Any Restricted Stock Units subject to this Award at the time of a Change in Control may be assumed, converted or replaced by the successor entity (or parent thereof) or otherwise continued in full force and effect or may be replaced with a cash program of the successor entity (or parent thereof) on terms as required under the Plan (a "Replacement Award"). In the event of such Replacement Award, no accelerated vesting of the Restricted Stock Units (the "Replaced Award") shall occur at the time of the Change in Control. Notwithstanding the foregoing, no such cash program shall be established for the Replaced Award to the extent such program would otherwise be deemed to constitute a deferred compensation arrangement subject to the requirements of Code Section 409A and the Treasury Regulations thereunder. Further, a Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code.

(b) For purposes of this Agreement, a "Replacement Award" means an award: (i) of the same type (*e.g.* , time-based restricted stock units) as the Replaced Award; (ii) that has a value at least equal to the value of the Replaced Award; (iii) that relates to publicly traded equity securities of the Corporation or its successor in the Change in Control or another entity that is affiliated with the Corporation or its successor following the Change in Control; (iv) if the Participant holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Participant under the Code are not less favorable to such Participant than the tax consequences of the Replaced Award; and (v) the other terms and conditions of which are not less favorable to the Participant holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the

conditions of this Paragraph 5(b) are satisfied will be made by the Plan Administrator, as constituted immediately before the Change in Control, in its sole discretion.

(c) In the event of a Replacement Award, the Replaced Award shall be appropriately adjusted immediately after the consummation of the Change in Control, including if applicable so as to apply to the number and class of securities into which the shares of Common Stock subject to the Replaced Award immediately prior to the Change in Control would have been converted in consummation of that Change in Control had those shares of Common Stock actually been issued and outstanding at that time. To the extent the actual holders of the outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor entity (or parent thereof) may, in connection with the Replacement Award at that time, but subject to the Plan Administrator's approval prior to the Change in Control, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in the Change in Control transaction, provided the substituted common stock is readily tradable on an established U.S. securities exchange.

(d) Any Replacement Award shall be subject to the vesting acceleration provisions of the Participant's Employment Agreement, and the securities issuable under the Replaced Award that vest on an accelerated basis in accordance with those provisions shall be issued or distributed on the applicable date or dates determined for those securities or proceeds pursuant to terms of the Employment Agreement. Accordingly, the terms and provisions of the Employment Agreement (including any conditions, restrictions or limitations governing the accelerated vesting or issuance of the securities subject to the Participant's outstanding equity awards or the distribution of the proceeds of any replacement cash retention program, including (without limitation) the execution and delivery of an effective general release) shall apply to any Replacement Award and are hereby incorporated by reference into this Agreement, with the same force and effect as if expressly set forth in this Agreement.

(e) If no Replacement Award is provided, then the Restricted Stock Units shall vest immediately prior to the closing of the Change in Control. The vested Restricted Stock Units shall be converted into the right to receive for each such Restricted Stock Unit the same consideration per share of Common Stock payable to the other stockholders of the Corporation in consummation of that Change in Control, and such consideration shall be distributed to the Participant in accordance with the Issuance Schedule set forth in Paragraph 1. Such distribution shall be subject to the Corporation's collection of the applicable Withholding Taxes pursuant to the provisions of Paragraph 7.

(f) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets. Additionally, if a Replacement Award is provided, notwithstanding anything in this Agreement to the contrary, any outstanding Restricted Stock Units that at the time of the Change in Control are not subject to a "substantial risk of forfeiture" (within the meaning of Section 409A of the Code) will be deemed to be vested at the time of such Change in Control and will be payable in accordance with the Issuance Schedule set forth in Paragraph 1.

6. **Adjustment in Shares** . The total number and/or class of securities issuable pursuant to this Award and the other terms of this Award shall be subject to adjustment upon certain corporate events as set forth in Article One, Section V(E) of the Plan. The adjustments shall be made in such manner as the Plan Administrator deems appropriate, and those adjustments shall be final, binding and conclusive.

7. **Issuance of Shares of Common Stock** .

(a) On each applicable Issuance Date for the Restricted Stock Units which vest in accordance with the provisions of this Agreement, the Corporation shall issue to or on behalf of the Participant a certificate (which may be in electronic form) or provide for book entry for the shares of Common Stock to be issued on such date, subject to the Corporation's collection of the applicable Withholding Taxes.

(b) Until such time as the Corporation provides the Participant with notice to the contrary, the Corporation shall collect the applicable Withholding Taxes through an automatic share withholding procedure pursuant to which the Corporation will withhold, on the applicable Issuance Date for the Restricted Stock Units that vest under the Award, a portion of those vested Restricted Stock Units with a Fair Market Value (measured as of the applicable tax date for such shares) equal to the amount of such Withholding Taxes (the "Share Withholding Method"); ***provided, however*** , that the amount of any Restricted Stock Units so withheld shall not exceed the amount necessary to satisfy the Corporation's required tax withholding obligations using the maximum statutory withholding rates for federal and state tax purposes, including payroll taxes, that could be applicable to supplemental taxable income. (or such other rate that will not cause an adverse accounting consequence or cost). The Participant shall be notified in writing in the event such Share Withholding Method is no longer available.

(c) Should any Restricted Stock Units vest under the Award when the Share Withholding Method is not available, then the Withholding Taxes shall be collected from the Participant through either of the following alternatives:

(i) the Participant's delivery of his or her separate check payable to the Corporation in the amount of such Withholding Taxes, or

(ii) the use of the proceeds from a next-day sale of the shares of Common Stock issued to the Participant, provided and only if (i) such a sale is permissible under the Corporation's trading policies governing the sale of Common Stock, (ii) the Participant makes an irrevocable commitment, on or before the vesting date for those shares, to effect such sale of the shares and (iii) the transaction is not otherwise deemed to constitute a prohibited loan under Section 402 of the Sarbanes-Oxley Act of 2002.

(d) The Corporation shall concurrently, with each payment of vested Restricted Stock Units in accordance with the foregoing provisions of this Paragraph 7, distribute to the Participant any outstanding phantom dividend equivalents credited with respect to those Restricted Stock Units. The Corporation shall collect the Withholding Taxes with respect to each distribution of such phantom dividend equivalents by withholding a portion of that distribution equal to the amount of the applicable Withholding Taxes, with the cash portion of the distribution to be the first portion so withheld, or through such other tax withholding arrangement as the Corporation deems appropriate.

(e) Except as otherwise provided in Paragraph 5 or 6, the settlement of all Restricted Stock Units which vest under the Award shall be made solely in shares of Common Stock. No fractional share of Common Stock shall be issued pursuant to this Award, and any fractional share resulting from any calculation made in accordance with the terms of this Agreement shall be rounded down to the next whole share of Common Stock.

8. **Compliance with Laws and Regulations** . The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and the Participant with

all applicable requirements of law relating thereto and with all applicable regulations of the Stock Exchange on which the Common Stock is listed for trading at the time of such issuance.

9. **Notices.** Any notice required to be given or delivered to the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate offices and directed to the attention of Stock Plan Administrator. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the most current address then indicated for the Participant on the Corporation's employee records or delivered electronically to the Participant through the Corporation's electronic mail system. All notices shall be deemed effective upon personal delivery or delivery through the Corporation's electronic mail system or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

10. **Successors and Assigns**. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and the Participant, the Participant's assigns, the legal representatives, heirs and legatees of the Participant's estate and any beneficiaries of the Award designated by the Participant.

11. **Construction**. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

12. **Governing Law**. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without resort to that state's conflict-of-laws rules.

13. **Employment at Will**. Nothing in this Agreement or in the Plan shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate the Participant's Service at any time for any reason, with or without cause.

14. **Code Section 409A.**

(a) It is the intention of the parties that the provisions of this Agreement comply with the requirements of the "short-term deferral" exception of Section 409A of the Code and Treasury Regulations Section 1.409A-1(b)(4). Accordingly, to the extent there is any ambiguity as to whether one or more provisions of this Agreement would otherwise contravene the requirements or limitations of Code Section 409A applicable to such short-term deferral exception, then those provisions shall be interpreted and applied in a manner that does not result in a violation of the requirements or limitations of Code Section 409A and the Treasury Regulations thereunder that apply to such exception. Each installment that becomes payable in respect of vested Restricted Stock Units subject to the Award is a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event shall the Corporation be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of Code Section 409A.

(b) If and to the extent this Agreement may be deemed to create an arrangement subject to the requirements of Code Section 409A, then, notwithstanding anything to the contrary in this Agreement, the following provisions shall apply:

(i) No shares of Common Stock or other amounts which become issuable or distributable under this Agreement by reason of the Participant's cessation of Service shall actually be issued or distributed to the Participant until the date of the Participant's Separation from Service due to such cessation of Service or as soon thereafter as administratively practicable, but in no event later than the ***later*** of (i) the close of the calendar year in which such Separation from Service occurs and (ii) the fifteenth day of the third calendar month following the date of such Separation from Service.

(ii) No shares of Common Stock or other amounts which become issuable or distributable under this Agreement by reason of the Participant's cessation of Service shall actually be issued or distributed to the Participant prior to the ***earlier*** of (i) the first day of the seventh (7th) month following the date of the Participant's Separation from Service or (ii) the date of the Participant's death, if the Participant is deemed at the time of such Separation from Service to be a specified employee under Section 1.409A-1(i) of the Treasury Regulations issued under Code Section 409A, as determined by the Plan Administrator in accordance with consistent and uniform standards applied to all other Code Section 409A arrangements of the Corporation, and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). The deferred shares or other distributable amount shall be issued or distributed in a lump sum on the first day of the seventh (7th) month following the date of the Participant's Separation from Service or, if earlier, the first day of the month immediately following the date the Corporation receives proof of the Participant's death.

(iii) No amounts that vest and become payable under Paragraph 5 of this Agreement by reason of a Change in Control shall be distributed to the Participant at the time of such Change in Control, unless that transaction also qualifies as a change in control event under Code Section 409A and the Treasury Regulations thereunder. In the absence of such a qualifying change in control, the distribution shall not be made until the date or dates on which those amounts are to be distributed pursuant to the Normal Vesting Schedule, or to the extent applicable, the provisions of Paragraph 5(c) of this Agreement.

IN WITNESS WHEREOF , the parties have executed this Agreement on the day and year first indicated above.

FTD COMPANIES, INC.

By:

Title:

PARTICIPANT

Name: <Participant Name>

Signature: <Electronic Signature>

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

A. **Agreement** shall mean this Restricted Stock Unit Issuance Agreement.

B. **Award** shall mean the award of restricted stock units made to the Participant pursuant to the terms of this Agreement.

C. **Award Date** shall mean the date the restricted stock units are awarded to the Participant pursuant to the Agreement and shall be the date indicated in Paragraph 1 of the Agreement.

D. **Change in Control** shall have the meaning assigned to such term in the Employment Agreement. However, in the absence of such definition in the Employment Agreement, a Change in Control shall have the meaning set forth in the Plan.

E. **Employment Agreement** shall mean the Employment Agreement between the Participant and the Corporation (or any Parent or Subsidiary) in effect on the Award Date.

F. **Participant** shall mean the person to whom the Award is made pursuant to the Agreement.

G. **Separation from Service** means the Participant's cessation of Service that constitutes a "separation from service" as defined in Code Section 409A and determined in accordance with the applicable Treasury Regulations or other guidance issued under Code Section 409A.

ASSIGNMENT AND ASSUMPTION AGREEMENT

Assignment and Assumption Agreement (this " Agreement "), dated as of August 28, 2017, by and among General Communication, Inc., an Alaska corporation (which will be renamed GCI Liberty, Inc. in connection with the transactions contemplated by the Reorganization Agreement (as defined below)) (" Splitco "), Liberty Interactive Corporation, a Delaware corporation (" Liberty "), Liberty Interactive LLC, a Delaware limited liability company and wholly-owned subsidiary of Liberty (" LI LLC "), Ventures Holdco, LLC, a Delaware limited liability company and an indirect wholly-owned subsidiary of Liberty (" Ventures Holdco "), and FTD Companies, Inc. (the " Company "), a Delaware corporation.

RECITALS

WHEREAS, Liberty and the Company are party to that certain Investor Rights Agreement, dated December 31, 2014 (the " Investor Rights Agreement ");

WHEREAS, Liberty, LI LLC and Splitco have entered into the Reorganization Agreement (as defined below);

WHEREAS, in connection with the transactions contemplated by the Reorganization Agreement, LI LLC may elect to contribute all of its shares of Issuer Common Stock to Ventures Holdco;

WHEREAS, pursuant to the Reorganization Agreement, among other things, Liberty will contribute certain assets and liabilities, including its interest in Ventures Holdco, to Splitco in exchange for a controlling interest in Splitco (the " Contribution ") and Liberty will subsequently effect the redemption of all of the issued and outstanding shares of its Series A and Series B Liberty Ventures common stock, which constitute all of the outstanding shares of Liberty's Ventures Group, in exchange for all of the shares of capital stock of Splitco then-owned by Liberty (the " Split-Off "), with the effect that Splitco will be split-off from Liberty and Liberty will cease to have an equity interest in Splitco;

WHEREAS, the parties desire to effect the assignment by Liberty and assumption by Splitco of Liberty's rights, benefits and obligations under the Investor Rights Agreement, including, for the avoidance of doubt, the obligations set forth in Article 2 of the Investor Rights Agreement;

WHEREAS, prior to the execution of this Agreement, the Board of Directors of the Company (the " Company Board ") (or a duly authorized committee thereof) has duly adopted the resolutions set forth on Exhibit A hereto; and

WHEREAS, capitalized terms not otherwise defined herein will have the meanings specified in the Investor Rights Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. *Representations and Warranties of the Company* . The Company represents and warrants to each of Liberty, LI LLC, Ventures Holdco and Splitco that:

a. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to enter into this Agreement and to carry out its obligations hereunder and under the Investor Rights Agreement;

b. the execution, delivery and performance of this Agreement by the Company have been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the matters contemplated hereby or by the Investor Rights Agreement;

c. this Agreement has been duly executed and delivered by the Company, and constitutes a valid and binding obligation of the Company, and, assuming this Agreement constitutes a valid and binding obligation of Liberty, LI LLC, Ventures Holdco and Splitco, is enforceable against the Company in accordance with its terms;

d. the execution and delivery of this Agreement by the Company, and the performance of its obligations hereunder and under the Investor Rights Agreement, do not constitute a breach or violation of, or conflict with, the Company's organizational documents; and

e. prior to the execution of this Agreement, the Company Board (or a duly authorized committee thereof) has duly adopted the resolutions set forth on Exhibit A hereto, which resolutions have not been amended, modified or rescinded.

2. *Representations and Warranties of Liberty, LI LLC and Ventures Holdco* . Liberty, LI LLC and Ventures Holdco jointly and severally represent and warrant to the Company and Splitco that:

a. Liberty is a corporation and LI LLC and Ventures Holdco each are a limited liability company, in each case, duly organized, validly existing and in good standing under the laws of the State of Delaware and have the corporate or other power and authority to enter into this Agreement and to carry out their respective obligations hereunder and under the Investor Rights Agreement;

b. the execution, delivery and performance of this Agreement by Liberty, LI LLC and Ventures Holdco have been duly authorized by all necessary corporate or other action on the part of Liberty, LI LLC and Ventures Holdco, respectively, and no other corporate or other proceedings on the part of Liberty, LI LLC and Ventures Holdco are necessary to authorize this

Agreement or the matters contemplated hereby or by the Investor Rights Agreement;

c. this Agreement has been duly executed and delivered by each of Liberty, LI LLC and Ventures Holdco, and constitutes a valid and binding obligation of each of Liberty, LI LLC and Ventures Holdco, and, assuming this Agreement constitutes a valid and binding obligation of the Company and Splitco, is enforceable against each of Liberty, LI LLC and Ventures Holdco in accordance with its terms;

d. the execution and delivery of this Agreement by each of Liberty, LI LLC and Ventures Holdco, and the performance of their respective obligations hereunder and under the Investor Rights Agreement, do not constitute a breach or violation of, or conflict with, each of Liberty's, LI LLC's and Ventures Holdco's organizational documents; and

e. pursuant to the transactions contemplated by the Reorganization Agreement, Liberty may elect to Transfer Beneficial Ownership of all of its shares of Issuer Common Stock to Ventures Holdco, which, in turn, subject to the satisfaction of the conditions set forth in the Reorganization Agreement, will Transfer all of its interest in Ventures Holdco to Splitco.

3. *Representations and Warranties of Splitco* . Splitco represents and warrants to each of Liberty, LI LLC, Ventures Holdco and the Company that:

a. Splitco is a corporation duly organized, validly existing and in good standing under the laws of the State of Alaska and has the corporate or other power and authority to enter into this Agreement and to carry out its obligations hereunder and, following the Split-Off Effective Time (as defined in the Reorganization Agreement), under the Investor Rights Agreement;

b. the execution, delivery and performance of this Agreement by Splitco have been duly authorized by all necessary corporate action on the part of Splitco and no other corporate proceedings on the part of Splitco are necessary to authorize this Agreement or the matters contemplated hereby or by the Investor Rights Agreement.

c. this Agreement has been duly executed and delivered by Splitco, and constitutes a valid and binding obligation of Splitco, and, assuming this Agreement constitutes a valid and binding obligation of the Company, Liberty, LI LLC and Ventures Holdco, is enforceable against Splitco in accordance with its terms;

d. the execution and delivery of this Agreement by Splitco, and following the Split-Off Effective Time, the performance of its obligations hereunder and

under the Investor Rights Agreement, do not constitute a breach or violation of, or conflict with, Splitco's organizational documents;

e. as of (i) the date hereof, (ii) immediately prior to the Split-Off Effective Time and (iii) immediately after the Split-Off Effective Time, Splitco does not own any shares of Issuer Common Stock other than those that may or have been, as applicable, contributed to it by Liberty in the Contribution; and

f. Splitco is not a Prohibited Transferee.

4. *Assignment and Assumption, Certain Acknowledgements and Agreements* .

a. Effective immediately prior to the Split-Off Effective Time (but subject to the consummation of the Split-Off):

i. Liberty assigns all of its rights, liabilities and obligations under the Investor Rights Agreement (including, for the avoidance of doubt, Sections 1.2(e) and 1.2(f) of the Investor Rights Agreement) to Splitco;

ii. Splitco accepts such assignment of rights hereunder and assumes and agrees to perform all liabilities and obligations of Liberty under the Investor Rights Agreement (including, for the avoidance of doubt, Sections 1.2(e) and 1.2(f) of the Investor Rights Agreement) to be performed following the Split-Off Effective Time; and

iii. Splitco is substituted for Liberty as "Investor" for all purposes under the Investor Rights Agreement and upon the Split-Off Effective Time, all references in the Investor Rights Agreement to "Investor" will be deemed to refer to Splitco.

b. Liberty acknowledges that (i) it shall not be entitled to any benefits under the Investor Rights Agreement following the Split-Off Effective Time (including, for the avoidance of doubt, any continuing benefits to Liberty following the Split-Off Effective Time arising from the 203 Approval adopted prior to the execution of the Investor Rights Agreement or from Section 1.3(b) of the Investor Rights Agreement) and (ii) the Company shall not be subject to any liability to Liberty under the Investor Rights Agreement following the Split-Off Effective Time (except for any liability arising from any breach of the Investor Rights Agreement by the Company on or prior to the Split-Off Effective Time).

c. The Company acknowledges that Liberty (i) will have no further obligations under the Investor Rights Agreement following the Split-Off Effective Time and (ii) will not be subject to any liability to the Company under the Investor Rights Agreement following the Split-Off Effective Time (except for any liability arising from any breach of the Investor

Rights Agreement by Liberty or relating to any actions or events occurring, in each case, on or prior to the Split-Off Effective Time).

d. Splitco acknowledges and agrees that the persons serving as "Investor Directors" (as such term is used prior to the effectiveness of the assignment set forth in Section 4(a) of this Agreement) on the Company Board at the Split-Off Effective Time will continue to serve as the "Investor Directors" (as such term is used following the effectiveness of the assignment set forth in Section 4(a) of this Agreement) pursuant to Article 3 of the Investor Rights Agreement.

e. Pursuant to Section 6.3 of the Investor Rights Agreement, effective upon the Split-Off Effective Time, the address for all notices, requests and other communications to Splitco and the Investor Affiliates pursuant to the Investor Rights Agreement will be:

GCI Liberty, Inc.
12300 Liberty Boulevard
Englewood, CO 80112
Attention: Chief Legal Officer
E-Mail: legalnotices@libertymedia.com
Facsimile: (720) 875-5401

5. *Miscellaneous.*

(a) From and after the execution and delivery of this Agreement, the Investor Rights Agreement shall be deemed to be assigned and assumed as herein provided (it being understood that no assignment, assumption or substitution hereunder shall be effective until immediately prior to the Split-Off Effective Time (and subject to the consummation of the Split-Off)), and the Investor Rights Agreement shall continue in full force and effect and is hereby ratified and confirmed.

(b) The headings contained in this Agreement are for reference purposes only and do not affect in any way the meaning, construction or interpretation of this Agreement.

(c) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect 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 that any term or other provision is invalid, illegal or incapable of being enforced, the parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

(d) This Agreement (together with the Investor Rights Agreement, the letter agreement, dated as of February 19, 2014, entered into by Investor and Issuer and the Purchase Agreement and the other documents delivered pursuant thereto) constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, among the parties, in each case with respect to the subject matter hereof.

(e) Except as expressly provided in this Agreement or the Investor Rights Agreement, neither this Agreement nor any of the rights, interests or obligations under this Agreement or the Investor Rights Agreement will be assigned, in whole or in part, by any party hereto or thereto without the prior written consent of the other parties hereto or thereto; provided , however , that following the Split-Off Effective Time, neither Liberty's nor LI LLC's consent will be required for such assignment. Any purported assignment without such prior written consent will be void.

(f) Each party shall cooperate and take such action as may be reasonably requested by the other parties in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby; provided , however , that no party shall be obligated to take any actions or omit to take any actions that would be inconsistent with applicable Law.

(g) This Agreement will be binding upon and inure solely to the benefit of each party and their respective successors and assigns, and nothing in this Agreement, express or implied, is intended to or will confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(h) This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without regard to Laws that may be applicable under conflicts of Laws principles (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Law of any jurisdiction other than the State of Delaware. The parties hereby irrevocably and unconditionally submit to the sole and exclusive jurisdiction of the Delaware Courts in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in the Delaware Courts, or that this Agreement or any such document may not be enforced in or by such courts, and the parties irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in the Delaware Courts. The parties hereby consent to and grant the Delaware Courts jurisdiction over the person of such parties and, to the extent permitted by Law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 6.3 of the Investor Rights Agreement or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY

IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (ii) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (iii) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5(h).

(i) This Agreement may be executed via facsimile or .pdf and in two (2) or more counterparts, and by the different parties in separate counterparts, each of which when executed will be deemed to be an original but all of which taken together will constitute one and the same agreement.

(j) The parties agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties will be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions hereof in addition to any other remedy to which they are entitled at Law or in equity and it is agreed by the parties that the remedy at Law, including monetary damages, for breach of any such provision will be inadequate compensation for any loss and that any defense or objection in any action for specific performance or injunctive relief for which a remedy at Law would be adequate is waived.

(k) This Agreement may not be amended except by an instrument in writing signed by each of the parties; provided , however , that following the Split-Off Effective Time, neither Liberty's nor LI LLC's execution of such amendment will be required for the effectiveness thereof, except to the extent such amendment would have, or would reasonably be expected to have, an adverse effect upon the rights or obligations of Liberty or LI LLC under this Agreement.

(l) At any time, any party may, to the extent permitted by applicable Law, (i) extend the time for the performance of any of the obligations or other acts of any other party hereto, (ii) waive any inaccuracies in the representations and warranties of the other parties contained herein or in any document delivered pursuant hereto and (iii) waive compliance by the other parties with any of the agreements or conditions contained herein. Any such extension or waiver will be valid only if set forth in an instrument in writing signed by the party making such waiver, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure or for any other period not specifically provided in the waiver.

(m) In the event that Liberty determines not to include the shares of Issuer Common Stock as part of the Contributed Assets (as defined in the Reorganization Agreement) and as a result the shares of Issuer Common Stock remain Beneficially Owned by Liberty following the Split-Off Effective Time (a " Stock Retention "), Liberty shall promptly inform the Company in writing of such determination prior to the occurrence of the Contribution. In the event that the Outside Date (as such term is defined in the Reorganization Agreement) is extended past April 4, 2018, whether by waiver, by the operation of the terms of the Reorganization Agreement, by amendment by the Reorganization Agreement or otherwise, Liberty shall promptly inform the Company in writing thereof.

(n) This Agreement will terminate, and the assignment, acknowledgments and agreements set forth herein will be void and of no effect, (i) upon the termination of the Reorganization Agreement if such agreement is validly terminated in accordance with its terms prior to the Split-Off Effective Time, (ii) in the event that the Split-Off Effective Time has not occurred prior to the Outside Date (as defined in, and subject to the possible extensions provided for in, Section 7.1(b)(i) of the Reorganization Agreement as in effect as of the date hereof), or (iii) in the event of a Stock Retention, upon the earlier of (A) the delivery of the written notice referred to in Section 5(m) and (B) immediately prior to the effectiveness of the assignments and assumptions referred to in Section 4(a). In the event of any such termination, the parties acknowledge that the Investor Rights Agreement, as in effect immediately prior to the execution of this Agreement, will continue to govern the relationship of the parties in accordance with its terms.

(o) The term " Reorganization Agreement " means that certain Agreement and Plan of Reorganization, dated as of April 4, 2017, by and among Liberty, LI LLC and Splitco, as amended by Amendment No. 1 to Reorganization Agreement, dated as of July 19, 2017, and as such agreement may be amended or modified in accordance with the terms thereof; provided , however , that no such amendment or modification which extends the Outside Date (as defined in the Reorganization Agreement), other than as provided in the Reorganization Agreement as of the date hereof, will be effective for purposes of this Agreement.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LIBERTY INTERACTIVE CORPORATION

By: /s/ Craig Troyer
Name: Craig Troyer
Title: Senior Vice President, Deputy General Counsel and Assistant Secretary

LIBERTY INTERACTIVE LLC

By: Liberty Interactive Corporation, its sole member and manager

By: /s/ Craig Troyer
Name: Craig Troyer
Title: Senior Vice President, Deputy General Counsel and Assistant Secretary

VENTURES HOLDCO, LLC

By: Liberty Interactive LLC, its sole member and manager

By: Liberty Interactive Corporation, its sole member and manager

By: /s/ Craig Troyer
Name: Craig Troyer
Title: Senior Vice President, Deputy General Counsel and Assistant Secretary

GENERAL COMMUNICATION, INC.

By: /s/ Peter Pounds
Name: Peter Pounds
Title: SVP & CFO

FTD COMPANIES, INC.

By: /s/ Scott Levin
Name: Scott Levin
Title: EVP & General Counsel

Exhibit A

Approval of Assignment and Assumption Agreement

RESOLVED , that the form, terms and provisions of the Assignment and Assumption Agreement (the " **Assignment and Assumption Agreement** "), which effects the assignment by Liberty Interactive Corporation, a Delaware corporation (" **Liberty** "), and the assumption by General Communication, Inc., an Alaska corporation (together with its successors, " **GCI** "), of Liberty's rights, benefits, and obligations under the Investor Rights Agreement, dated December 31, 2014 (as such agreement is proposed to be amended by such Assignment and Assumption Agreement, the " **Investor Rights Agreement** "), to be entered into by FTD Companies, Inc., a Delaware corporation (the " **Company** "), Liberty, Liberty Interactive LLC, Ventures Holdco, LLC, and GCI, in substantially the same form presented to the Board of Directors of the Company, with such changes therein and additions thereto as shall be made in accordance with the following resolution, and the other transactions, actions and instruments contemplated by or incident to the Assignment and Assumption Agreement be and hereby are authorized, adopted and approved for all purposes; and

FURTHER RESOLVED , that each executive officer of the Company (collectively, the " **Authorized Officers** ") be, and each of them hereby is, authorized for and on behalf of the Company to execute and deliver the Assignment and Assumption Agreement with such additions, deletions, changes or modifications as such Authorized Officer executing the same shall approve, such execution and delivery to conclusively evidence the authorization and approval thereof by the Company, and are each hereby empowered to take any other action and make any such filings as such Authorized Officer deems necessary or desirable in connection with the execution, delivery and performance of the Assignment and Assumption Agreement and the consummation of the transactions contemplated thereby.

DGCL 203 Waiver

RESOLVED , that each of the Investor Affiliates (as defined in the Investor Rights Agreement) and any "affiliates" or "associates" thereof (for purposes of this resolution, as defined in and contemplated by Section 203(c)(1) and Section 203(c)(2) of the General Corporation Law of the State of Delaware (the " **DGCL** ")), including persons who become "affiliates" or "associates" of the Investor Affiliates after the date hereof, any group composed solely of Investor Affiliates and any "affiliates" or "associates" thereof, and any Qualified Distribution Transferee (as defined in the Investor Rights Agreement) that receives Issuer Common Stock (as defined in the Investor Rights Agreement) in a Distribution Transaction (as defined in the Investor Rights Agreement) and any "affiliates" or "associates" thereof (collectively, the " **Exempt Persons** "), are approved as an "interested stockholder" within the meaning of Section 203 of the DGCL and that any acquisition of "ownership" of "voting stock" (as defined in and contemplated by Section 203(c)(8) and Section 203(c)(9) of the DGCL) of the Company (or any successor thereto) by any of the Exempt Persons, either individually or as a group, as any such acquisition may occur from time to time (including in circumstances where an Investor Affiliate, or "affiliate" or "associate" thereof ceases to be an "affiliate" of the Investor (as defined in the Investor Rights Agreement) and continues to own voting stock of the

Company (or any successor thereto), so long as such person meets the requirements of a Qualified Distribution Transferee (as defined in the Investor Rights Agreement) or an "affiliate" thereof), be and hereby are approved for purposes of Section 203 of the DGCL, and the restrictions on "business combinations" contained in Section 203 of the DGCL shall not apply to any of the Exempt Persons.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John C. Walden , certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FTD Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and we have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and to the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ John C. Walden

John C. Walden

President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian S. Cooper , certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FTD Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and we have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and to the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ Brian S. Cooper

Brian S. Cooper

Interim Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, John C. Walden , certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(a) The Quarterly Report on Form 10-Q of FTD Companies, Inc. for the quarter ended September 30, 2017 , as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2017

/s/ John C. Walden

John C. Walden

President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian S. Cooper , certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(a) The Quarterly Report on Form 10-Q of FTD Companies, Inc. for the quarter ended September 30, 2017 , as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2017

/s/ Brian S. Cooper

Brian S. Cooper

Interim Chief Financial Officer