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

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**FORM 8-K**

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

**September 17, 2014**  
**Date of Report (Date of earliest event reported)**

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**SYNCHRONY FINANCIAL**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-36560**  
(Commission  
File Number)

**51-0483352**  
(I.R.S. Employer  
Identification No.)

**777 Long Ridge Road**  
**Stamford, Connecticut**  
(Address of principal executive offices)

**06902**  
(Zip Code)

**(203) 585-2400**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On September 17, 2014, the Management Development and Compensation Committee of the Board of Directors of Synchrony Financial (the “Company”) adopted the Synchrony Financial Deferred Compensation Plan (the “Plan”). The effective date of the Plan is January 1, 2015. The following is a summary of the significant terms of the Plan.

The Plan is an unfunded plan that provides the opportunity to defer the receipt of a portion of their compensation to a select group of management and highly compensated employees of the Company and any of its participating affiliates. Under the Plan, eligible employees may, to the extent permitted by the administrator of the Plan, elect to defer up to 80% (or such lower percentage, as determined by the Plan administrator) of their base salary and bonus, and all or a portion of any other type of compensation, as determined by the Plan administrator. The Plan administrator will designate two or more investment benchmarks from which participants can select the benchmarks that will be used to determine the rate of return or loss applicable to their deferred compensation amounts. Participants will also make elections regarding the time and form of payment of their deferral under the Plan, in accordance with Section 409A of the Internal Revenue Code of 1986. The Company will establish bookkeeping accounts attributable to participants’ deferrals, which will be adjusted based on participants’ investment elections.

This description of the Plan is qualified in its entirety by reference to the form of the Plan filed as Exhibit 10.1 to this report, which is incorporated into this Item 5.02 by reference.

On September 17, 2014, the Management Development and Compensation Committee also approved grants of restricted stock units (“RSUs”) and stock options (and other awards as appropriate with respect to our employees outside the U.S.) under the Synchrony Financial 2014 Long-Term Incentive Plan to management and certain of our employees. These RSUs and stock options will vest 20% annually, starting with the first anniversary of the award date, provided that the employee has remained continuously employed by the Company through such vesting date, subject to exceptions for retirement, involuntary termination, death and disability, and termination following a change of control. The stock options will have a term of 10 years. Dividend-equivalents earned on the RSUs will be reinvested in additional RSUs at each dividend-payable date. These additional RSUs will vest under the same terms and conditions as the original RSU award. By accepting these grants, each employee agrees to be subject to non-competition, non-solicitation and non-disclosure covenants while the employee is employed by the Company and during the 18-month period following a termination of the employee’s employment with the Company.

This description of these grants is qualified in its entirety by reference to the form of Restricted Stock Unit and Non-Qualified Stock Option Award filed as Exhibit 10.2 to this report, which is incorporated into this Item 5.02 by reference.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits*

<u>Number</u>	<u>Description</u>
10.1	Form of Synchrony Financial Deferred Compensation Plan
10.2	Form of Restricted Stock Unit and Non-Qualified Stock Option Award

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**SIGNATURES**

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

**SYNCHRONY FINANCIAL**

Date: September 22, 2014

By: /s/ Jonathan Mothner

Name: Jonathan S. Mothner

Title: Executive Vice President, General Counsel and Secretary

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**EXHIBIT INDEX**

<b><u>Number</u></b>	<b><u>Description</u></b>
10.1	Form of Synchrony Financial Deferred Compensation Plan
10.2	Form of Restricted Stock Unit and Non-Qualified Stock Option Award

**SYNCHRONY FINANCIAL**  
**FORM OF DEFERRED COMPENSATION PLAN**

This document constitutes the Synchrony Financial Deferred Compensation Plan (the "Plan"). The Plan is intended to provide to certain key employees of Synchrony Financial, a Delaware corporation (the "Company"), and participating Affiliates the opportunity to defer the receipt of a portion of their compensation otherwise payable by the Company or such Affiliates. The Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, and Department of Labor Regulation §2520.104-23, and is intended to satisfy the requirements of section 409A(a)(2), (3) and (4) of the Code.

1. Definitions. As used in the Plan, the following terms shall have the respective meanings set forth below:

(a) "Affiliate" means (i) any entity that, directly or through one or more intermediaries, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, as determined by the Plan Administrator.

(b) "Age Election" has the meaning set forth in Section 2(e)(ii).

(c) "Beneficiary" means the person or entity designated by a Participant in the manner determined by the Plan Administrator to receive the Participant's benefit under the Plan in the event of the Participant's death.

(d) "Board" means the Board of Directors of the Company.

(e) "Change in Control" means any of the following events, but only if such event constitutes a "change in control event" for purposes of Treasury Regulation section 1.409A-3(i)(5):

(i) the acquisition by any individual, entity or group (a "Person"), including any "person" within the meaning of section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then outstanding shares of common stock of the Company (the "Outstanding Common Stock") or (B) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Voting Securities"); excluding, however, the following: (1) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company), (2) any acquisition by the Company, (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section 1(e); provided

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further, that for purposes of clause (2), if any Person (other than the Company or any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company) shall become the beneficial owner of 30% or more of the Outstanding Common Stock or 30% or more of the Outstanding Voting Securities by reason of an acquisition by the Company, and such Person shall, after such acquisition by the Company, become the beneficial owner of any additional shares of the Outstanding Common Stock or any additional Outstanding Voting Securities and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control;

(ii) during any twelve (12) month period, the cessation of individuals who constitute the Board (the "Incumbent Board") to constitute at least a majority of such Board; provided that any individual who becomes a director of the Company during such twelve (12) month period whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of the Company as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board; or

(iii) the consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Corporate Transaction"); excluding, however, a Corporate Transaction pursuant to which (A) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Common Stock and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns, directly or indirectly, the Company or all or substantially all of the Company's assets) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Common Stock and the Outstanding Voting Securities, as the case may be, (B) no Person (other than: the Company; any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 30% or more of the Outstanding Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 30% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors, and (C) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction.

Notwithstanding anything to the contrary in the foregoing, (i) for so long as General Electric Company and its affiliates beneficially own a majority of the Outstanding Common Stock, no Change in Control shall be deemed to have occurred, (ii) any transaction pursuant to which common stock of the Company is transferred from one wholly-owned subsidiary of General Electric Company to another wholly-owned subsidiary of General Electric Company shall not be deemed to be a Change in Control, and (iii) the transactions pursuant to which General Electric Company and its affiliates reduce their ownership of common stock of the Company shall not constitute a Change in Control; provided that in connection with any such transaction no other Person acquires beneficial ownership of common stock of the Company in an amount that would constitute a Change in Control pursuant to subsection (i) of this Section 1(e).

(f) "Code" means the Internal Revenue Code of 1986, as amended.

(g) "Company" means Synchrony Financial, a Delaware corporation.

(h) "Deferral Election" means an election to defer all or a portion of an Eligible Employee's compensation.

(i) "Deferred Compensation Account" has the meaning set forth in Section 3.

(j) "Effective Date" means January 1, 2015.

(k) "Eligible Employee" means any employee of an Employer whose role is in the "Executive Band" or higher, "Grade 15" or above, or any comparable role or position (including any similar role or position if an Employer does not use the foregoing designations), all as determined by the Plan Administrator, in its sole discretion, other than any employee who is a nonresident alien (within the meaning of section 7701(b)(1)(B) of the Code) or is a resident of Puerto Rico. If an employee who satisfies this definition of "Eligible Employee" incurs, during any calendar year, (i) a change in role or position that would cause such employee to no longer be an Eligible Employee, or (ii) a transfer of employment to an Affiliate that is not an Employer, such employee shall continue to be considered an Eligible Employee with respect to any compensation earned with respect to such calendar year.

(l) "Employer" means the Company and any Affiliate who has adopted the Plan with the consent of the Company.

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

(n) "Participant" means an Eligible Employee who has made a Deferral Election and has had a portion of his or her compensation deferred under the Plan. Any person who becomes a Participant shall continue to be a Participant until his entire benefit under the Plan has been paid to, or on behalf, of such person.

(o) "Plan Administrator" means the Chief Human Resources Officer or other person holding the most senior position in the human resources department of the Company.

(p) "Separation from Service" means a "separation from service" as defined in Treasury Regulation section 1.409A-1(h).

## 2. Deferral Elections.

(a) In General. Each Deferral Election shall indicate the following: (i) the percentage and types of eligible compensation to be deferred (ii) the time such deferred compensation shall be paid to, or on behalf of, the Participant, and (iii) the form in which such payment shall be made. An Eligible Employee's Deferral Elections shall remain in effect until cancelled or modified.

### (b) Timing of Elections.

(i) Annual Elections. Except as set forth in paragraph (ii) below, Deferral Elections shall be made on or before the December 31 (or such other date, as determined by the Plan Administrator) of the year prior to the calendar year to which the Deferral Election applies. Any Deferral Election under this paragraph shall (i) be irrevocable, except as otherwise determined by the Plan Administrator; provided, however, that in no event may such a Deferral Election be modified or revoked after December 31<sup>st</sup> of the year prior to the year in which such election is to be effective, and (ii) apply only with respect to compensation for services performed during the calendar year following the calendar year in which such election is made.

(ii) Initial Eligibility. With respect to any individual who (1) first becomes an Eligible Employee after January 1 of any year, and (2) is not already eligible to participate in another nonqualified deferred compensation plan that would be aggregated with the Plan for purposes of section 409A of the Code, such Eligible Employee may make an initial Deferral Election no later than the thirtieth (30<sup>th</sup>) day after the date on which such individual becomes an Eligible Employee. Any Deferral Election under this paragraph shall (i) be irrevocable, and (ii) apply only with respect to compensation for services performed (y) after the date such election is effective, and (z) during the calendar year in which such election was made.

(c) Compensation Subject to Elections. A Deferral Election shall specify the portion of an Eligible Employee's compensation that shall be deferred under the Plan, in accordance with the following (and, in each case, only if permitted by the Plan Administrator): (i) up to 80% (or such lower percentage, as determined by the Plan Administrator), in whole percentage increments, of the Eligible Employee's base salary, (ii) up to 80% (or such lower percentage, as determined by the Plan Administrator), in whole percentage increments, of any bonus payable to the Eligible Employee, and (iii) all or a portion (as determined by the Plan Administrator) of such other compensation as may be payable to the Participant, as determined by the Plan Administrator.

(d) Form of Distributions. A Deferral Election shall indicate that the compensation subject to such Deferral Election (as adjusted for earnings equivalents) shall be paid in one of the following forms:

(i) Lump sum payment, or

(ii) Ten (10) annual installments. The amount of each such installment shall, subject to Section 5, be equal to the balance of the portion of the Participant's Deferred Compensation Account attributable to such Deferral Election, determined as of the close of business on the day before the distribution, divided by the number of remaining installments.

(e) Time of Distributions. A Deferral Election shall indicate that the compensation subject to such deferral election (as adjusted for earnings equivalents) shall be paid during the later of:

(i) The month following the six (6) month anniversary of the Participant's Separation from Service; and

(ii) The month in which the Participant attains age 55, 60, 65 or 70, as elected by the Participant (the "Age Election").

(f) Subsequent Deferral Elections. Subject to rules established by the Plan Administrator, a Participant may modify the "Form of Distribution" and/or the "Age Election" components of his or her Deferral Election (a "Subsequent Deferral Election") in accordance with the following:

(i) a Participant may only make one (1) Subsequent Deferral Election with respect to each Deferral Election;

(ii) the Subsequent Deferral Election must be made at least twelve (12) months prior to the date on which the Participant would have received a distribution had no Subsequent Deferral Election been made;

(iii) the Subsequent Deferral Election will not take effect until twelve (12) months after such Subsequent Deferral Election was made;

(iv) the Subsequent Deferral Election will cause the Participant to receive a distribution no earlier than the fifth (5<sup>th</sup>) anniversary of the date the Participant would have received a distribution had no Subsequent Deferral Election been made; and

(v) the Subsequent Deferral Election will be irrevocable.

(g) Default Elections. If a Deferral Election does not indicate a valid time of distribution, the Participant shall be deemed to have elected to receive the compensation subject to such Deferral Election on the six (6) month anniversary of the Participant's Separation from Service. If a Participant's Deferral Election does not indicate a valid form of distribution, the Participant shall be deemed to have elected to receive the compensation subject to such deferral in the form of a lump sum payment.

3. Deferred Compensation Accounts. The Company shall establish on its books an account (a "Deferred Compensation Account"). Each Deferred Compensation Account shall be divided into a separate subaccount with respect to each Deferral Election made by the Eligible Employee. Each subaccount shall be credited with the amount deferred for the year to which such Deferral Election applies. Each subaccount shall also be credited or debited with the amount ("earnings equivalents") equal to the rate of return or loss, as the case may be, attributable to the Participant's earnings elections. Deferred Compensation Accounts and the respective subaccounts shall be for bookkeeping purposes only, and neither the Company nor any Affiliate shall be obligated to set aside or segregate any assets in respect of such accounts.

4. Earnings Elections. The Plan Administrator shall from time to time designate two or more investment benchmarks, the rates of return or loss of which, based upon a Participant's earnings election, shall be used to determine the rate of return or loss to be credited to the subaccounts established within the Participant's Deferred Compensation Account. A Participant's earnings election shall specify the percentages (in whole percentage increments) of the investment benchmarks that shall be used to determine the rate of return or loss applicable to his or her Deferred Compensation Account, and the Participant may change his or her earnings election at such time and in such manner as shall be specified by the Plan Administrator, from time to time.

5. Distribution.

(a) In General. Subject to the remaining subsections of this Section 5, distributions of amounts credited to a Participant's Deferred Compensation Account shall be made at the time and in the manner indicated in such Participant's Deferral Elections, taking into account any valid Subsequent Deferral Election. The amount of any distribution pursuant to this Section 5 shall be reduced by any amount required by law to be deducted or withheld, including income tax withholding.

(b) Distributions in the Event of Death. In the event of a Participant's death, the balance of the Participant's Deferred Compensation Account, if any, shall be distributed to the Participant's Beneficiary in a single lump sum within ninety (90) days following the Participant's death; provided, however, that if installment payments have commenced to the Participant, then all amounts subject to such installment payments shall continue to the Participant's Beneficiary.

(c) Small Amount Cash-Outs. Notwithstanding anything herein to the contrary, if the balance of a Participant's Deferred Compensation Account is, at any time following the Participant's Separation from Service equal to or less than the then applicable amount prescribed by section 402(g) of the Code, then the balance of the Deferred Compensation Account will be paid to the Participant or his or her Beneficiary, as applicable, in a lump sum during the later of (i) the month following the six (6) month anniversary of the Participant's Separation from Service, and (ii) the calendar month following the date such balance is determined to be equal to or less than such applicable amount.

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(d) Distributions in the Event of a Change in Control. In the event of a Change in Control, the balance of the Participant's Deferred Compensation Account, if any, shall be distributed to the Participant or his or her Beneficiary, as applicable, in a single lump sum within ninety (90) days following such Change in Control.

6. Amendment and Termination. The Plan may be amended or terminated at any time by the Management Development and Compensation Committee of the Board (or a duly authorized delegate thereof), except that no such amendment or termination shall reduce or otherwise adversely affect the rights of a Participant in respect of amounts credited to his or her Deferred Compensation Account as of the date of such amendment or termination; provided, however, that the distribution of Deferred Compensation Accounts in connection with an amendment or termination of the Plan or any amendment to Section 7(c) in respect of the Company's obligation to establish or fund a trust upon a Change in Control shall be deemed not to constitute a reduction of, or to otherwise adversely affect, a Participant's rights in respect of amounts credited to his or her Deferred Compensation Account. The Plan Administrator shall have the right to amend the Plan at any time if such amendment (a) is required or advisable to satisfy or conform to any law or regulation or (b) is administrative in nature.

7. Application of ERISA.

(a) Plan Not Funded. The Plan shall not be a funded plan, and neither the Company nor any Affiliate shall be under any obligation to set aside any funds for the purpose of making payments under the Plan. Any payments hereunder shall be made out of the general assets of the Company.

(b) Trust. The Company may establish a trust subject to sections 671, et seq., of the Code to hold assets for the purposes of satisfying the Company's obligations under the Plan. Such trust shall not permit a reversion of any assets of the Company or any Affiliate following a Change in Control. Neither the establishment of, or the contribution of assets to, any such trust shall relieve the Company of its liabilities hereunder, but such liabilities shall be reduced to the extent of any assets paid by such trust to a Participant.

(c) Funding upon a Change in Control. Upon a Change in Control, the Company shall establish the trust described in Section 7(b) to the extent such a trust has not already been established, and the Company shall deposit in such trust assets sufficient to satisfy its obligations under the Plan, determined as of the date of the Change in Control.

8. Administration. (a) Except as otherwise provided herein, the Plan shall be administered by the Plan Administrator. The Plan Administrator may delegate all or any of his or her authority hereunder. The Plan Administrator shall be charged with the administration of the Plan and shall have the power to interpret the Plan and to adopt such rules and guidelines for implementing the terms of the Plan as it may deem appropriate. Benefits will be paid under the Plan only if the Plan Administrator decides in its sole discretion that an individual is entitled to such benefits.

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(b) Subject to the terms of the Plan and applicable law, the Plan Administrator shall have full power and authority to:

- (i) interpret and administer the Plan and any instrument or agreement relating to the Plan;
- (ii) establish, amend, suspend, or waive rules and guidelines of the Plan;
- (iii) appoint such agents as it shall deem appropriate for the proper administration of the Plan;
- (iv) make any other determination and take any other action that the Plan Administrator deems necessary or desirable for the administration of the Plan; and
- (v) correct any defect, supply any omission, or reconcile any inconsistency in the Plan in the manner and to the extent it shall deem desirable to carry the Plan into effect.

(c) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan shall be within the sole discretion of the Plan Administrator, may be made at any time and shall be final, conclusive and binding upon all persons, including the Company, any Affiliate, any Participant and any employee of the Company or of any Affiliate.

9. Claims Procedure.

(a) If any Participant or distributee believes he or she is entitled to benefits in an amount greater than those which he or she is receiving or has received, such Participant or distributee or his or her authorized representative may file a claim with the most senior employee of the Company and its Affiliates whose responsibilities and duties are primarily related to compensation matters (the "Claims Administrator") or such other employee of the Company which from time to time assumes the responsibilities with respect to the Plan which are allocated to the Claims Administrator. Such a claim shall be in writing and state the nature of the claim, the facts supporting the claim, the amount claimed, and the address of the claimant. The Claims Administrator shall review the claim and, unless special circumstances require an extension of time, within ninety (90) days after receipt of the claim, give written notice by registered or certified mail to the claimant of his or her decision with respect to the claim. If special circumstances require an extension of time, the claimant shall be so advised in writing within the initial ninety (90) day period and in no event shall such an extension exceed ninety (90) days. The notice of the decision of the Claims Administrator with respect to the claim shall be written in a manner calculated to be understood by the claimant and, if the claim is wholly or partially denied, set forth the specific reasons for the denial, specific references to the pertinent Plan provisions on which the denial is based, a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and an explanation of the claim review procedure under the Plan and the time limits applicable to such procedure, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination upon review. The Claims Administrator also shall advise the claimant that such claimant or his or her duly authorized representative may request a review by the Plan Administrator of the denial by filing with the Plan Administrator within sixty (60) days after notice of the denial has

been received by the claimant, a written request for such review. The claimant shall be informed, within the same sixty (60) day period, that he or she (a) may be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claims for benefits and (b) may submit written comments, documents, records and other information relating to the claim for benefits to the Plan Administrator. If a request is so filed, review of the denial shall be made by the Plan Administrator within, unless special circumstances require an extension of time, sixty (60) days after receipt of such request, and the claimant shall be given written notice of the Plan Administrator's final decision. If special circumstances require an extension of time, the claimant shall be so advised in writing within the initial sixty (60) day period and in no event shall such an extension exceed sixty (60) days. The review shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The notice of the Plan Administrator's final decision shall be written in a manner calculated to be understood by the claimant and shall include specific reasons for the decision, specific references to the pertinent Plan provisions on which the decision is based, a statement that the claimant is entitled to receive, upon request and free of charge, access to and copies of all documents, records and other information relevant to the benefit claim and a statement that the claimant has the right to bring a civil action under section 502(a) of ERISA.

(b) No legal action for benefits or eligibility under the Plan or otherwise related to the Plan, including without limitation any lawsuit, may be brought by an Eligible Employee if he or she has not timely filed a claim and a review for such benefits or other matter pursuant to Section 9(a) and otherwise exhausted all administrative remedies under the Plan. No legal action, including without limitation any lawsuit, may be brought in connection with any matter related to the Plan more than one (1) year after the date the Plan Administrator provides written notice of its final decision on the underlying claim.

10. Dispute Resolution. The parties will settle any dispute, controversy or claim arising out of or related to the Plan or any benefits hereunder in accordance with the terms of any then effective Company alternative dispute resolution procedure (which may, from time to time, be referred to as "Solutions") to the extent such dispute, controversy or claim is covered by such procedure.

11. Nonassignment of Benefits. It shall be a condition of the payment of benefits under the Plan that neither such benefits nor any portion thereof shall be assigned, alienated or transferred to any person voluntarily or by operation of any law, including any assignment, division or awarding of property under state domestic law (including community property law). If any person shall endeavor or purport to make any such assignment, alienation or transfer, the amount otherwise provided hereunder, which is the subject of such assignment, alienation or transfer, shall cease to be payable to any person.

12. No Guaranty of Employment. Nothing contained in the Plan shall be construed as a contract of employment between any the Company or any Affiliate and any individual or as conferring a right on any individual to be continued in the employment of the Company or any Affiliate.

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13. Miscellaneous. (a) FICA Taxes. Notwithstanding Section 2, all federal and state income taxes and the tax imposed by section 3121 of the Code with respect to any amount deferred pursuant to the Plan shall be withheld and contributed from the portion of the Participant's salary not deferred pursuant to the Plan at the time and in the manner prescribed by law.

(b) Successors; Binding Agreement. The Plan shall inure to the benefit of and be binding upon the beneficiaries, heirs, executors, administrators, successors and assigns of the Company and the Participants, and any successor to the Company or an Affiliate.

(c) Headings. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Plan and shall not be employed in the construction of the Plan.

(d) Notices. Any notice or other communication required or permitted pursuant to the terms hereof shall have been duly given when delivered or mailed by United States mail, first class, postage prepaid, addressed to the intended recipient at his, her or its last known address.

(e) Employment with Affiliates. For purposes of the Plan, employment with the Company shall include employment with any of the Affiliates.

(f) Governing Law and Venue: Validity. The Plan shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware (without regard to principles of conflicts of laws) to the extent not preempted by Federal law, which shall otherwise control. To the extent any claim or other legal action involving or related to the Plan may be brought in any court notwithstanding Section 10 of the Plan, such legal action must be brought in the United States District Court for the Northern District of New York and no other Federal or state court. If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and the Plan shall be construed and enforced as if such provision had not been included.

(g) Section 409A. The Plan is intended to comply with the requirements of section 409A of the Code and the regulations thereunder ("Section 409A") and shall be interpreted and construed consistently with such intent. In the event the terms of the Plan would subject any Participant or Beneficiary to taxes or penalties under Section 409A ("409A Penalties"), the Company may amend the terms of the Plan to avoid such 409A Penalties, to the extent possible. Notwithstanding the foregoing, under no circumstances shall the Company be responsible for any taxes, penalties, interest or other losses or expenses incurred by a Participant or other person due to any failure to comply with Section 409A.

**IN WITNESS WHEREOF**, Synchrony Financial has caused this instrument to be executed by its duly authorized officer on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

SYNCHRONY FINANCIAL

By: \_\_\_\_\_

Title: \_\_\_\_\_

**FORM OF NOTICE OF AWARD OF  
STOCK-SETTLED RESTRICTED STOCK UNITS  
(WITH DIVIDEND EQUIVALENTS)  
AND  
NON-QUALIFIED STOCK OPTION**

Pursuant to the Synchrony Financial 2014 Long-Term Incentive Plan (the "Plan"), you have been awarded (this "Award") (i) restricted stock units ("RSUs"), each of which entitles you to receive one share of common stock (each, a "Share") of Synchrony Financial ("Synchrony"), and (ii) nonqualified stock options to purchase Shares ("Options"), in each case, subject to the terms and conditions set forth in (A) the Plan, (B) this Notice, (C) the attached "Restricted Stock Unit and Non-Qualified Stock Option Terms and Conditions" (the "Terms and Conditions"), and (D) the information available on the website (the "Administrator Website") maintained by the administrator of the Plan for these purposes.

The Administrator Website identifies, among other things, (i) the number of RSUs granted pursuant to this Award, (ii) the number of Shares subject to the Options granted pursuant to this Award, (iii) the exercise price applicable to such Options, and (iv) the effective date of this Award (the "Award Date"). As described in more detail in the Terms and Conditions, the RSUs will be settled in Shares, and the RSUs include dividend equivalents.

The Terms and Conditions describe the vesting conditions applicable to the RSUs and Options and other important information relating to your Award.

You must log into your account on the Administrator Website prior to the date your Award first vests to view additional information about your Award and to accept your Award. If you do not accept your Award prior to the date your Award first vests (or prior to the date your employment terminates for any reason, if earlier), your Award will be forfeited. Although Synchrony has completed the steps necessary to grant you this Award, you cannot receive any Shares or payments under the Award unless you accept the Award before the deadline.

By your acceptance of this Award, you acknowledge and agree that this Award is governed by the Terms and Conditions attached hereto and the Plan, which is available on the Administrator Website. You acknowledge that you have read and understand these documents as they apply to your Award.

**Please be sure to log into your account and accept your Award to avoid the risk that your Award will be forfeited for non-acceptance.**

SYNCHRONY FINANCIAL

**SYNCHRONY FINANCIAL  
2014 LONG-TERM INCENTIVE PLAN**

**RESTRICTED STOCK UNIT  
AND  
NON-QUALIFIED STOCK OPTION**

**TERMS AND CONDITIONS**

1. *Award of RSUs and Non-Qualified Stock Options.* Pursuant to the Synchrony Financial 2014 Long-Term Incentive Plan (the "Plan"), Synchrony Financial ("Synchrony") has awarded (the "Award") to the employee Restricted Stock Units ("RSUs") and Non-Qualified Stock Options ("Options"), subject to the terms and conditions set forth herein (the "Terms and Conditions") and in the Plan.

2. *Definitions and Coordination with the Plan.* Capitalized terms used but not defined herein shall have the meanings assigned to them in Exhibit A hereto or, if not so assigned in Exhibit A, the meaning assigned in the Plan. In the event of any inconsistency between the Plan and the Terms and Conditions, the terms in the Plan shall control unless the Terms and Conditions specifically provide otherwise. References herein to employment with Synchrony shall include employment with any Affiliate of Synchrony.

3. *Information on the Administrator Website.* The following information applicable to the Award is set forth on the employee's account on the website maintained by the administrator of the Plan (the "Administrator") in connection with the Plan:

- (a) The number of RSUs;
- (b) The number of Shares subject to the Options;
- (c) The exercise price per Share applicable to the Options; and
- (d) The effective date of the Award (the "Award Date").

4. *Vesting.*

(a) *General.* Subject to the Terms and Conditions, and except as otherwise set forth below in this Section 4, 20% of the RSUs and Options granted hereunder will vest, and the Period of Restriction applicable to such RSUs will end, on each anniversary of the Award Date (each, a "Vesting Date"), provided that the employee has remained continuously employed by Synchrony through such Vesting Date. No Option may be exercised after the tenth (10<sup>th</sup>) anniversary of the Award Date (the "Expiration Date").

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(b) *RSUs—Effect of Termination of Employment.* If the employee's employment with Synchrony ends for any reason before the end of the Period of Restriction with respect to any RSUs, the employee shall immediately forfeit such unvested RSUs (and, as a result, shall forfeit all Shares and cash that may otherwise have been delivered or paid pursuant to such RSUs), subject to the following:

(i) *Involuntary Termination.*

- (A) If the employee's employment is terminated by Synchrony without Cause on or after the first (1<sup>st</sup>) anniversary of the Award Date, and the employee has less than twenty (20) Years of Service as of such termination, then (i) 50% of the remaining unvested RSUs shall immediately be forfeited and (ii) the other 50% of the remaining unvested RSUs shall vest in equal portions on each of the subsequent Vesting Dates.
- (B) If the employee's employment is terminated by Synchrony without Cause on or after the first (1<sup>st</sup>) anniversary of the Award Date, and the employee has twenty (20) or more Years of Service, any unvested RSUs will continue to vest in accordance with the vesting schedule provided in Section 4(a).

(ii) *Retirement.* If the employee's employment with Synchrony terminates (other than for Cause) on or after the first (1<sup>st</sup>) anniversary of the Award Date and after the employee is eligible for Retirement, any unvested RSUs will continue to vest in accordance with the vesting schedule provided in Section 4(a).

(iii) *Disability or Death.* If the employee's employment with Synchrony terminates due to Disability or death, the Period of Restriction for any unvested RSUs shall end immediately. The amount payable (or Shares deliverable) for RSUs shall not be adjusted for any delay caused by time needed to validate the employee's status as Disabled or dead, or to authenticate a beneficiary.

(iv) *Termination following Change in Control.* If, in the event of a Change in Control, Synchrony (or the successor to Synchrony) assumes the RSUs or replaces the RSUs with an award of substantially equivalent value, as determined by the Committee, and during the thirty (30) month period after such Change in Control, the employee's employment is terminated by Synchrony without Cause or the employee terminates his or her employment for Good Reason, the Period of Restriction for any unvested RSUs shall end immediately upon such termination of employment and the RSUs shall be fully vested, non-forfeitable and payable.

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(c) *Options—Effect of Termination of Employment.* Following the employee’s termination of employment with Synchrony, the Options shall vest and shall be exercisable only as follows:

(i) *Termination for Cause.* If the employee’s employment is terminated for Cause, the Options shall immediately be forfeited and the employee shall have no right to exercise such Options.

(ii) *Voluntary Resignation.* If the employee terminates his or her employment, he or she shall have the right to exercise the Options, to the extent vested as of the date of termination of employment, during the period ending on the earlier of (A) the three (3) month anniversary following such termination of employment or (B) the Expiration Date.

(iii) *Involuntary Termination.*

(A) If the employee’s employment is terminated by Synchrony without Cause on or after the first (1<sup>st</sup>) anniversary of the Award Date, and the employee has less than twenty (20) Years of Service, then (i) 50% of the remaining unvested Options shall immediately be forfeited, and (ii) the other 50% of the remaining unvested Options will vest, and become exercisable, in equal portions on each of the subsequent Vesting Dates. The employee shall have the right to exercise all vested Options until the earlier of (A) five (5) years from the date of termination of employment and (B) the Expiration Date.

(B) If the employee’s employment is terminated by Synchrony without Cause on or after the first (1<sup>st</sup>) anniversary of the Award Date, and the employee has twenty (20) Years of Service or more, any unvested Options will continue to vest in accordance with the vesting schedule provided in Section 4(a). The employee shall have the right to exercise all vested Options until the Expiration Date.

(iv) *Retirement.* If the employee’s employment with Synchrony terminates (other than for Cause) on or after the first (1<sup>st</sup>) anniversary of the Award Date and after the employee is eligible for Retirement, any unvested Options will continue to vest in accordance with the vesting schedule provided in Section 4(a). The employee shall have the right to exercise all vested Options until the Expiration Date.

(v) *Disability or Death.* If the employee's employment with Synchrony terminates due to Disability or death, all Options will vest immediately and the employee (or, in the case of death, the executor or administrator of the employee's estate or the person or persons to whom the employee shall have transferred such right by will or by the laws of descent and distribution) shall have the right to exercise the Options as to all unexercised Shares until the Expiration Date.

(vi) *Termination following Change in Control.* If, in the event of a Change in Control, Synchrony (or the successor to Synchrony) assumes the Options or replaces them with an award of substantially equivalent value, as determined by the Committee, and during the thirty (30) month period after such Change in Control, the employee's employment is terminated by Synchrony without Cause or the employee terminates his or her employment for Good Reason, any unvested Options will vest immediately upon such termination of employment and the employee shall have the right to exercise the Options as to all unexercised Shares until the earlier of (A) five (5) years from the date of the termination of employment and (B) the Expiration Date.

(d) *Change in Control.* If, in the event of a Change in Control, Synchrony (or a successor to Synchrony) fails to:

- (i) Assume or replace the unvested RSUs with an award of substantially equivalent value, as determined by the Committee, the Period of Restriction for all such unvested RSUs shall end immediately upon such Change in Control and the unvested RSUs shall be fully vested, non-forfeitable and payable, and the Shares underlying the unvested RSUs shall be treated in the same manner as other Shares in the Change in Control; or
- (ii) Assume or replace the Options with an award of substantially equivalent value, as determined by the Committee, the Options, to the extent not then exercised, shall be cancelled upon the consummation of the Change in Control and the employee shall be entitled to a cash payment equal to the product of (A) the excess, if any, of the Fair Market Value on the date of such cancellation less the exercise price of the Options, and (B) the number of unexercised Shares subject to the Options.

(e) *Waiver and Release.* The right of an employee or his or her estate to vest in any portion of an Award, to receive a payment with respect to an RSU, or to exercise an Option in any circumstance other than in connection with his or her continuous employment through each Vesting Date shall be subject to the employee or his or her estate timely executing within forty-five (45) days following the employee's termination of employment a waiver and release (the "Release") in a form provided by Synchrony, and not revoking such release.

5. *Settlement of RSUs.* Upon the end of a Period of Restriction, Synchrony will issue to the employee the number of Shares for which the applicable Period of Restriction has ended, less the number of Shares needed to satisfy required tax withholding. Except as

otherwise provided in Section 4 or 14, such Shares shall be delivered within thirty (30) days after the applicable Period of Restriction ends. Shares may be issued in the form of a stock certificate or a notification to the employee that the Shares are held in a book-entry account on the employee's behalf. The employee shall have no rights as a shareholder of Synchrony unless and until a certificate for the Shares has been issued to the employee or the employee has been notified that the Shares are held in a book-entry account on the employee's behalf. Synchrony shall, within thirty (30) days after the applicable Period of Restriction ends, make a cash payment to the employee for any fractional Shares to which the employee is entitled, based on the Fair Market Value of a Share on the date the Period of Restriction lapsed.

*6. Exercise of Options.*

(a) Subject to the Terms and Conditions set forth herein, the Options may be exercised by contacting the Administrator directly via the Administrator Website. During the life of the employee, the Options shall be exercisable only by the employee. If the Options are being exercised pursuant to Section 4(c)(v) by any person or persons other than the employee, appropriate proof of the right of such person or persons to exercise the Options, as determined by the Committee, must be provided. No Option may be exercised after the Expiration Date.

(b) The exercise price for the number of Shares with respect to which the Options are being exercised shall be paid in full at the time of exercise (i) in cash, (ii) by withholding Shares ("net share settlement") or (iii) by any other method authorized by Synchrony at the time of exercise. Except as provided in Section 4(c), the Options may not be exercised unless the employee is employed by Synchrony at all times from the Award Date through the date exercised. Shares may be issued in the form of a stock certificate or a notification to the employee that the Shares are held in a book-entry account on the employee's behalf. The employee shall have no rights as a shareholder of Synchrony unless and until a certificate for the Shares has been issued to the employee or the employee has been notified that the Shares are held in a book-entry account on the employee's behalf.

(c) *Automatic Exercise.* To the extent that the Options are exercisable and have not yet been exercised, the Options shall be automatically exercised as of the Expiration Date if the following conditions are satisfied: (i) the employee's employment with Synchrony has not been terminated for Cause and (ii) the Fair Market Value of a Share as of the Expiration Date exceeds the exercise price thereof by at least \$1.00. If the conditions in the immediately preceding sentence are satisfied, the employee shall be deemed to have delivered notice of exercise on the Expiration Date, and the exercise price shall be paid through net share settlement, except as otherwise determined by Synchrony at the time of exercise; provided, however, that if net share settlement would violate applicable law in such circumstances, then the Options shall expire unless the employee pays the applicable exercise price.

(d) Upon the receipt of all required payments from the employee, Synchrony shall, without additional expense to the employee (other than any transfer or issue taxes if Synchrony so elects), deliver to the employee by mail or otherwise at such place as the employee may request a certificate or certificates for such Shares or notify the employee that the Shares are held in a book-entry account on the employee's behalf; provided, however, that the date of

issuance or delivery may be postponed by Synchrony for such period as may be required for it with reasonable diligence to comply with any applicable listing requirements of any national securities exchange and requirements under any law or regulation applicable to the issuance or transfer of such Shares.

*7. Restrictive Covenants.*

(a) *Non-Competition.* The employee will not, while the employee is employed by Synchrony, or during the eighteen (18) month period following a termination of the employee's employment with Synchrony:

(i) directly or indirectly enter into an employment or contractual relationship to provide services similar to those the employee provided for Synchrony to any business or entity that is the same as, substantially similar to or competitive with Synchrony's Business. For the purposes of this Section, "Synchrony's Business" means the United States consumer credit industry;

(ii) promote or assist, financially or otherwise, any firm, corporation or other entity engaged in any business which competes with Synchrony's Business; or

(iii) directly or indirectly solicit or endeavor to solicit or gain the business of, canvass or interfere with the relationship of Synchrony or its Affiliates with any person that:

(A) is a customer of Synchrony or its Affiliates while the employee is employed by Synchrony or on the date that the employee ceases to be an employee of Synchrony;

(B) was a customer of Synchrony or its Affiliates at any time within twelve (12) months prior to the date the employee ceases to be employed by Synchrony; or

(C) has been pursued as a prospective customer by or on behalf of Synchrony or its Affiliates at any time within twelve (12) months prior to the date the employee ceases to be employed by Synchrony and in respect of whom Synchrony and its Affiliates have not determined to cease all such pursuit;

in each case with respect to Sections 7(a)(iii)(A) – (C), provided that the employee either had contact with such customer or prospective customer at any time during the twenty-four (24) month period prior to the effective termination date of the employee's employment with Synchrony or had obtained Confidential Information concerning such customer or prospective customer.

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(iv) Nothing herein shall prohibit the employee from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as the employee has no active participation in the business of such corporation. Notwithstanding the foregoing, this Section 7(a) will not apply to the employee if he or she provides services primarily in the state of California.

(b) *Non-Solicitation.* The employee will not, without the prior consent of Synchrony, directly or indirectly, at any time, for whatever reason, either individually, or in partnership, or jointly, or in conjunction with any person as principal, agent, employee or shareholder (other than a holding of shares listed on a United States stock exchange that does not exceed 5% of the outstanding shares so listed) or in any other manner whatsoever on the employee's own behalf or on behalf of any third party:

(i) induce or endeavor to induce any other employee of Synchrony to leave his or her employment with Synchrony; or

(ii) employ or attempt to employ or assist any person to employ any employee of Synchrony.

(c) *Non-Disclosure.* The employee specifically acknowledges that any Confidential Information of Synchrony or its suppliers, customers or clients, whether reduced to writing, maintained on any form of electronic media or maintained in the employee's mind or memory, and whether compiled by the employee or Synchrony, derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from its disclosure or use; that reasonable efforts have been made by Synchrony to maintain the secrecy of such information; that such information is the sole property of Synchrony or its suppliers, customers or clients; and that any retention, use or disclosure of such information by the employee during his or her employment (except in the course of performing his or her duties and obligations of employment with Synchrony) or after termination thereof, shall constitute a misappropriation of the trade secrets of Synchrony or its suppliers, customers or clients.

(d) *Relief.* Any breach of the provisions in this Section by the employee will result in material and irreparable harm to Synchrony and its Affiliates although it may be difficult for Synchrony or its Affiliates to establish the monetary value flowing from such harm. The employee therefore agrees that Synchrony and its Affiliates, in addition to being entitled to the monetary damages that flow from the breach, will be entitled to injunctive relief in a court of appropriate jurisdiction in the event of any breach or threatened breach by the employee of any of the provisions of this Section. In addition, Synchrony and its Affiliates will be relieved of any further obligations to make any payments to the employee or provide the employee with any benefits, except those that are required by law, in the event of a breach by the employee of any of the provisions of this Section. Any rights of the employee to receive any Shares or cash payment in respect of the RSUs or Options shall be forfeited effective as of the date the employee enters into an activity resulting in a breach of the provisions in this Section, and the employee will be required to repay Synchrony an amount (in Shares or cash) received in respect of RSUs or

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Options by or on behalf of the employee during the period beginning one-hundred eighty (180) days prior to the earlier of (i) the employee's termination of employment and (ii) the date the employee engages in such activity, or at any time after such date.

(e) *Confirmation.* The employee confirms that all restrictions in this Section are separate and distinct and reasonable, and the employee waives all defenses to the strict enforcement thereof. The employee also acknowledges that:

(i) the reputation of Synchrony and its Affiliates in the financial services industry and its relationship with its customers and clients are a result of hard work, diligence and perseverance on behalf of Synchrony and its Affiliates; and

(ii) the nature of the business of Synchrony and its Affiliates is such that the ongoing relationship between Synchrony and its Affiliates and its customers and clients is material and has a significant effect on the ability of Synchrony and its Affiliates to continue to obtain business from its customers and clients with respect to both long-term and new projects.

(f) *Informing Prospective Employers.* The employee will inform any prospective employers of the existence of these Terms and Conditions and of the employee's obligations under this Section.

8. *Alteration/Termination.* The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate, the Award, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of the employee under the Award without the employee's consent; provided, however, that no such consent shall be required with respect to any amendment or alteration if the Committee determines in its sole discretion that such amendment or alteration either (a) is required or advisable in order for Synchrony, the Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard or (b) is not reasonably likely to significantly diminish the benefits provided under the Award.

9. *Adjustments.* The number and type of Shares underlying any RSUs or Options awarded to the employee hereunder shall be subject to adjustment pursuant to Section 4(b) of the Plan.

10. *No Right to Employment.* Nothing in these Terms and Conditions constitutes an employment contract or gives the employee the right to continue in the employment of Synchrony, or affect any right that Synchrony may have to terminate the employment of the employee.

11. *Dispute Resolution.* The parties will settle any dispute, controversy or claim arising out of or related to the Plan, the Award or the Terms and Conditions in accordance with the terms of any then effective Synchrony alternative dispute resolution procedure (which may, from time to time, be referred to as "Solutions").

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12. *Non-Assignability.* Neither this Award nor the RSUs or Options granted hereunder may be assigned or transferred by the employee, except to the extent expressly permitted by the Plan. Tax withholding with respect to any RSU that is transferred or assigned shall be determined by Synchrony in accordance with applicable law (which may require the employee to pay taxes with respect to a transferred RSU). Any Shares issued under an RSU or Option, once issued to the employee, shall be freely transferable.

13. *Voting.* The employee shall not have voting rights with respect to the Shares underlying RSUs or Options unless and until Shares are issued to the employee.

14. *Dividend Equivalents.* The Award entitles the employee to receive an amount equal to any cash dividend declared with respect to the number of Shares represented by RSUs, but only to the extent that the RSUs have not been issued as Shares, converted to a cash payment amount or terminated or forfeited before the record date for such dividend. Dividend equivalents shall be reinvested in additional RSUs (i.e., the cash dividends will be converted into the right to receive additional Shares, based on the Fair Market Value of a Share on the date the applicable dividend is paid to holders of Shares) and shall be subject to the same Terms and Conditions as the Award. The dividend equivalents shall be reduced by the amount of any required tax withholding.

15. *Withholding Taxes.* All payments and delivery of Shares in respect of the RSUs and Options shall be subject to required tax or other withholding or garnishment obligations, if any. Synchrony shall be authorized to withhold cash or Shares (as applicable) from any payment due or transfer the amount of withholding taxes due in respect of the Award or any payment or transfer under the Award or the Plan to satisfy statutory withholding obligations for the payment of such taxes. The employee shall pay to or reimburse Synchrony for any federal, state, local or foreign taxes required to be withheld and paid over by it, at such time and upon such terms and conditions as Synchrony may prescribe before Synchrony shall be required to deliver any Shares.

16. *Personal Data.* By accepting the award, the employee voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this paragraph. The employee is not obliged to consent to such collection, use, processing and transfer of personal data. However, failure to provide the consent may affect the employee's ability to participate in the Plan. Synchrony, its Affiliates and/or the employee's employer hold certain personal information about the employee, including the employee's name, home address and telephone number, date of birth, social security number or other employee or national identification number, salary, nationality, job title, any Shares or directorships held in Synchrony, details of all RSUs, any entitlement to cash payments (the value of which is based on the value of shares) or any entitlement to shares of stock awarded, canceled, purchased, vested, unvested or outstanding in the employee's favor, for the purpose of managing and administering the Plan ("Data"). Synchrony and/or its Affiliates will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the employee's participation in the Plan, and Synchrony and/or any of its Affiliates may each further transfer Data to any third parties assisting Synchrony in the implementation, administration and management of the Plan. These recipients may be located throughout the world. The employee

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authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the employee's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan. The employee may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting Synchrony; however, withdrawing consent may affect the employee's ability to participate in the Plan.

17. *Section 409A.* Amounts payable, and Shares deliverable, pursuant to RSUs are intended to be exempt from Section 409A to the maximum extent possible pursuant to a short-term deferral described in Treasury Regulation §1.409A-1(b)(4), and Options are intended to be exempt from Section 409A pursuant to Treasury Regulation §1.409A-1(b)(5), and the Plan and the Terms and Conditions shall be interpreted and construed consistently with such intent. To the extent any amount payable, or Shares deliverable, pursuant to this Award constitutes nonqualified deferred compensation within the meaning of, and subject to, Section 409A, then, with respect to such portion of this Award, (a) the Plan and this Terms and Conditions are intended to comply with the requirements of Section 409A, and shall be interpreted and construed consistently with such intent, (b) all references in the Plan and this Terms and Conditions to the Employee's termination of employment shall mean the Employee's Termination of Employment within the meaning of Section 409A and Treasury regulations promulgated thereunder, (c) any such payments or delivery of Shares which is conditioned upon the employee's execution of the Release and which is to be paid during a designated period that begins in one taxable year and ends in a second taxable year shall be paid in the second taxable year, and (d) notwithstanding anything in the Plan or this Terms and Conditions to the contrary, any amount that is payable upon the employee's Termination of Employment that would be payable prior to the six-month anniversary of such Termination of Employment shall, to the extent necessary to comply with Section 409A, be delayed until the Six-Month Pay Date. In such event, any portion of the RSUs settled in cash shall be determined based on the closing price of a Share (or a share of stock of the successor to Synchrony) as reported on the principal national stock exchange on which the Shares (or the shares of stock of the successor to Synchrony) are then traded on the last business day of the last calendar month that ends before the Six-Month Pay Date; provided, however, that if it is not feasible to calculate the closing price as of the last business day of such month, the amount of cash shall be determined based on the last price available. In the event that the Award or the Terms and Conditions would subject the employee to taxes under Section 409A ("409A Penalties"), the Award and the Terms and Conditions shall not be given effect to the extent it causes such 409A Penalties and the related provisions of the Plan and/or the Terms and Conditions will be deemed modified, or, if necessary, suspended in order to comply with the requirements of Section 409A, in each case without the consent of or notice to the employee; provided that in no event shall Synchrony or any of its Affiliates be responsible for any 409A Penalties that arise in connection with any amounts payable under the Plan or this Terms and Conditions.

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**EXHIBIT A**

**DEFINITIONS**

***“Board”***

“Board” shall mean the Board of directors of Synchrony.

***“Cause”***

“Cause” shall mean, as determined by the Committee in its sole discretion:

- (a) a material breach by the employee of his or her duties and responsibilities (other than as a result of incapacity due to physical or mental illness) without reasonable belief that such breach is in the best interests of Synchrony;
- (b) any act that would prohibit the employee from being employed by Synchrony and its Affiliates (including, for the avoidance of doubt, Synchrony Bank) pursuant to the Federal Deposit Insurance Act of 1950, as amended, or other applicable law;
- (c) the commission of or conviction in connection with a felony or any act involving fraud, embezzlement, theft, dishonesty or misrepresentation; or
- (d) any gross or willful misconduct, any violation of law or any violation of a policy of Synchrony or any of its Affiliates by the employee that results in or could result in loss to Synchrony or any of its Affiliates, or damage to the business or reputation of Synchrony or any of its Affiliates, as determined by the Committee.

***“Change in Control”***

“Change in Control” means any of the following events which occurs after the Award Date, but only if such event constitutes a “change in control event” for purposes of Treasury Regulation Section 1.409A-3(i)(5):

- (a) the acquisition by any individual, entity or group (a “Person”), including any “person” within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then outstanding shares of common stock of Synchrony (the “Outstanding Common Stock”) or (ii) the combined voting power of the then outstanding securities of Synchrony entitled to vote generally in the election of directors (the “Outstanding Voting Securities”); excluding, however, the following: (A) any acquisition directly from Synchrony (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from Synchrony), (B) any acquisition by Synchrony, (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by Synchrony or any corporation controlled by Synchrony, or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition below; provided further, that for purposes of clause (B), if

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any Person (other than Synchrony or any employee benefit plan (or related trust) sponsored or maintained by Synchrony or any corporation controlled by Synchrony) shall become the beneficial owner of 30% or more of the Outstanding Common Stock or 30% or more of the Outstanding Voting Securities by reason of an acquisition by Synchrony, and such Person shall, after such acquisition by Synchrony, become the beneficial owner of any additional shares of the Outstanding Common Stock or any additional Outstanding Voting Securities and such beneficial ownership is publicly announced, such additional beneficial ownership shall constitute a Change in Control;

- (b) the cessation of individuals who, as of the Award Date, constitute the Board (the “Incumbent Board”) to constitute at least a majority of such Board; provided that any individual who becomes a director of Synchrony subsequent to the Award Date whose election, or nomination for election by Synchrony’s stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of Synchrony as a result of an actual or threatened solicitation by a Person other than the Board for the purpose of opposing a solicitation by any other Person with respect to the election or removal of directors, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board; or
- (c) the consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Synchrony (a “Corporate Transaction”); excluding, however, a Corporate Transaction pursuant to which (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Common Stock and the Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns, directly or indirectly, Synchrony or all or substantially all of Synchrony’s assets) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Common Stock and the Outstanding Voting Securities, as the case may be, (ii) no Person (other than: Synchrony; any employee benefit plan (or related trust) sponsored or maintained by Synchrony or any corporation controlled by Synchrony; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 30% or more of the Outstanding Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 30% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors, and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction.

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Notwithstanding anything to the contrary in the foregoing, (i) for so long as General Electric Company and its affiliates beneficially own a majority of the Outstanding Common Stock, no Change in Control shall be deemed to have occurred, (ii) any transaction pursuant to which common stock of Synchrony is transferred from one wholly-owned subsidiary of General Electric Company to another wholly-owned subsidiary of General Electric Company shall not be deemed to be a Change in Control and (iii) the transactions pursuant to which General Electric Company and its affiliates reduce their ownership of common stock of Synchrony shall not constitute a Change in Control; provided that in connection with any such transaction no other Person acquires beneficial ownership of common stock of Synchrony in an amount that would constitute a Change in Control pursuant to Section (a) of this Change in Control definition.

***“Disability”***

“Disability” shall mean an incapacity, disability or other condition that entitles the employee to long-term disability benefits under the long-term disability benefit plan or arrangement applicable to Synchrony’s employees, as determined by the administrator of such plan or arrangement. An individual shall not be considered disabled unless the employee furnishes proof of the existence thereof. Synchrony may require the existence or non-existence of a disability to be determined by a physician whose selection is mutually agreed upon by the employee (or his or her representatives) and Synchrony.

***“Good Reason”***

“Good Reason” shall mean, without the employee’s express written consent, the occurrence of any of the following events after a Change in Control:

- (a) a material adverse change in the nature or scope of the employee’s authority, powers, functions, duties or responsibilities;
- (b) a material reduction by Synchrony in the employee’s rate of annual base salary or bonus opportunity; or
- (c) a change in the employee’s primary employment location to a location that is more than 50 miles from the primary location of the employee’s employment.

Within thirty (30) days after the employee becomes aware of one or more actions or inactions described in this Good Reason definition, the employee shall deliver written notice to Synchrony of the action(s) or inaction(s) (the “Good Reason Notice”). Synchrony shall have thirty (30) days after the Good Reason Notice is delivered to cure the particular action(s) or inaction(s). If Synchrony so effects a cure, the Good Reason Notice will be deemed rescinded and of no further force and effect.

***“Period of Restriction”***

The “Period of Restriction” means, for any RSU, the period prior to the date on which such RSU vests and the employee becomes entitled to a Share in respect thereof. A Period of Restriction shall not be deemed to have ended solely because the employee becomes eligible for Retirement.

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***“Retirement”***

The employee is eligible for “Retirement” if the employee has attained age sixty (60) and has three (3) Years of Service.

***“Section 409A”***

Section 409A of the Internal Revenue Code of 1986, as amended.

***“Six-Month Pay Date”***

The “Six-Month Pay Date” is the earlier of (a) the first (1<sup>st</sup>) business day of the seventh (7<sup>th</sup>) month that starts after the employee’s termination of employment or (b) a date determined by Synchrony that is within ninety (90) days after the employee’s death.

***“Termination of Employment”***

“Termination of Employment” shall mean “separation from service” within the meaning of Section 409A.

***“Years of Service”***

“Years of Service” means the number of years during which an individual has been deemed to be an employee of Synchrony (which shall include periods during which such individual was employed by General Electric Company and its affiliates) according to its payroll or other systems of record, as determined by the Committee, which may be limited to include only continued service as of the date of such determination.