

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

DIANE OFFEREINS, an individual,)	
)	
Plaintiff,)	
)	
v.)	Case No.
)	
DISCOVER FINANCIAL SERVICES,)	
a Delaware corporation,)	JURY TRIAL DEMANDED
)	
Defendant.)	
)	

COMPLAINT

Plaintiff Diane Offereins (“Plaintiff” or “Ms. Offereins”), by and through her attorneys, for her Complaint against Defendant Discover Financial Services (“Discover” or “the Company”), alleges as follows:

NATURE OF THIS ACTION

1. Ms. Offereins brings this action against Discover for breach of the implied covenant of good faith and fair dealing, and for gender and age discrimination under Title VII of the Civil Rights Act of 1964 (“Title VII”), the Equal Pay Act of 1963 (“EPA”), the Age Discrimination in Employment Act of 1967 (“ADEA”), and the Illinois Human Rights Act (“IHRA”). These claims are brought in response to Discover’s callous attempts to deprive Ms. Offereins of her hard-earned equity awards after 25 years of valuable and acclaimed service to the Company.

2. Discover is a digital banking and payment services company with one of the most recognizable brands in U.S. financial services. It is also one of the largest credit card issuers

in the country. After a long and successful career at Discover, Ms. Offereins retired in June 2023 with nothing but high praise from the Company, both publicly and in private. She was so highly regarded, in fact, that shortly after she left an award was named for her, recognizing the Discover network's top partner.

3. Prior to her retirement, the Company had initiated a long-running internal investigation, led by outside counsel, into potential misclassification of certain non-commercial credit cards into a commercial tier that charged merchants a higher interchange fee on transactions. The potential misclassification at the heart of the investigation was well-known within the Company; it related to a practice that began *before* Ms. Offereins was put in charge of running Discover's payments network and one that the Company had been actively discussing since at least 2017. These issues were well-known within all divisions of the Company for years, up to and including the CEO and the Board of Directors.

4. Ms. Offereins fully cooperated with the investigation. Days after her retirement, she was interviewed by outside counsel—an interview that lasted less than 3 hours. Neither Discover nor its counsel had any follow-up inquiries for Ms. Offereins concerning her interview.

5. At the end of 2023 and in January 2024, Discover, arbitrarily and without any clearly articulated basis, exercised provisions in its compensation plan to cancel Ms. Offereins's unvested awards of Discover stock. It did so under the guise of "misconduct," but that could not be further from the truth. To justify its actions, Discover pointed to the purported result of Discover's findings from the internal investigation. In reality, this was a convenient, pretextual excuse for Discover to exercise its discretion arbitrarily and to discriminate against Ms. Offereins.

6. Indeed, no one at Discover ever suggested to Ms. Offereins that she was even

suspected of misconduct in connection with the investigation. Nor could they have. She was not responsible for the classification of cards; she had repeatedly raised concerns about the classification issues; and she had advocated for ways to change it. To be sure, the first suggestion of any wrongdoing came after she asked why her equity had been cancelled and was told that the Company was exercising its discretionary provisions to cancel her unvested equity.

7. The timing of Discover's decision to cancel Ms. Offereins's equity—coming literally the night before her shares were to vest and six months after her retirement from the Company—belies Discover's true intentions. Despite not being responsible for the issues identified in the investigation, Ms. Offereins lost her unvested equity because she was a convenient scapegoat for the card misclassification issue. She was the only woman and the only retired Discover executive committee member to lose equity as a result of the investigation. It is no coincidence that she lost more equity as a percentage of her total received equity than anyone else, including the Company's former Chief Executive Officer.

8. Ms. Offereins brings this action to recover the equity that Discover appropriated from her in an arbitrary and discriminatory manner.

PARTIES

9. Plaintiff Ms. Offereins is a resident of Lake County, Illinois.

10. At all relevant times, Ms. Offereins was an "employee" of Discover within the meaning of the relevant statutes.

11. Ms. Offereins is a 66 year-old woman who retired from Discover after faithfully serving as a senior executive at the Company for 25 years.

12. Defendant Discover Financial Services is a Delaware corporation with its headquarters and principal place of business in Riverwoods, Illinois. At all relevant times,

Discover was and is engaged in an industry that affects commerce and is an “employer” within the meaning of the relevant statutes.

JURISDICTION AND VENUE

13. Pursuant to 28 U.S.C. §§ 1331, 1343, this Court has subject matter jurisdiction over Ms. Offereins’s federal legal claims brought under Title VII of the Civil Rights Act of 1964, § 42 U.S.C. 2000e *et seq.*, the Equal Pay Act of 1963, 29 U.S.C. § 206, and the Age Discrimination in Employment Act, 29 U.S.C. § 621 *et seq.*

14. Pursuant to 28 U.S.C. § 1367, this Court has supplemental subject matter jurisdiction over Ms. Offereins’s state law claims under the IHRA, as the state law claims are related to Ms. Offereins’s federal law claims under Title VII, the EPA, and the ADEA and are part of the same case or controversy under Article III of the United States Constitution.

15. Venue is proper under 28 U.S.C. § 1391(b)(1) and (b)(2) because Discover’s principal place of business is in this District and a substantial portion of the events giving rise to Ms. Offereins’s claims occurred in this District.

16. All conditions precedent to jurisdiction have occurred or been complied with.

17. On June 13, 2024, Ms. Offereins timely filed a Charge of Discrimination under Title VII and the ADEA with the Equal Employment Opportunity Commission (“EEOC”), EEOC Charge Number 440-2024-09178. The EEOC Charge of Discrimination was cross-filed with the Illinois Department of Human Rights (“IDHR”).

18. On June 20, 2024, the EEOC issued Ms. Offereins a Notice of Right to Sue, which entitles Ms. Offereins to initiate a civil action under federal law within ninety (90) days of receipt. The Notice of Right to Sue is attached as Exhibit A.

19. On July 15, 2024, Ms. Offereins served a written request on the IDHR within

thirty (30) days of the EEOC's Notice of Right to Sue, asking the IDHR to adopt the EEOC's findings on the cross-filed charge, Charge Number 2024CR2617.

20. On August 6, 2024, the IDHR issued Ms. Offereins a Notice of Dismissal and Closure, which entitles Ms. Offereins to initiate a civil action in the appropriate state circuit court within ninety (90) days after receipt. The Notice of Dismissal and Closure is attached as Exhibit B.

21. Ms. Offereins has fulfilled all conditions precedent to the institution of this lawsuit.

FACTUAL ALLEGATIONS

I. MS. OFFEREINS WAS A VALUED AND SUCCESSFUL DISCOVER EXECUTIVE FOR 25 YEARS

22. Prior to joining Discover in 1998, Ms. Offereins had a successful career working in the financial industry for nearly twenty years at Southeast Bank, Bank of America, and MBNA, Inc.

23. Ms. Offereins was recruited to Discover in 1998 to serve as its Chief Information Officer by its then-President and COO, David Nelms, with whom she had worked at MBNA, Inc.

24. As Chief Information Officer, Ms. Offereins was responsible for all technology at the Company. She successfully transformed outdated infrastructure and legacy platforms into strategic business resources. As a member of the Executive Committee, Ms. Offereins joined the top echelon of executive management and played an essential role in Discover's success. She served in that role until 2009.

25. While serving as Discover's Chief Information Officer, Ms. Offereins played an important role in two critical moments in its development as a successful financial services

company. First, when Discover purchased the Pulse electronic funds transfer network in 2005, Ms. Offereins was asked to add managing that business to her responsibilities as Chief Information Officer. Second, Ms. Offereins was involved in Discover's separation from its parent company, Morgan Stanley, in 2006, setting the Company up for its ultimately successful IPO.

26. Finally, in 2008, Discover purchased Diners Club and its three distinct payment brands—Discover, Pulse, and Diners Club—necessitated a global, unified payments business. Ms. Offereins was asked to lead that business and in 2009, she moved into the role of Executive Vice President and President of Payment Services. In that role, Ms. Offereins managed more than \$300 billion in payments volume annually. She developed key relationships necessary for Discover's success in the emerging commerce landscape, partnering with major players such as Apple, Google, PayPal and Ariba.

27. Over the course of 15 years leading Discover's global payments network, Ms. Offereins built the network into what it is today, a standalone payments network accepted at over 70 million merchants in more than 200 countries and territories.

28. Discover's payments network is the Company's core financial asset, as evidenced by Capital One Financial Corporation's recent decision to purchase Discover. While Capital One is acquiring both Discover's payments network and banking businesses, the network was the big draw for Discover's acquirer. Capital One's CEO was quoted in the press release announcing the acquisition, stating that the acquisition would allow the two companies to "build a payments network that can compete with the largest payments networks and payments companies." The press release also touts Discover's "rare and valuable global payments network," calling it a "key foundation in Capital One's quest to build a global

payments company.”

29. In other words, Ms. Offereins spent the last 15 years of her career at Discover building a payments network that attracted Capital One to purchase the Company in a tremendously valuable transaction for Discover shareholders.

30. Before, during, and after her tenure at Discover, Ms. Offereins has remained an active member of organizations focused on women’s leadership, including the Committee of 200, the International Women’s Foundation, and The Chicago Network.

31. Ms. Offereins has earned numerous accolades for her formidable presence and contributions in the industry. From 2008 to 2022, Ms. Offereins received a recurring distinction in American Banker’s “Most Powerful Women in Banking & Finance.” In 2014, she received Womenetics’s “POW! Award.” From 2014 to 2016, Ms. Offereins was deemed one of PaymentsSource’s “Most Influential Women in Payments.”

32. Ms. Offereins intended to retire from Discover in 2018, when David Nelms retired as CEO and was replaced by Roger Hochschild. But Ms. Offereins agreed to stay on for a short period to support the transition to the new CEO. Ultimately, her time at Discover was extended by another three years due to the COVID-19 pandemic.

33. On March 9, 2023, Discover issued a press release announcing that Ms. Offereins would retire from Discover at the end of June 2023. Discover applauded Ms. Offereins’s invaluable contributions after more than 25 years with the Company, recognizing that Ms. Offereins “helped lead Discover’s transition to an independent, publicly traded company in 2007 and its acquisition of PULSE and Diners Club International.”

34. Discover CEO Roger Hochschild similarly lauded Ms. Offereins’s critical role in the Company’s growth and development: “Under Diane’s leadership of our Payments

business, we successfully expanded into debit and established a global payments network. . . She has built a lasting legacy at Discover as well as a talented team of leaders throughout which is enabling a smooth succession.”

35. Unsurprisingly, Discover boasted of and accepted accolades for Ms. Offereins’s impressive accomplishments as a trailblazing woman in finance, including that she was named “one of the Most Powerful Women in Finance by American Banker for the last 15 consecutive years.” Discover noted that Ms. Offereins “has long advocated for the advancement of women, both within Discover, and externally where she has served as a member and Chair of the Chicago Network, an organization committed to empowering women.”

36. Upon Ms. Offereins’s retirement, Discover’s payments business created a new award named for Ms. Offereins honoring its Partner of the Year. Discover’s first Diane Offereins Award was presented by Ms. Offereins at a recent global Discover conference in Dubai.

II. DISCOVER’S OMNIBUS INCENTIVE PLAN DESCRIBES THE CIRCUMSTANCES UNDER WHICH THE COMPANY MAY CANCEL UNVESTED SHARES

37. At all times relevant to this Complaint, Ms. Offereins was eligible to participate in Discover’s Amended and Restated 2014 Omnibus Incentive Plan (the “Plan”). The purposes of the Plan were “(i) to attract, retain and motivate employees, (ii) to compensate employees for their contributions to the growth and profits of the Company, and (iii) to encourage employees to own Company stock.”

38. The Plan was administered by the Compensation and Leadership Committee of the Board (the “Committee”). The Committee had exclusive discretion to select eligible

employees under the Plan and grant awards that include, but are not limited to, Restricted Stock Units (“RSUs”) and Performance Stock Units (“PSUs”).

39. According to the Plan, RSUs are “a right to receive a specified number of Common Shares” in Discover, subject to certain terms and conditions, upon the expiration of a restriction or vesting period. A PSU is a type of RSU awarded based on a multiplier determined by the Company’s performance on certain benchmarks. Each award of PSUs or RSUs was memorialized by an accompanying certificate that set forth the terms and conditions of the award (an “Award Certificate”).

40. Under the Plan, the Committee granted Ms. Offereins RSUs and PSUs in 2021, 2022, and 2023, which constituted part of her incentive compensation in each year. Each award was accompanied by an Award Certificate describing the terms and conditions under which Ms. Offereins was granted the award under the Plan. The Award Certificates for Ms. Offereins’s 2021, 2022, and 2023 RSU and PSU awards detailed the following Scheduled Vesting Dates for the awards:

YEAR	STOCK UNIT	AMOUNT	SCHEDULED VESTING DATE
2021	PSU	14,534	February 1, 2024
	RSU	9,690	February 1, 2022 February 1, 2023 February 1, 2024
2022	PSU	11,008	February 1, 2025
	RSU	7,339	February 1, 2023 February 1, 2024 February 1, 2025
	RSU	8,064	February 1, 2023 February 1, 2024 February 1, 2025

YEAR	STOCK UNIT	AMOUNT	SCHEDULED VESTING DATE
2023	PSU ¹	12,331	February 1, 2026
	RSU	8,221	February 1, 2024 February 1, 2025 February 1, 2026

41. A portion of Ms. Offereins’s 2022 equity awards was—as described in Discover’s 2023 proxy statement—a \$1,000,000 stock award bonus granted to Ms. Offereins “in recognition of her leadership” for an early investment Discover made to acquire 5.4% of the card payment processing company, Marqeta. When Marqeta went public in June 2021, Discover’s stake in the company was publicly reported to be worth almost \$800,000,000. Ms. Offereins was responsible for making that investment and was rewarded with a separate equity grant from her ordinary equity compensation.

42. While each Award Certificate listed Scheduled Vesting Dates in February, Ms. Offereins’s RSU equity awards with February 1, 2023 scheduled vesting dates would vest on January 1, 2024 because of the timing of her retirement in mid-2023. Ms. Offereins’s PSU equity awards would vest over time, depending on the specifics of Discover’s performance benchmarks.

43. Additionally, each Award Certificate contained a clawback provision, which required the recipient to forfeit vested or unvested PSUs and RSUs “[i]n the event and to the extent the Committee reasonably determines that the performance considered by the Committee, and on the basis of which the [PSUs/RSUs] were granted or converted to Shares, was based on Discover’s material noncompliance with any financial reporting requirement . . . which requires Discover to file a restatement of its financial statements.”

¹ Because the Award Certificates for each tranche of stock units are substantially similar, copies of Ms. Offereins’s 2023 PSU and RSU Award Certificates are attached as Exhibits C and D, respectively.

44. The clawback provision only allowed the Company to recover vested or unvested equity in an amount proportional to the size of the restated financials. As a result, the largest possible clawback for conduct that caused only a small restatement of Discover's earnings would be very minimal.

45. Separate from the clawback provision, each Award Certificate also included a "Risk Review" provision. This section of the Award Certificates details the Company's process and assessment for determining whether the award recipient "engaged in any willful or reckless violation of the Company's risk policies." Based on the assessment, "the Company may determine that all or a portion of [the recipients PSUs and/or RSUs] will be forfeited." Unlike the clawback provision, the "Risk Review" provision applied only to unvested RSUs and PSUs; after RSUs and PSUs turned into ordinary Discover stock, the only option Discover had to recover vested equity awards was the proportional clawback for conduct leading to misstated earnings.

46. The Risk Review provision is similar for both PSUs and RSUs. Ms. Offereins's 2023 Award Certificate for RSUs, for instance, details that "no RSUs will convert to Shares until the Chief Human Resources & Administrative Officer receives confirmation from the Chief Risk Officer, or their delegate, that a review has been completed by the Chief Risk Officer, or their delegate." The same process holds for PSUs, with the only minor distinction being that "no PSUs will convert to Shares until . . . the Committee certifies the extent to which the performance criteria set for set forth in this Award Certificate have been satisfied."

47. According to the language of the Risk Review provision of the Award Certificates, the Company has two levels of discretion in deciding to cancel equity awards. First, the Chief Risk Officer must "determine whether [the employee] engaged in any willful

or reckless violation of the Company’s risk policies.” After that determination is made, “then the Company *may* determine that all or a portion of [the employee’s RSUs/PSUs] will be forfeited” (emphasis added).

48. On information and belief, after the Chief Risk Officer makes an initial determination that an employee has engaged in a willful or reckless violation of the Company’s risk policies, the ultimate decision of whether and to what extent to cancel RSUs or PSUs is made by the Company’s Internal Committee on Risk Management (“ICRM”). The ICRM is a management committee at Discover and does not ordinarily include members of the Board of Directors. The Chief Risk Officer sits on the ICRM.

49. While the Award Certificates state that the risk review decision of the Chief Risk Officer is separate from the Company’s decision (through the ICRM) to forfeit an employee’s equity awards, in practice the Chief Risk Officer heavily influences the ICRM such that the ICRM typically rubber stamps the Chief Risk Officer’s decisions.

50. In addition to the provisions providing for the clawback of vested or unvested RSUs and PSUs, and the Risk Review provision applicable only to unvested awards, the Award Certificates also specify circumstances involving “Investigative Holds”:

In the event that the Company has either commenced an investigation of a matter that you oversaw or were involved in or has evidence that may require investigation of a matter that you oversaw or were involved in, in either case concerning a breach of one of the obligations hereunder or a serious violation of Company policy, the Company may freeze your account and effectuate a transfer restriction such that your converted and delivered [PSUs/RSUs] and any [s]hares and dividend equivalents associated therewith may not be sold or transferred ***until such time as the Company reasonably believes the matter to be resolved.*** (emphasis added).

III. DISCOVER INTERVIEWS MS. OFFEREINS IN AN INTERNAL INVESTIGATION AND, SIX MONTHS LATER, ARBITRARILY CANCELS HER UNVESTED EQUITY

A. Ms. Offereins Was Interviewed in Connection With Project Simple

51. In June 2023, Discover's outside counsel contacted Ms. Offereins about setting up an interview to discuss an internal review that had begun in the first quarter of 2023. Ms. Offereins was interviewed by Discover's outside counsel on July 11, 2023, a few days after her formal retirement from the Company. The interview lasted just under three hours.

52. At that time, there was substantial external pressure on Discover regarding the issue of how Discover had misclassified certain credit cards issued to individuals as "commercial" credit cards for which merchants had to pay a higher interchange fee. As Discover stated when it publicly announced the card misclassification issue, the incorrect treatment of these cards began "around mid-2007," two years before Ms. Offereins moved into her role on the payments network side of Discover. The term "Project Simple" had been used for efforts to address the issues since as early as 2017, reflecting the fact that efforts to remediate the problem pre-date the internal investigation for which Ms. Offereins was interviewed in July 2023.

53. Discover is both a bank that issues payment cards and a network that provides the infrastructure to use those cards. In her role as President of Payment Services, Ms. Offereins oversaw the latter part of Discover's business, while another role, the Executive Vice President and President of U.S. Cards, oversaw the issuance of the cards themselves. Since 2020, the President of U.S. Cards at Discover has been Dan Capozzi. Prior to 2020, the President of U.S. Cards was Julie Loeger.

54. Ms. Offereins made proactive efforts to address the card misclassification issue

well before Project Simple. This issue was clearly beyond the scope of her duties on the payments network side, as it was Discover's card issuance business that made decisions on how to categorize newly-issued cards. Because Ms. Offereins ran the separate payments network side of Discover, she was limited in what she could do to address the misclassification issue; specifically, she could ask the card side of the business to reclassify the cards, a request that she and members of her team made frequently over the course of her time leading Discover's payments business. Ms. Offereins was involved in discussions to "rebalance" the card classification portfolio as early as 2010. Proposals to fix the card misclassification issue were routinely presented to the most senior leaders of the Company over the course of the 2010s.

55. Ms. Offereins was not the only person with knowledge of the misclassification: this issue was well-known to Discover's senior management for many years, including within the Company's Risk, Legal, and Finance departments.

56. The classification of cards by tiers was also not hidden from merchants who accepted Discover cards at their businesses. Merchants could always see the volume of transactions by tiers and see that a substantial number of Discover cards belonging to individuals were in commercial tiers. Merchants did not complain about this misclassification because merchants focus only on the top-line blended interchange rate that Discover charged. For most of Ms. Offereins's time heading Discover's network, Discover charged a lower blended rate than did Visa and Mastercard as part of its effort to market itself to merchants and grow the network. To this day, Discover's overall blended interchange rate remains competitive with the rates charged by cards on the Visa and Mastercard networks.

57. The card misclassification did not benefit the payments business of Discover.

In fact, it made it more difficult to create new, more specialized card tiers to match equivalent tiers offered by Visa and Mastercard on their networks. In addition, the card misclassification undermined Ms. Offereins's general efforts as head of the network to set competitive and reasonable interchange rates for merchants.

58. Notwithstanding Ms. Offereins's efforts to get Discover's card business to address the problem, it was not ultimately tackled until 2022. Ms. Offereins understands that the problem was always given a lower priority by the card business than other issues because of a general understanding that it did not have a material impact on Discover's revenue.

59. On July 19, 2023, Discover publicly announced that it was discussing the card misclassification issue with its regulators. In its announcement, the Company stated that it "determined that the revenue impact of the incorrect card product classification was not material to the consolidated financial statements of the Company for any of the impacted periods," and announced only marginal changes to the prior quarter's earnings "for go-forward comparative purposes" only.

60. To this day, Project Simple has not caused the Company to restate any financial statements.

61. Ms. Offereins cooperated fully with Discover's internal investigation into the card misclassification issue. To this day, she has not heard from anyone at the Company regarding her interview, whether anyone at Discover has any reason to doubt the veracity of what she told the Company's outside counsel, or whether anyone at Discover has any reason to think that she bore greater responsibility for the card misclassification issue than others in senior management positions. Discover never communicated the outcome of its investigation nor the impact it would have on Ms. Offereins's equity awards.

62. On information and belief, Discover corrected the card misclassification issue by the fourth quarter of 2023.

B. Discover Cancels All of Ms. Offereins's Unvested Equity Awards

63. Ms. Offereins's substantial RSUs and PSUs with 2023 Scheduled Vesting Dates were due to vest after December 30, 2023, as were some other RSUs subject to accelerated vesting. However, on January 2, 2024, Ms. Offereins received a letter from Discover's Director of Employee Relations placing all of her unvested equity awards on hold pending Discover's investigation.²

64. The letter referenced Discover's ongoing risk review related to the card misclassification issue and stated that the Company "has not yet made a determination related to [Ms. Offereins's] Awards as required by [the Risk Review provision] of the Award." Because of the Project Simple investigation, the letter stated that Ms. Offereins's RSUs that were scheduled to convert to shares on December 30, 2023 "have not yet converted into Shares pending the completion of the Company's review."

65. The timing of the Company's decision to place Ms. Offereins's unvested shares into a hold was no accident, nor was the fact that the January 2, 2024 letter specifically referenced that a substantial number of Ms. Offereins's unvested shares had been due to vest at the end of 2023. Had the Company waited another day to place Ms. Offereins's shares into an investigative hold, the first set of her outstanding unvested equity would have vested and Discover would have lost the ability to use its Risk Review provision to cancel her RSUs and PSUs with 2023 Scheduled Vesting Dates.

66. Ms. Offereins received no further communications detailing the status of the

² A copy of this letter is attached as Exhibit E.

risk review until she received a letter dated January 31, 2024—the day before the Scheduled Vesting Date of her PSUs vesting in 2024—notifying Ms. Offereins that Discover concluded its risk review:

A risk review was conducted in connection with the Company’s card misclassification matter, and the Chief Risk Officer concluded that you engaged in willful or reckless violation of the Company’s risk policies. In consideration of this conclusion, the Board of Directors has determined that one hundred percent (100%) of each of your outstanding [a]wards is forfeited. . . . Accordingly, you will not receive any shares or any other payment with respect to the [f]orfeited [a]wards.³

67. Discover provided no evidence or explanation to support the Chief Risk Officer’s determination that Ms. Offereins engaged in any “willful or reckless violation of the Company’s risk policies.” Nor did the Company explain the ICRM’s subsequent decision to cancel all of Ms. Offereins’s unvested equity.

68. As discussed above, the ICRM is a management committee and does not normally include members of Discover’s Board of Directors (the “Board”). However, on information and belief, a member of the Board sat on the ICRM at the time it decided to revoke Ms. Offereins’s equity because John Owen, a member of the Board, was serving as interim CEO.

69. In addition, on information and belief, Discover removed Andy Eichfeld, the Chief Human Resources Officer, from the ICRM before it considered forfeiting Ms. Offereins’s equity awards because of his objections to the Company’s aggressive use of its clawback and forfeiture rights. In addition to serving on the Board and being interim CEO, Mr. Owen also served as acting Head of Human Resources after Mr. Eichfeld was removed.

70. Discover impermissibly imputed “willful or reckless” violations of Discover’s risk policies onto Ms. Offereins because she was the only senior executive at the Company

³ A copy of this letter is attached as Exhibit F.

with sufficient unvested equity that could be cancelled by the Company under the Risk Review provision of the Award Certificates. No executive with only or mostly vested equity could be forced to return a large portion of their equity compensation back to the Company in connection with Project Simple: the clawback provision for vested equity would permit the recovery of vested equity only if there had been a restatement of earnings, which there had not been from Project Simple.

71. Ms. Offereins was an easy target for the risk review: she had recently retired and could not quit in protest or otherwise fight back against a baseless determination that she had acted willfully or recklessly.

72. The decision by the ICRM, unusually led by the interim CEO and a member of the Board, that Ms. Offereins should lose all of her outstanding unvested equity simply because she had recently retired and was in the best position to have a large amount unvested was unacceptably arbitrary and made in bad faith.

73. Further, the underlying determination by the Chief Risk Officer that Ms. Offereins engaged in “willful or reckless” misconduct was also wrong and made in bad faith. Ms. Offereins was not responsible for the card issuing business at Discover and that group would have been responsible for remedying the card misclassification issue. Ms. Offereins cooperated with the Company’s outside counsel’s investigation into the issue. In addition, the details of the card misclassification issue had been reported to the Board since at least 2022, two years prior to Discover’s decision to cancel Ms. Offereins’s unvested equity, and, on information and belief, the previously separate board of Discover Bank had received presentations about the need to recategorize accounts into different classified tiers many years earlier.

74. As noted above, Discover stated in its January 2, 2024 letter that it placed Ms. Offereins's unvested RSUs and PSUs into an investigative hold on the *day before* the first set would have vested, strongly suggesting that Ms. Offereins had all of her unvested shares cancelled not because she was culpable for the findings in Project Simple, but because she was a convenient scapegoat: an unrelated and recently retired senior executive who happened to have large tranches of unvested equity due right at the moment that Discover felt it needed to make a show to its regulators of withholding earned equity compensation. The letter to Ms. Offereins stating that all of her unvested shares were forfeited was dated the day before another large set was to vest.

75. To date, Discover has not provided Ms. Offereins with any information about the procedures that the ICRM followed or failed to follow in cancelling her equity. On information and belief, the ICRM panel that decided to cancel her equity was not provided with the findings from the Board's investigation into Project Simple, which would indicate that she was not responsible for the misclassified cards.

76. Discover cannot provide a good faith justification for the decisions it made with respect to Ms. Offereins's unvested equity because the reality is that the Company perverted its risk review process to serve unrelated needs: finding a suitable person who was already outside of the Company—no matter how far removed from the card misclassification issue—to take the blame with the regulators and the attendant substantial economic hit.

77. As of the time that Discover cancelled all of her outstanding equity awards in January 2024, Ms. Offereins had outstanding RSUs in the following amounts: 3,230 granted February 19, 2021; 10,268 granted February 25, 2022; and 4,111 granted February 23, 2023; and (2) outstanding PSUs in the following amounts: 21,801 granted February 19, 2021

(factoring in the 1.5 multiplier as set out in the Award Certificate);⁴ 11,008 granted February 25, 2022; and 6,166 granted February 23, 2023.

78. Those amounts included not only Ms. Offereins's regular equity compensation, but also the one-time bonus of \$1,000,000 of Discover stock that Ms. Offereins received in connection with Discover's investment in Marqeta. That investment had no relationship whatsoever to the card misclassification issue, and Discover's cancellation of that bonus award reflects its indiscriminate abuse of its power to forfeit Ms. Offereins's equity.

79. On information and belief, Ms. Offereins's cancelled unvested RSUs and PSUs, including unpaid accrued dividends on the PSUs, were worth over \$7,000,000. The value of those unvested shares has only increased, and they are now worth more than \$8,000,000.

80. Consistent with other Discover executives over the last several years, roughly 60% of Ms. Offereins's compensation was in the form of stock awards. With her stock awards revoked, Ms. Offereins lost the majority of her compensation for 2021, 2022, and 2023: the years during which she led Discover's payments network through the COVID-19 pandemic after she had already planned to retire.

C. Discover Treated Ms. Offereins Worse Than Male Executives Bearing Greater Responsibility for the Card Misclassification

81. Less than a month after announcing its conversations with regulators, on August 13, 2023, the Board accepted Roger C. Hochschild's resignation as CEO and President of the Company, a member of the Board, and a director and executive of Discover Bank, effective August 14, 2023. On information and belief, the Company asked Mr. Hochschild to

⁴ The 2022 and 2023 Award Certificates contained similar multipliers which, had Ms. Offereins's shares not been invalidly clawed back, she likely would have received as well.

resign or face termination because of a series of compliance and legal issues, including Project Simple.

82. The Company's Form 8-K, filed on August 14, 2023, detailed that Mr. Hochschild would "continue to be employed by the Company as an advisor to the Chair of the Board from [August 14, 2023] through December 31, 2023, pursuant to the terms of a transition employment letter." Discover included Mr. Hochschild's letter agreement as an exhibit to the Form 8-K. Notably, the letter outlined the agreed-upon terms of Mr. Hochschild's long-term equity awards, including that the Company would cancel only one year of his equity awards:

You have agreed that, notwithstanding the foregoing, the Company equity awards (e.g. restricted stock units and performance stock units) granted to you during the fiscal year ending December 31, 2023 are cancelled as of the Effective Date and that all obligations of the Company with respect to such awards shall be extinguished at the Effective Date. ***With respect to your continuing Company equity awards, the Company has no intention to exercise its clawback or forfeiture rights on the basis of facts considered by the Board to date including in connection with its review of the incorrect classification of certain credit card accounts or its review of the Company's compliance management system.*** (emphasis added).

83. Notwithstanding the decision that Mr. Hochschild's responsibility for the card misclassification issue required his termination, the Company did not exercise its rights to claw back or otherwise deem forfeited any of his compensation because of its Project Simple investigation or any of the other compliance and legal issues that led the Company to ask Mr. Hochschild to resign.

84. In addition, and as explained above, Ms. Offereins was not involved in the process that initially led to the card misclassification issue that began in 2007 or earlier, and much of her role on the issue was in trying to get leaders of the card side of Discover's business to address the problem.

85. It is thus notable that Mr. Capozzi, the leader of Discover's card issuance business since 2020, did not lose any equity awards as a result of the Project Simple investigation, based on a review of Discover's most recent comprehensive proxy filing.

86. In addition to leading Discover's card issuance business for the last four years, Mr. Capozzi served in various Finance roles at Discover from 2007 through 2016, before moving into other roles in Discover's Credit department. On information and belief, Mr. Capozzi was aware of the card misclassification issue before stepping in to lead the card issuance business through his previous roles in Finance.

87. Mr. Capozzi received a reduced cash bonus for 2023, approximately \$150,000 as compared to his previous cash bonus of approximately \$1,500,000. On information and belief, this roughly \$1,350,000 reduction in Mr. Capozzi's cash bonus was his consequence for his involvement in the Project Simple investigation. That is of course a far smaller cost for Mr. Capozzi to pay than the over \$7,000,000 of equity that Ms. Offereins lost, particularly when Mr. Capozzi has been the executive in charge of the unit at Discover that was responsible for the card misclassification for the last four years. In addition, on information and belief, Mr. Capozzi received a larger equity award in 2023 than he did in 2022 to make up for the smaller reduction in his cash bonus due to the Project Simple investigation.

88. Mr. Hochschild and Mr. Capozzi are far from alone. As mentioned previously, the Company asked Mr. Eichfeld, the Chief Human Resources Officer, to leave within the last year. Mr. Eichfeld was given a severance package that allowed him to leave with all of his equity and an additional two years of pay. And Carlos Minetti, the President of Discover's Consumer Banking division until 2023, was given the same exit package as Mr. Eichfeld, despite a long-running government investigation into Discover's student loan business

(overseen by Mr. Minetti).

89. It is no coincidence that Ms. Offereins—on information and belief both the only woman and only retired executive committee member to lose equity as a result of Project Simple—lost by far the largest percentage of her equity of any adversely affected employee. There is no non-discriminatory explanation for Ms. Offereins experiencing a larger proportional cancellation of her equity compensation than Mr. Hochschild and Mr. Capozzi.

CAUSES OF ACTION

Count I: Breach of Contract (Breach of Implied Covenant of Good Faith and Fair Dealing)

90. Plaintiff incorporates Paragraphs 1-89 as though fully stated in this Paragraph.

91. Ms. Offereins entered into the Plan and Award Certificates with Discover.

92. The Plan constitutes a valid and enforceable contract.

93. The 2021 Award Certificate for Restricted Stock Units constitutes a valid and enforceable contract.

94. The 2022 Award Certificate for Restricted Stock Units constitutes a valid and enforceable contract.

95. The 2023 Award Certificate for Restricted Stock Units constitutes a valid and enforceable contract.

96. The 2021 Award Certificate for Performance Stock Units constitutes a valid and enforceable contract.

97. The 2022 Award Certificate for Performance Stock Units constitutes a valid and enforceable contract.

98. The 2023 Award Certificate for Performance Stock Units constitutes a valid and enforceable contract.

99. Ms. Offereins had a reasonable expectation at the time she executed the Plan and Award Certificates that (1) the Company would not make a determination that she engaged in “willful or reckless violations of the Company’s risk policies” in bad faith, and (2) that the Company would not decide to cancel her RSU and PSU awards in bad faith.

100. This term was implied in the Plan and Award Certificates. The Plan and Award Certificates do not specify the Company’s duties with respect to determining whether Ms. Offereins engaged in “willful or reckless violations of the Company’s risk policies” or whether the Company could cancel Ms. Offereins’s unvested RSUs and PSUs under the Risk Review provision.

101. The Company’s decision that Ms. Offereins engaged in “willful or reckless violations of the Company’s risk policies” and that her unvested RSUs and PSUs were forfeited as a result was made in bad faith to unjustly enrich the Company.

102. As a direct and proximate result of the Company’s breach of its implied duties not to determine that Ms. Offereins engaged in “willful or reckless violations of the Company’s risk policies” in bad faith or to find in bad faith that her unvested RSUs and PSUs were forfeited, Ms. Offereins has suffered, and continues to suffer, damages in an amount to be proven at trial but no less than \$8,000,000.

Count II: Violation of Title VII of the Civil Rights Act of 1964

103. Plaintiff incorporates Paragraphs 1-102 as though fully stated in this Paragraph.

104. Under Title VII, Plaintiff is a member of a protected class on the basis of her gender.

105. Notwithstanding Ms. Offereins’s full cooperation with Discover’s Project Simple investigation, Discover decided to deprive Ms. Offereins of her equity awards with no evidence or

explanation. By citing “willful or reckless violation of the Company’s risk policies” with no supporting evidence or explanation, Discover believed it could fabricate a facially credible explanation for its otherwise discriminatory conduct.

106. On information and belief, Ms. Offereins is the only woman to lose equity as a result of Project Simple. The Discover executives who were responsible for the card misclassification issue, Mr. Hochschild and Mr. Capozzi, emerged relatively unscathed.

107. While these male executives managed to reap their benefits, Ms. Offereins lost over \$7,000,000 in equity awards for an issue she was not responsible for. Discover’s actions strongly suggest an agenda of unlawful discrimination.

108. Discover had a statutory duty to conduct and implement its compensation and benefits decisions in a nondiscriminatory manner without regard to gender. Specifically, Discover had a statutory duty to ensure that women, such as Ms. Offereins, were subjected to the same terms and conditions of employment as similarly situated employees who were male.

109. Discover’s basis for forfeiting Ms. Offereins’s equity awards was false and constituted a pretext for gender discrimination in violation of Title VII.

110. By treating her worse than her male peers with respect to compensation in connection with Project Simple, Discover deprived Ms. Offereins of the rights and privileges enjoyed by similarly situated male executives and all of the benefits and privileges of her contractual relationship with Discover.

111. The discriminatory acts of Defendant, its agents, supervisors, managers, and owners were deliberate, intentional, wanton, and malicious, and were done with malice or with reckless indifference to Plaintiff’s federally protected rights until Title VII. The acts complained of were ratified, authorized, or permitted by Defendant and its management, executives, and

owners.

112. To date, Discover has failed to correct its discriminatory treatment of Ms. Offereins.

113. Defendant's unlawful conduct in violation of Title VII is outrageous and malicious, intended to injure Plaintiff, and has been done with conscious disregard of Plaintiff's rights under Title VII, entitling her to exemplary and/or punitive damages. Additionally, Plaintiff has and will continue to incur attorneys' fees and costs of litigation as a direct and proximate result of the unlawful, discriminatory conduct as alleged herein.

Count III: Violation of the Equal Pay Act of 1963

114. Plaintiff incorporates Paragraphs 1-113 as though fully stated in this Paragraph.

115. Under the EPA, Plaintiff is a member of a protected class on the basis of her gender.

116. At all relevant times, Plaintiff was qualified to perform her job duties for Defendant and satisfactorily performed them in accordance with Defendant's legitimate expectations. Ms. Offereins met or exceeded all performance expectations at Discover.

117. Despite Ms. Offereins's lack of involvement in card issuance and, by extension, Project Simple, Discover determined that she forfeited \$7,000,000 in equity awards. Discover did not do so for the similarly situated male executives who were responsible for card issuance.

118. As referenced in this Complaint, direct stakeholders like Mr. Capozzi only received a reduced cash bonus of \$150,000 for what was, on information and belief, a consequence for his involvement in the Project Simple investigation. Mr. Capozzi did not lose his equity awards in connection with the investigation. And while Mr. Hochschild even resigned from the Company over the card misclassification issue and other legal and compliance shortcomings, the Company

only cancelled one year of his equity awards and publicly announced that it did not exercise its clawback or forfeiture rights based on the Project Simple investigation.

119. The differential in pay between Ms. Offereins and male executives was not due to a bona fide seniority system, a bona fide merit system, or a bona fide system that measures employee earnings by quantity or quality of work, nor was the difference in pay a result of a factor other than gender. Rather, the differential was due to gender discrimination in violation of the EPA.

120. Discover deprived Ms. Offereins of the rights and privileges enjoyed by similarly situated male executives, and all of the benefits and privileges of her contractual relationship with Discover.

121. The discriminatory acts of Defendant, its agents, supervisors, managers, and owners were deliberate, intentional, wanton, and malicious, and were done with malice or with reckless indifference to Plaintiff's federally protected rights until the EPA. The acts complained of were ratified, authorized, or permitted by Defendant and its management, executives, and owners.

122. Defendant's unlawful conduct in violation of the EPA is outrageous and malicious, intended to injure Plaintiff, and has been done with conscious disregard of Plaintiff's rights under the EPA, entitling her to exemplary and/or punitive damages.

123. As a direct and proximate result of Defendant's unlawful and discriminatory conduct in violation of the EPA as alleged herein, Plaintiff has suffered and continues to suffer emotional distress, severe mental anguish, humiliation, embarrassment, degradation, stress and anxiety, loss of self-esteem and self-confidence, pain and suffering, inconvenience, financial crisis, lost wages and benefits, future pecuniary losses and other consequential damages. Additionally,

Plaintiff has and will continue to incur attorneys' fees and costs of litigation as a direct and proximate result of the unlawful, discriminatory conduct as alleged herein.

Count IV: Violation of the Age Discrimination in Employment Act of 1967

124. Plaintiff incorporates Paragraphs 1-123 as though fully stated in this Paragraph.

125. Under the ADEA, Plaintiff is a member of a protected class on the basis of Plaintiff's age. Ms. Offereins is 66 years old and is retired.

126. While Ms. Offereins faced an astonishing \$7,000,000 loss (now more than \$8,000,000) shortly after retiring from what was a successful, trailblazing career, other executives who were not retired faced little to no punitive consequences for their proximity to Project Simple. Mr. Hochschild resigned from his role as CEO with only one year of cancelled equity awards. Discover noted that it had absolutely no intention of exercising its clawback or forfeiture provisions following the investigation. Other executives who were not retired received a reduced cash bonus or were offered handsome severance packages, with the latter resulting in no loss to equity awards and an additional two years of pay.

127. While executives who were still employed with Discover faced minimal to no repercussions, Discover determined that it would be much more convenient to make an example of Ms. Offereins, even if she was well-removed from Company decision-making in her former role. By doing so, the Company believed it would skirt accountability and avoid a bureaucratic nightmare with executives who were not retired, while collecting substantial amounts of Ms. Offereins's unvested equity.

128. By treating her differently than non-retired colleagues, Defendant has impermissibly used Ms. Offereins's status as a retired person as a proxy for her age, discriminating against her in violation of the ADEA. Defendant's stated basis for forfeiting Ms. Offereins's equity

awards was false and constituted a pretext for age discrimination.

129. Defendant had a statutory duty to conduct and implement its compensation and benefits decisions in a nondiscriminatory manner without regard to age or retirement status as a proxy for age.

130. Discover deprived Ms. Offereins of the rights and privileges enjoyed by similarly situated executives who were not retired, and all of the benefits and privileges of her contractual relationship with Discover.

131. The discriminatory acts of Defendant, its agents, supervisors, managers, and owners were deliberate, intentional, wanton, and malicious, and were done with malice or with reckless indifference to Plaintiff's federally protected rights until the ADEA. The acts complained of were ratified, authorized, or permitted by Defendant and its management, executives, and owners.

132. Defendant's unlawful conduct in violation of the ADEA is outrageous and malicious, intended to injure Plaintiff, and has been done with conscious disregard of Plaintiff's rights under ADEA, entitling her to exemplary and/or punitive damages.

133. As a direct and proximate result of Defendant's unlawful and discriminatory conduct in violation of the ADEA as alleged herein, Plaintiff has suffered and continues to suffer emotional distress, severe mental anguish, humiliation, embarrassment, degradation, stress and anxiety, loss of self-esteem and self-confidence, pain and suffering, inconvenience, financial crisis, lost wages and benefits, future pecuniary losses and other consequential damages. Additionally, Plaintiff has and will continue to incur attorneys' fees and costs of litigation as a direct and proximate result of the unlawful, discriminatory conduct as alleged herein.

Count V: Gender Discrimination in Violation of the Illinois Human Rights Act

134. Plaintiff incorporates Paragraphs 1-133 as though fully stated in this Paragraph.

135. Under the IHRA, Plaintiff is a member of protected classes on the basis of gender.

Ms. Offereins is a woman.

136. Defendant has discriminated against Plaintiff because of her gender in violation of the IHRA.

137. The effect of Defendant's discriminatory employment practices has been to deny Ms. Offereins equal employment opportunities, income in the form of wages, and other benefits of employment because of her gender.

138. The discriminatory acts of Defendant, its agents, supervisors, managers, and owners were deliberate, intentional, wanton, and malicious, and were done with malice or with reckless indifference to Plaintiff's protected rights until the IHRA. The acts complained of were ratified, authorized, or permitted by Defendant and its management, executives, and owners.

139. Defendant's unlawful conduct in violation of the IHRA is outrageous and malicious, intended to injure Plaintiff, and has been done with conscious disregard of Plaintiff's rights under the IHRA, entitling her to exemplary and/or punitive damages.

140. As a direct and proximate result of Defendant's unlawful and discriminatory conduct in violation of the IHRA as alleged herein, Plaintiff has suffered and continues to suffer emotional distress, severe mental anguish, humiliation, embarrassment, degradation, stress and anxiety, loss of self-esteem and self-confidence, pain and suffering, inconvenience, financial crisis, lost wages and benefits, future pecuniary losses and other consequential damages. Additionally, Plaintiff has and will continue to incur attorneys' fees and costs of litigation as a direct and proximate result of the unlawful, discriminatory conduct as alleged herein.

Count VI: Age Discrimination in Violation of the Illinois Human Rights Act

141. Plaintiff incorporates Paragraphs 1-140 as though fully stated in this Paragraph.

142. Under the IHRA, Plaintiff is a member of protected classes on the basis of age.

Ms. Offereins is 66 years old and is retired.

143. Defendant has discriminated against Plaintiff because of her age in violation of the IHRA.

144. The effect of Defendant's discriminatory employment practices has been to deny Ms. Offereins equal employment opportunities, income in the form of wages, and other benefits of employment because of her age.

145. The discriminatory acts of Defendant, its agents, supervisors, managers, and owners were deliberate, intentional, wanton, and malicious, and were done with malice or with reckless indifference to Plaintiff's protected rights under the IHRA. The acts complained of were ratified, authorized, or permitted by Defendant and its management, executives, and owners.

146. Defendant's unlawful conduct in violation of the IHRA is outrageous and malicious, intended to injure Plaintiff, and has been done with conscious disregard of Plaintiff's rights under the IHRA, entitling her to exemplary and/or punitive damages.

147. As a direct and proximate result of Defendant's unlawful and discriminatory conduct in violation of the IHRA as alleged herein, Plaintiff has suffered and continues to suffer emotional distress, severe mental anguish, humiliation, embarrassment, degradation, stress and anxiety, loss of self-esteem and self-confidence, pain and suffering, inconvenience, financial crisis, lost wages and benefits, future pecuniary losses and other consequential damages. Additionally, Plaintiff has and will continue to incur attorneys' fees and costs of litigation as a direct and proximate result of the unlawful, discriminatory conduct as alleged herein.

JURY DEMAND

Plaintiff requests a trial by jury on all claims triable by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in her favor and against Defendant and requests that the Court:

- i. Declare, decree, and adjudge that Defendant has violated Title VII, the EPA, the ADEA, and the IHRA;
- ii. Grant a preliminary and permanent injunction against Defendant and its executives, agents, and managers from violating Title VII, the EPA, the ADEA, and the IHRA, and protecting Plaintiff;
- iii. Enter appropriate injunctive relief against Defendant and its executives, agents, and managers to comply with Title VII, the EPA, the ADEA, and the IHRA and refrain from harassing, discriminating, and retaliating against Plaintiff and interfering with her rights and protections and awarding appropriate equitable relief;
- iv. Award Plaintiff the equity awards and other employment benefits she was denied or lost;
- v. Order Defendant to pay compensatory and punitive damages in an amount sufficient to punish Defendant for its past discrimination and to deter it from continuing with its discriminatory practices;
- vi. Award pre-judgment and post-judgment interest;
- vii. Award reasonable attorneys' fees and costs;
- viii. Any further relief to which Plaintiff is entitled under Title VII, the EPA, the

ADEA, and the IHRA; and

ix. Such other and further relief as this Court deems proper and just.

Dated: September 4, 2024

Respectfully submitted,

/s/ Sean Hecker

Sean Hecker*

Julie E. Fink*

Andrew L. Chesley*

Jocelyn Hassel*

HECKER FINK LLP

350 Fifth Avenue, 63rd Floor

New York, New York 10118

(212) 763-0883

shecker@heckerfink.com

jfink@heckerfink.com

achesley@heckerfink.com

jhassel@heckerfink.com

Katherine Epstein*

HECKER FINK LLP

1050 K Street NW, Suite 1040

Washington, DC 20001

(212) 763-0883

kepstein@heckerfink.com

/s/ Stephen Chahn Lee

Stephen Chahn Lee

Law Office of Stephen Chahn Lee, LLC

209 S. LaSalle Street, Suite 950

Chicago, IL 60604

(312) 436-1790

slee@stephenleelaw.com

Counsel for Diane Offereins

**pro hac vice forthcoming*

EXHIBIT A



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Chicago District Office
230 S Dearborn Street
Chicago, IL 60604
(800) 669-4000
Website: www.eeoc.gov

DISMISSAL AND NOTICE OF RIGHTS

(This Notice replaces EEOC FORMS 161, 161-A & 161-B)

Issued On: 06/20/2024

To: Diane Offereins
270 Roger Williams Ave.
Highland Park, IL 60035
Charge No: 440-2024-09178

EEOC Representative and email: ISABELLA BRANHAM
Investigator
isabella.branham@eeoc.gov

DISMISSAL OF CHARGE

The EEOC has granted your request that the agency issue a Notice of Right to Sue, where it is unlikely that EEOC will be able to complete its investigation within 180 days from the date the charge was filed.

The EEOC is terminating its processing of this charge.

NOTICE OF YOUR RIGHT TO SUE

This is official notice from the EEOC of the dismissal of your charge and of your right to sue. If you choose to file a lawsuit against the respondent(s) on this charge under federal law in federal or state court, **your lawsuit must be filed WITHIN 90 DAYS of your receipt of this notice.** Receipt generally occurs on the date that you (or your representative) view this document. You should keep a record of the date you received this notice. Your right to sue based on this charge will be lost if you do not file a lawsuit in court within 90 days. (The time limit for filing a lawsuit based on a claim under state law may be different.)

If you file a lawsuit based on this charge, please sign in to the EEOC Public Portal and upload the court complaint to charge 440-2024-09178.

On behalf of the Commission,

Digitally Signed By: Amrith Kaur Aakre
06/20/2024

Amrith Kaur Aakre
District Director

Cc:

Tomas Rivera
Discover Financial Services
2500 Lake Cook Road
Riverwoods, IL 60015

Incident Location
Discover Financial Services
2500 Lake Cook Road
Riverwoods, IL 60015

Sean Hecker Esq.
Kaplan Hecker & Fink LLP
350 Fifth Ave. 63rd Floor
New York, NY 10118

Please retain this notice for your records.

Enclosure with EEOC Notice of Closure and Rights (01/22)

INFORMATION RELATED TO FILING SUIT UNDER THE LAWS ENFORCED BY THE EEOC

*(This information relates to filing suit in Federal or State court **under Federal law**. If you also plan to sue claiming violations of State law, please be aware that time limits may be shorter and other provisions of State law may be different than those described below.)*

IMPORTANT TIME LIMITS – 90 DAYS TO FILE A LAWSUIT

If you choose to file a lawsuit against the respondent(s) named in the charge of discrimination, you must file a complaint in court **within 90 days of the date you receive this Notice**. Receipt generally means the date when you (or your representative) opened this email or mail. You should **keep a record of the date you received this notice**. Once this 90-day period has passed, your right to sue based on the charge referred to in this Notice will be lost. If you intend to consult an attorney, you should do so promptly. Give your attorney a copy of this Notice, and the record of your receiving it (email or envelope).

If your lawsuit includes a claim under the Equal Pay Act (EPA), you must file your complaint in court within 2 years (3 years for willful violations) of the date you did not receive equal pay. This time limit for filing an EPA lawsuit is separate from the 90-day filing period under Title VII, the ADA, GINA, the ADEA, or the PWFA referred to above. Therefore, if you also plan to sue under Title VII, the ADA, GINA, the ADEA or the PWFA, in addition to suing on the EPA claim, your lawsuit must be filed within 90 days of this Notice and within the 2- or 3-year EPA period.

Your lawsuit may be filed in U.S. District Court or a State court of competent jurisdiction. Whether you file in Federal or State court is a matter for you to decide after talking to your attorney. You must file a "complaint" that contains a short statement of the facts of your case which shows that you are entitled to relief. Filing this Notice is not enough. For more information about filing a lawsuit, go to <https://www.eeoc.gov/employees/lawsuit.cfm>.

ATTORNEY REPRESENTATION

For information about locating an attorney to represent you, go to:
<https://www.eeoc.gov/employees/lawsuit.cfm>.

In very limited circumstances, a U.S. District Court may appoint an attorney to represent individuals who demonstrate that they are financially unable to afford an attorney.

HOW TO REQUEST YOUR CHARGE FILE AND 90-DAY TIME LIMIT FOR REQUESTS

There are two ways to request a charge file: 1) a Freedom of Information Act (FOIA) request or 2) a "Section 83" request. You may request your charge file under either or both procedures. EEOC can generally respond to Section 83 requests more promptly than FOIA requests.

Since a lawsuit must be filed within 90 days of this notice, please submit your FOIA and/or Section 83 request for the charge file promptly to allow sufficient time for EEOC to respond and for your review.

To make a FOIA request for your charge file, submit your request online at <https://eeoc.arkcase.com/foia/portal/login> (this is the preferred method). You may also submit a FOIA request for your charge file by U.S. Mail by submitting a signed, written request identifying your request as a "FOIA Request" for Charge Number 440-2024-09178 to the

Enclosure with EEOC Notice of Closure and Rights (01/22)

District Director at Amrith Kaur Aakre, 230 S Dearborn Street , Chicago, IL 60604.

To make a Section 83 request for your charge file, submit a signed written request stating it is a "Section 83 Request" for Charge Number 440-2024-09178 to the District Director at Amrith Kaur Aakre, 230 S Dearborn Street , Chicago, IL 60604.

You may request the charge file up to 90 days after receiving this Notice of Right to Sue. After the 90 days have passed, you may request the charge file only if you have filed a lawsuit in court and provide a copy of the court complaint to EEOC.

For more information on submitting FOIA requests, go to <https://www.eeoc.gov/eeoc/foia/index.cfm>.

For more information on submitted Section 83 requests, go to <https://www.eeoc.gov/foia/section-83-disclosure-information-charge-files>.

EXHIBIT B

STATE OF ILLINOIS)
)
COUNTY OF COOK)
) ss

CHARGE NO. 2024CR2617

AFFIDAVIT OF SERVICE

The undersigned served a copy of the attached **NOTICE OF DISMISSAL AND CLOSURE** on August 6, 2024 to each person named below by email or first class mail, addressed as follows:

For Complainant

Kate Epstein
Hecker Fink LLP
1050 K St. NW, Ste. 1040
Washington, DC 20001

For Respondent

Chief Executive Officer
Discover Financial Services
2500 Lake Cook Rd.
Riverwoods, IL 60015

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that s/he verily believes the same to be true.

_____ 

PLEASE NOTE:

The above-signed person is responsible only for mailing these documents. If you wish a review of the findings in this case, you must complete the Request for Review form attached. Department of Human Rights' staff are not permitted to discuss the investigation findings once a Notice of Determination has been issued.

EXHIBIT C

**DISCOVER FINANCIAL SERVICES
AMENDED AND RESTATED 2014 OMNIBUS INCENTIVE PLAN
2023 Award Certificate for Performance Stock Units**

This Award Certificate describes the terms and conditions under which you are being granted an Award of Performance Stock Units (“PSUs”) under the Discover Financial Services Amended and Restated 2014 Omnibus Incentive Plan (the “Plan”), which constituted part of your discretionary long-term incentive compensation.

A copy of the Plan can be found on the E*TRADE website at www.etrade.com, or such other vendor as the Company may choose to administer the Plan. Capitalized terms under in this Award Certificate have the meanings ascribed in the Plan unless otherwise stated herein.

The full terms of your Award are set out in this Award Certificate, the Plan and any applicable policy adopted by the Committee or its delegate in respect of the Plan and Awards thereunder that is applicable to this Award. In the event of a conflict between the Plan and this Award Certificate, the terms of the Plan control.

Award Recipient	DIANE OFFEREINS
Employee / Participant ID	B8720
Issuer	Discover Financial Services
Award Type	Performance Stock Units (PSUs)
Date of the Award	February 23, 2023
Number of Units Awarded At Target	12,331 PSUs
Performance Period	January 1, 2023 to December 31, 2025
Scheduled Vesting Date	February 01, 2026

Performance Measures	<p>Your Target Award will be earned based on attainment of the following Performance Measures during the Performance Period.</p> <table border="1" data-bbox="529 285 1390 604"> <thead> <tr> <th></th> <th>GAAP EPS</th> <th>Multiplier*</th> </tr> </thead> <tbody> <tr> <td>GAAP EPS Minimum or less</td> <td>\$26.33 USD</td> <td>0</td> </tr> <tr> <td>80% of GAAP EPS Target</td> <td>\$42.13 USD</td> <td>0.5</td> </tr> <tr> <td>GAAP EPS Target</td> <td>\$52.66 USD</td> <td>1.0</td> </tr> <tr> <td>GAAP EPS Maximum or greater (110% of target)</td> <td>\$57.93 USD</td> <td>1.5</td> </tr> </tbody> </table> <p>* Multiplier will be interpolated on a straight-line basis for results between GAAP EPS performance levels.</p>		GAAP EPS	Multiplier*	GAAP EPS Minimum or less	\$26.33 USD	0	80% of GAAP EPS Target	\$42.13 USD	0.5	GAAP EPS Target	\$52.66 USD	1.0	GAAP EPS Maximum or greater (110% of target)	\$57.93 USD	1.5
	GAAP EPS	Multiplier*														
GAAP EPS Minimum or less	\$26.33 USD	0														
80% of GAAP EPS Target	\$42.13 USD	0.5														
GAAP EPS Target	\$52.66 USD	1.0														
GAAP EPS Maximum or greater (110% of target)	\$57.93 USD	1.5														
Settlement	<p>Your awards will be converted and settled in shares of Company stock pursuant to Section 8 of the Plan and Section 3(b) of this Award Certificate unless your primary place of employment is located outside the United States in which case your shares may be settled in cash. See <u>Appendix A International Supplement</u>, for additional information.</p>															
Restrictive Covenants & Clawbacks	<p>You may be subject to repayment provisions triggered in the event of your violation of a restrictive covenant, including non-solicitation and non-competition requirements, more fully described in this Award Certificate. You are also subject to a clawback provision in the event of restatement of the Company's financial performance.</p>															
Non-U.S. Employees	<p>If you are employed outside the United States, please reference the "<u>International Supplement</u>" included herein as <u>Appendix A</u>, which contains supplemental terms and conditions for your PSU Award.</p>															

You will earn Performance Stock Units (“PSUs”) included in your PSU Award only if you (1) remain in continuous Employment through the applicable Scheduled Vesting Date(s) (subject to limited exceptions set forth herein), (2) are not found to be subject to the forfeiture, cancellation, or clawback provisions set forth in Section 10 below, and (3) satisfy obligations you owe to the Company as set forth in Section 12 below. If the Company deems appropriate and in its sole discretion, the Company may require you to provide a written certification or other evidence, from time to time, to confirm that none of the circumstances described in Section 10 below exist or have occurred, including upon a termination of Employment and/or during a specified period of time prior to the applicable Scheduled Vesting Date(s). If you fail to timely provide any required certification or other evidence, the Company may cancel your PSU Award. It is your responsibility to provide the Human Resources Department with your up-to-date contact information.

1. Performance Stock Units Generally.

Each PSU is a RSU that is subject to additional conditions as described herein and corresponds to one share of Stock. A PSU constitutes a contingent and unsecured promise by Discover to pay you one share of Discover common stock on the conversion date for the PSU. As the holder of PSUs, you have only the rights of a general unsecured creditor of Discover. No assets of the Company will be held or set aside as security for the obligations of the Company hereunder. You will not be a shareholder, and shall have no voting rights, with respect to the Shares corresponding to your PSUs unless and until your PSUs convert to Shares.

2. Performance Measures.

The portion, if any, of your Target Award that you can earn will be based on Discover GAAP EPS performance as set forth in this Award Certificate and the other terms and conditions of this Award Certificate, and may vary from zero to 1.5 times the number of PSUs included in your Target Award.

3. Vesting Schedule; Conversion.

(a) Vesting Schedule. Your PSUs earned in accordance with Section 2 will vest on the Scheduled Vesting Date, so long as you are continuously employed through the Scheduled Vesting Date unless earlier vested in accordance with Sections 6, 7 and 8 of this Award Certificate.

(b) Conversion.

(1) Except as otherwise provided in this Award Certificate, your earned and vested PSUs will convert to Shares (rounded to the nearest whole share) on the Scheduled Vesting Date.

(2) Subject to the provisions of the Plan and this Award Certificate, as well as any transfer restrictions imposed by the Company or applicable pursuant to securities laws, Shares delivered upon conversion of PSUs shall be delivered to you (or your beneficiary or estate, as applicable) as soon as administratively practicable after the Scheduled Vesting Date.

(c) **Accelerated Conversion.** The Committee, in its sole discretion, may determine that any PSUs may be converted to Shares prior to the Scheduled Vesting Date subject to compliance with all Legal Requirements.

(d) **Rule of Construction for Timing of Conversion.** Whenever this Award Certificate provides for PSUs to convert to Shares, or your dividend equivalents to be paid, on the Scheduled Vesting Date or upon an accelerated or different specified event or date, such conversion or payment will be considered to have been timely made, and neither you nor any of your beneficiaries nor your estate shall have any claim against the Company for damages based on a delay in conversion of your PSUs (or delivery of Shares following conversion) or payment of your dividend equivalents, as applicable, and the Company shall have no liability to you (or to any of your beneficiaries or your estate) in respect of any such delay, as long as conversion or payment, as applicable, is made by December 31 of the year in which occurs the Scheduled Vesting Date or such other specified event or date or, if later, by the 15th day of the third calendar month following such specified event or date.

4. Special Provisions for Certain “Specified Employees”.

If Discover reasonably considers you to be one of its “specified employees” as defined under Section 409A of the Internal Revenue Code at the time of the termination of your Employment, any PSUs that constitute deferred compensation under Section 409A of the Internal Revenue Code that are payable upon termination of Employment will not convert to Shares until the date that is six months after the termination of your Employment (or the date of your death, if such event occurs earlier).

5. Dividend Equivalent Payments.

If Discover pays a regular or ordinary dividend on its Stock, you will be credited with cash dividend equivalents with respect to your PSU Award in an amount equal to the amount of the dividend that would have been paid on a number of Shares corresponding to your Target Award. Discover will credit the dividend equivalents as soon as is administratively practicable after it pays the corresponding dividend on its Stock. Discover will decide on the form of payment and may pay dividend equivalents in Shares, in cash or in a combination thereof. Your dividend equivalents will vest and be paid at the same time as, and subject to the same vesting and cancellation provisions set forth in this Award Certificate with respect to, your PSUs (provided that, subject to Section 3(d), the dividend equivalents may be paid following the date on which the PSUs convert to Shares as soon as administratively practicable). The amount of dividend equivalents paid to you will be based on the number of PSUs that actually convert to Shares (and will be paid only if your PSUs convert to Shares), *provided* that such dividend equivalents will be reduced to the extent that application of the performance measures set forth in this Award Certificate results in your earning less than the Target Award and will be increased to the extent that application of those performance measures results in your earning more than the Target Award. (For example, if you earn eighty percent (80%) of the Target Award based on the performance measures, twenty percent (20%) of the dividend equivalents credited in respect of regular or ordinary dividends will be canceled.) The decision to pay a dividend and, if so, the amount of any such dividend, is determined by Discover in its sole discretion. No dividend equivalents will be paid to you on any canceled PSUs. Because dividend equivalent payments are considered part of your compensation for income tax purposes,

they will be subject to applicable tax and other withholding obligations, as summarized in Section 11.

(a) Pro Rata Reduction. If your PSU Award is subject to a pro rata reduction upon the termination of your Employment (as described below) and your PSU Award is to be paid on a date following such termination, the amount of dividend equivalents credited to you in respect of regular or ordinary dividends paid on Stock following your termination shall continue to be based on the number of Shares corresponding to your Target Award, and the amount paid to you (subject to the other terms and conditions of this Award Certificate) shall be the amount calculated as provided above in this Section 5, in each case multiplied by the Pro Ration Fraction. If your PSU Award is subject to a pro rata reduction upon the termination of your Employment and is paid out on such termination (as described below), the amount of dividend equivalents paid to you shall be calculated based on the number of Shares corresponding to your Target Award (adjusted, if applicable, as provided in this Section 5) multiplied by the Pro Ration Fraction.

(b) Effect of Cancellation. Notwithstanding the foregoing, in the event your PSU Award is canceled in full on or before the Scheduled Vesting Date, all dividend equivalents credited to you in respect of regular or ordinary dividends will be canceled.

6. Death; Disability; Retirement.

The following special vesting and payment terms apply to your PSUs:

(a) Death. If your Employment terminates due to your death, all PSUs subject to this Award Certificate will vest, convert to Shares and be delivered to your beneficiary or your estate on or as soon as administratively practicable after the Scheduled Vesting Date.

(b) Disability. If your Employment terminates due to Disability, all PSUs subject to this Award Certificate will vest, convert to Shares, and be delivered to you on or as soon as administratively practicable after the Scheduled Vesting Date.

(c) Retirement. If your Employment terminates due to Retirement, the number of PSUs that will vest on the Scheduled Vesting Date will be determined by multiplying (1) the number of Shares that would have been delivered to you, based on the performance measures described in this Award Certificate had you remained in Employment through the Scheduled Vesting Date, by (2) the Pro Ration Fraction. On the Scheduled Vesting Date, your PSUs will convert to Shares and be delivered to you.

7. Termination Due to Reduction in Force; Position Elimination; or Increase/Addition of Skills Required for Current Position

If the Company terminates your Employment due to a reduction in force, an elimination of your position, or as a result of an increase or addition of skills required of your current position, each as determined by the Company in its sole discretion, the number of PSUs that will vest on the Scheduled Vesting Date will be determined by multiplying (a) the number of Shares that would have been delivered to you, based on the performance measures described in this Award Certificate had you remained in Employment through the Scheduled Vesting Date, by (b) the Pro Ration Fraction. These shares will convert to Shares and be delivered to you on the later of the Scheduled

Vesting Date or the date that is sixty (60) days following your termination of Employment, *provided* that you sign (and do not revoke) an agreement and release of claims satisfactory to the Company.

8. Change in Control.

(a) During First Year of Performance Period. If, during the first year of the Performance Period, a Change in Control occurs, then your Target Award (including the value of any dividend equivalents theretofore credited to you) will be converted to a cash award valued as of the date of the Change in Control event as determined by the Company using the GAAP EPS Target multiplier set forth in this Award Certificate, the use of which shall be deemed to be a valuation using the target level. Any such cash award will be paid to you on the earlier of (1) the Scheduled Vesting Date or (2) the date when the Company terminates your Employment other than for Cause, or if you terminate your Employment for Good Reason. Notwithstanding the foregoing, if, following the Change in Control event but prior to the delivery of such cash award, you voluntarily terminate your Employment other than for Good Reason or you are terminated for Cause, you will forfeit such cash award.

(b) After First Year of Performance Period. If, after the first year of the Performance Period, a Change in Control occurs, then your Target Award (including the value of any dividend equivalents theretofore credited to you) will be converted to a cash award valued as of date of the Change in Control event as determined by the Company based on the performance measures in this Award Certificate but applied as though the Performance Period ended with the last quarter of Discover ending simultaneously with or before the effective date of the Change in Control event, the use of which shall be deemed to be a valuation using the target level. Any such cash award will be paid to you on the earlier of (1) the Scheduled Vesting Date or (2) the date when the Company terminates your Employment other than for Cause, or if you terminate your Employment for Good Reason. Notwithstanding the foregoing, if, following the Change in Control event but prior to the delivery of such cash award, you voluntarily terminate your Employment other than for Good Reason or you are terminated for Cause, you will forfeit such cash award.

9. Termination of Employment.

(a) Your unvested PSUs will be canceled if your Employment terminates for any reason other than under the circumstances set forth in Section 6, 7 or 8 of this Award Certificate.

10. Forfeiture/Cancellation/Clawback of PSU Awards Under Certain Circumstances.

(a) Breach of Restrictive Covenants. PSUs (and any dividend equivalents credited thereon) are not earned until the applicable Scheduled Vesting Date and will be canceled prior to the applicable Scheduled Vesting Date under any of the circumstances set forth below. Although you will become the beneficial owner of Shares following conversion of your PSUs, the Company may, upon notice, issue a transfer restriction with respect to your Shares following conversion of your PSUs (and any dividend equivalents credited thereon) pending any investigation or other review that impacts the determination as to whether the PSUs (and any dividend equivalents credited thereon) are or may be cancellable under the circumstances set forth

below. The Shares underlying such PSUs (and any dividend equivalents credited thereon) shall be forfeited and recoverable in the event the Company determines that the PSUs were cancellable under the circumstances set forth below. Notwithstanding any provision of this Award Certificate to the contrary, in the event that at any time prior to one year after the termination of your Employment or service with the Company, you (i) engage in Wrongful Solicitation, (ii) breach your obligations to the Company under a confidentiality, intellectual property or other restrictive covenant, or (iii) for those Participants classified by the Company as an officer of Discover Financial Services or one of its Subsidiaries on the date of grant, engage in Competitive Activity, with respect to each such incidence of violation, you shall be required to:

(1) pay to the Company an amount in cash equal to the value of Shares that vested and converted on or after, or within one year prior to, your termination of Employment, which value shall be determined by the Company, in its sole discretion and shall include an amount for tax adjustments appropriate to reflect your obligation to repay such amounts due to your breach of the restrictive covenants; or

(2) transfer to the Company the number of Shares that vested and converted on or after, or within one year prior to, your termination of Employment, plus an amount calculated by the Company, in its sole discretion, for tax adjustments appropriate to reflect your obligation to transfer such common stock due to your breach of the restrictive covenants.

In the event of multiple incidences of breach of this provision of the Award Certificate (e.g., in the event of violation of the non-solicitation provision following engaging in Competitive Activity), the repayment amount will be additive for each incidence of violation, not to exceed two times the amount calculated under paragraph 10(a)(1) and (2) above. If you engage in Wrongful Solicitation or engage in a Competing Activity, in addition to the remedies described in Section 10(a), the Company may also take such action at equity or in law as it deems appropriate to enforce the provisions of the applicable restrictive covenant.

The Company recommends that before accepting this Award Certificate, you consult with an attorney of your choice regarding the restrictive covenants described herein. You acknowledge that you have been provided at least fourteen (14) calendar days to review the applicable restrictive covenants prior to having the accept the award.

(b) **Clawback.** In the event and to the extent the Committee reasonably determines that the performance considered by the Committee, and on the basis of which the amount of PSUs were granted or converted to Shares, was based on Discover's material noncompliance with any financial reporting requirement under the securities laws or Company policy which requires Discover to file a restatement of its financial statements, you will forfeit the number of PSUs that were granted or the Shares converted during the three-year period preceding the date on which Discover is required to prepare an accounting restatement, less the number of PSUs that would have been granted or Shares converted had your PSUs been granted based on compliance with any such financial reporting requirement under the securities laws or Company policy (such number of PSUs, the "**Clawback PSUs**", to be determined in each case by the Committee in its sole discretion and before satisfaction of tax or other withholding obligations pursuant to Section 11):

(1) In the event and to the extent the Committee reasonably determines that the performance certified by the Committee, and on the basis of which PSUs were converted to Shares, was based on Discover's material noncompliance with any financial reporting requirement under the securities laws which requires Discover to file a restatement of its financial statements, you will be required:

(A) to pay to the Company an amount in cash equal to the value of the Shares that vested and converted hereunder, which value shall be determined using a valuation method established by the Company, in its sole discretion, and shall include an amount for tax adjustments appropriate to reflect your obligation to repay such amounts due to the restatement of the Company's financial statements; or

(B) transfer to the Company the number of Shares that vested and converted hereunder, plus such amount calculated by the Company, in its sole discretion, for tax adjustments appropriate to reflect your obligation to repay such amounts due to the restatement of the Company's financial statements.

By accepting the PSUs you hereby agree and acknowledge that you are obligated to cooperate with and provide all assistance necessary to the Company to recover or recoup the PSUs or amounts paid under the Plan that are subject to the clawback pursuant to applicable securities laws or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting and documentation necessary to recover or recoup any PSUs or amounts paid pursuant to PSUs.

(c) **Risk Review.** For select Covered Employees, as defined and identified by the Company, no PSUs will convert to Shares until (1) the Committee certifies the extent to which the performance criteria set forth in this Award Certificate have been satisfied, and (2) the Chief Human Resources & Administrative Officer receives confirmation from the Chief Risk Officer, or their delegate, that a review has been completed by the Chief Risk Officer, or their delegate, to determine whether you engaged in any willful or reckless violation of the Company's risk policies. If the Chief Risk Officer, or their delegate, finds any such violation or breach, then the Company may determine that all or a portion of your PSUs will be forfeited. Based on this assessment, the Company may determine that all or a portion of your PSUs will be forfeited.

(d) **Investigative Holds.** In the event that the Company has either commenced an investigation of a matter that you oversaw or were involved in or has evidence that may require investigation of a matter that you oversaw or were involved in, in either case concerning a breach of one of the obligations hereunder or a serious violation of Company policy, the Company may freeze your account and effectuate a transfer restriction such that your converted and delivered PSUs and any Shares and dividend equivalents associated therewith may not be sold or transferred until such time as the Company reasonably believes the matter to be resolved.

(e) **Authorization.** You authorize the Company to deduct any amount or amounts owed by you pursuant to this Section 10 from any amounts payable by or on behalf of the Company to you, including, without limitation, any amount payable to you as salary, wages, paid time off, bonus, severance, change in control severance or the conversion of any equity-based award. This right of offset shall not be an exclusive remedy and the Company's election not to

exercise this right of offset with respect to any amount payable to you shall not constitute a waiver of this right of offset with respect to any other amount payable to you or any other remedy. You further acknowledge and authorize the Company to take the actions described in this Section 10, including those described in Section 10(d).

11. Tax and Other Withholding Obligations.

Subject to rules and procedures established by Discover, you may be eligible to elect to satisfy the tax or other withholding obligations arising upon conversion of your PSUs or upon any taxable event by paying cash or by having Discover withhold Shares or by tendering Shares, in each case in an amount sufficient to satisfy the tax or other withholding obligations. Shares withheld or tendered will be valued using the fair market value of Stock on the date the Shares are scheduled to convert, or otherwise become taxable, as applicable, using a valuation methodology established by Discover.

12. Satisfaction of Obligations.

Notwithstanding any other provision of this Award Certificate, the Company may, in its sole discretion, take various actions affecting your PSUs in order to collect amounts sufficient to satisfy any obligation that you owe to the Company and any tax or other withholding obligations. The Company's determination of the amount that you owe the Company shall be conclusive. The fair market value of Stock for purposes of the following provisions shall be determined using a valuation methodology established by Company. The actions that may be taken by Discover pursuant to this Section 12 include, but are not limited to, the following:

(a) Withholding of Shares. Upon conversion of PSUs, including any accelerated conversion pursuant to Sections 6, 7, or 8 above, or, if later, upon delivery of the Shares, the Company may withhold a number of Shares sufficient to satisfy any obligation that you owe to the Company and any tax or other withholding obligations whether national, federal, state or local tax withholding obligations including any social insurance contributions or employment tax obligation. The Company shall determine the number of Shares to be withheld by dividing the dollar value of your obligation to the Company and any tax or other withholding obligations by the fair market value of Stock on the date the Shares are scheduled to convert, or otherwise become taxable, as applicable. To the extent that the Company retains any Shares or reduces the number of PSUs to cover the withholding obligations, it will do so at the applicable minimum statutory rate or other applicable withholding rate(s). Should the Company withhold in excess of the actual tax withholding obligation, the Company will apply the excess withholding to another compensation tax liability.

(b) Withholding of Other Compensation. Discover may withhold the payment of dividend equivalents on your PSUs or any other compensation or payments due from Discover to ensure satisfaction of any obligation that you owe the Company or any tax or other withholding obligations or Discover may permit you to satisfy such tax or other withholding obligation by paying such obligation in immediately available funds.

(c) Mobile Employees. You are liable and responsible for all taxes and social insurance contributions owed in connection with the Award, regardless of any action the Company takes with respect to any tax withholding obligations that arise in connection with the Award. The Company does not make any representation or undertaking regarding the tax treatment or the treatment of any tax withholding in connection with the grant, vesting or payment of the Award. The Company does not commit and is under no obligation to structure the Award to reduce or eliminate your tax liability. Further, you may be subject to individual income taxation (and possibly social security or other applicable personal or payroll taxes) in each jurisdiction where you have performed services for the Company between the Award Date and the Vesting Date. Taxes for which you are liable, if applicable, may be withheld and deposited by the Company in each jurisdiction in which you have performed services regardless of your status as a resident or non-resident in one or more of the jurisdictions that have a right to impose taxation. You agree that you will comply with all United States and foreign individual income tax return filing obligations that may be imposed with respect to the Award.

13. Nontransferability.

You may not sell, pledge, hypothecate, assign or otherwise transfer your PSUs, other than as provided in Section 14 (which allows you to designate a beneficiary or beneficiaries in the event of your death) or by will or the laws of descent and distribution.

14. Designation of a Beneficiary.

You may make a revocable designation of beneficiary or beneficiaries to receive all or part of the Shares and any dividend equivalents credited to you pursuant to Section 5 hereof to be paid under this Award Certificate in the event of your death. Absent a designation on file, distributions pursuant to Section 6 will be made to your estate. To make a beneficiary designation, you must complete and file the online form provided by E*TRADE, or such other vendor as the Company may choose to administer the Plan. If you previously filed a designation of beneficiary form for your equity awards with the Human Resources Department, such form will also apply to the PSUs granted pursuant to this PSU Award. You may replace or revoke your beneficiary designation at any time, and the Company will rely on your most recent designation on file for purposes of beneficiary designation.

15. Ownership and Possession.

(a) Generally. You will not have any rights as a shareholder with respect to your PSU Awards or in the Shares corresponding to your PSUs prior to conversion of your PSUs. Prior to conversion of your PSUs, however, you will receive dividend equivalent credits, as set forth in Section 5 of this Award Certificate. To the extent necessary or advisable to comply with Section 409A of the Internal Revenue Code, with respect to any provision of this Award Certificate that provides for vested PSUs to convert to Shares on or as soon as administratively practicable after a specified event or date, such conversion will be made by the later of the end of the calendar year in which the specified event or date occurs or the 15th day of the third calendar month following the specified event or date.

(b) Following Conversion. Subject to the terms and conditions of this Award Certificate, following conversion of your PSUs you will be the beneficial owner of the shares issued to you net of taxes, and you will be entitled to all rights of ownership, including voting rights and the right to receive cash or stock dividends or other distributions paid on the shares.

16. Securities Law Matters.

Shares issued upon conversion of your PSUs may be subject to restrictions on transfer by virtue of the Securities Act of 1933, as amended. Discover may advise the transfer agent to place a stop order against such shares if it determines that such an order is necessary or advisable. Because Stock will only be maintained in book-entry form, you will not receive a stock certificate representing your interest in such shares.

17. Compliance with Laws and Regulations.

Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of Shares issued upon conversion of your PSUs (whether directly or indirectly, whether or not for value, and whether or not voluntary) must be made in compliance with any applicable constitution, rule, regulation, or policy of any of the exchanges or associations or other institutions with which the Company or a Related Employer has membership or other privileges, and any applicable law, or applicable rule or regulation of any governmental agency, self-regulatory organization or state or federal regulatory body.

18. No Entitlements.

(a) No Right to Continued Employment. This PSU Award is not an employment agreement, and nothing in this Award Certificate, the International Supplement, if applicable, or the Plan shall alter your status as an “at-will” employee of the Company or your Employment status at a Related Employer nor does anything herein constitute a promise of continued employment or re-employment.

(b) No Right to Future Awards. This PSU Award is discretionary and does not confer on you any right or entitlement to receive another award of PSUs, any other equity-based award or any other award at any time in the future or in respect of any future period.

(c) No Effect on Future Employment Compensation. This PSU Award is discretionary and does not confer on you any right or entitlement to receive compensation in any specific amount for any future fiscal year, and does not diminish in any way the Company’s discretion to determine the amount, if any, of your compensation. In addition, this PSU Award is not part of your base salary or wages and will not be taken into account in determining any other Employment-related rights you may have, such as rights to pension or severance pay, end of service payments, bonuses, long-service awards or similar payments and in no event shall be considered as compensation for, or relating in any way to, past services for the Company.

(d) Termination of Employment. In consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or Shares acquired through vesting of the Award resulting from termination of your employment by the Company (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and the Related Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, you will be deemed irrevocably to have waived your entitlement to pursue such claim; and in the event of termination of your employment (whether or not in breach of local labor laws), your right to receive the Award and vest in the Award under the Plan, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of “garden leave” or similar period pursuant to local law); Discover shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Award.

(e) Language. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

(f) Award Terms Control. In the event of any conflict between any terms applicable to equity awards in any employment agreement, offer letter or other arrangement that you have entered into with the Company and the terms set forth in this Award Certificate, the latter shall control.

19. Consents.

Your PSU Award is conditioned upon the Company’s making of all filings and the receipt of all consents or authorizations required to comply with, or required to be obtained under, applicable local law.

In accepting this PSU Award, you consent to the collection, use and transfer, in electronic or other form, of your personal data by and among, as applicable, the Company and any other possible recipients for the purpose of implementing, administering and managing your participation in the Plan, as well as for the purpose of the Company’s compliance with applicable law, including, without limitation, Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. You understand that the recipients of your personal data may be located in the U.S. or elsewhere, and the recipients’ country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of your personal data, view the personal data, request additional information about the storage of your personal data, require any necessary amendments to your personal data or refuse or withdraw your consent by contacting your local human resources representative, in any case without cost. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan.

20. Electronic Delivery and Consent to Electronic Participation.

The Company may, in its sole discretion, decide to deliver any documents related to the PSU Award and participation in the Plan or future PSU Awards by electronic means. You hereby consent to receive such documents by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company, including the acceptance of PSU Awards and the execution of the PSU agreements through electronic signature. Electronic acceptance of this Award Certificate through the E*TRADE website, or such other vendor as the Company may choose to administer the Plan, shall be required and binding on you. Where electronic acceptance may not be permitted under applicable law, the Company may also request and require your physical signature. Your acceptance affirms your agreement to all the terms and conditions set forth in this Award Certificate and acceptance of the Award subject thereto. Not providing this acceptance within the timeframe stipulated may result in the Company forfeiting all or a portion of this Award.

21. Award Modification.

The Committee reserves the right to modify or amend unilaterally the terms and conditions of your PSUs, without first asking your consent, or to waive any terms and conditions that operate in favor of Discover. These amendments may include (but are not limited to) changes that the Committee considers necessary or advisable as a result of changes in any, or the adoption of any new, Legal Requirement. The Committee may not modify your PSUs in a manner that would materially impair your rights in your PSUs without your consent; *provided, however*, that the Committee may, without your consent, amend or modify your PSUs in any manner that the Committee considers necessary or advisable to comply with or reflect the application of any Legal Requirement or to ensure that your PSUs are not subject to United States federal, state or local income tax or any equivalent taxes in territories outside the United States prior to payment. Notwithstanding any provisions of this Award Certificate to the contrary, to the extent you transfer employment outside of the United States, the Award shall be subject to any special terms and conditions as Discover may need to establish to comply with local laws, rules, and regulations or to facilitate the operation and administration of the Award and the Plan in the country to which you transfer employment (or Discover may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). Discover will notify you of any amendment of your PSUs that affects your rights. Any amendment or waiver of a provision of this Award Certificate (other than any amendment or waiver applicable to all recipients generally), which amendment or waiver operates in your favor or confers a benefit on you, must be in writing and signed by the Chief Human Resources & Administrative Officer to be effective.

22. Severability.

In the event the Committee determines that any provision of this Award Certificate would cause you to be in constructive receipt for United States federal or state income tax purposes of any portion of your PSU Award, then such provision will be considered null and void and this Award Certificate will be construed and enforced as if the provision had not been included in this Award Certificate as of the date such provision was determined to cause you to be in constructive receipt of any portion of your PSU Award.

23. Successors.

This Award Certificate shall be binding upon and inure to the benefit of any successor or successors of Discover and any person or persons who shall, upon your death, acquire any rights hereunder in accordance with this Award Certificate or the Plan.

24. Governing Law.

This Award Certificate and the related legal relations between you and Discover will be governed by and construed in accordance with the laws of the State of Delaware, without regard to any conflicts or choice of law, rule or principle that might otherwise refer the interpretation of the PSU Award to the substantive law of another jurisdiction. The Company and you agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), the Plan or this Award Certificate shall be exclusively in the courts in the State of Illinois, Counties of Cook or Lake, including the federal courts located therein (should federal jurisdiction exist), and the Company and you hereby submit and consent to said jurisdiction and venue.

25. Section 409A.

To the extent necessary or advisable to comply with Section 409A of the Internal Revenue Code, with respect to any provision of this Award Certificate that provides for vested PSUs and/or dividend equivalents to convert to Shares or delivered in cash on or as soon as administratively practicable after a specified event or date, such conversion will be made by the later of the end of the calendar year in which the specified event or date occurs or the 15th day of the third calendar month following the specified event or date.

26. Defined Terms.

For purposes of this Award Certificate, the following terms shall have the meanings set forth below:

(a) “Cause” means:

(1) any act or omission which constitutes a material breach of your obligations to the Company or your failure or refusal to perform satisfactorily any duties reasonably required of you, which breach, failure or refusal (if susceptible to cure) is not corrected (other than failure to correct by reason of your incapacity due to Disability) within ten (10) business days after written notification thereof to you by the Company;

(2) any act or omission by you that constitutes (i) fraud or intentional misrepresentation, (ii) embezzlement, misappropriation or conversion of assets of, or business opportunities considered by, the Company or (iii) any other act which has caused or may reasonably be expected to cause material injury to the interest or business reputation of the Company; or

(3) your violation of any securities, commodities or banking laws, any rules or regulations issued pursuant to such laws, or rules or regulations of any securities

or commodities exchange or association of which the Company is a member or of any policy of the Company relating to compliance with any of the foregoing.

(b) “Change in Control” means, except as provided otherwise below, the first to occur of any of the following events:

(1) except as otherwise provided in clause (3) below, any person (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the “Exchange Act”), as such term is modified in Sections 13(d) and 14(d) of the Exchange Act), other than (i) any employee plan established by the Company or any of its Subsidiaries, (ii) any group of employees holding shares subject to agreements relating to the voting of such shares, (iii) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (iv) an underwriter temporarily holding securities pursuant to an offering of such securities, or (v) a corporation owned, directly or indirectly, by shareholders of the Company in substantially the same proportions as their ownership of the Company, either (x) acquires ownership of stock of the Company that, together with stock held by such person (not including the stock owned by such person any stock acquired directly from the Company other than in connection with the acquisition by the Company of a business), constitutes more than fifty percent (50%) of the total fair market value of the stock of the Company (but only if such person did not own more than fifty percent (50%) of the total fair market value of the stock of the Company prior to the acquisition of additional stock), or (y) acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition by such person) ownership of the stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of the Company (but only if such person did not own thirty percent (30%) or more of the total voting power of the stock of the Company prior to the acquisition of additional stock and not including the stock owned by such person any stock acquired directly from the Company other than in connection with the acquisition by the Company of a business);

(2) a change in the composition of the Board during any twelve-month period, such that individuals who, as of the Date of the Award, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a member of the Board subsequent to the date of Date of the Award whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board;

(3) the consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which results in the securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, at least fifty percent (50%) of the combined voting

power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (determined pursuant to clause (1) above) is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing thirty percent (30%) or more of the total voting power of the stock of the Company (but only if such person did not own thirty percent (30%) or more of the total voting power of the stock of the Company prior to the acquisition of additional securities);

(4) the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to (i) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (ii) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, either by the Company or by a person or more than one person acting as a group, that owns fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company; provided, however, that a Change in Control pursuant to this clause (4) shall not be deemed to have occurred unless a person (determined pursuant to clause (1) above) or persons acting as a group acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions.

Notwithstanding the foregoing, with respect to a Change in Control of Discover, no Change in Control shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the beneficial holders of the Company's common stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns substantially all of the assets of the Company immediately prior to such transaction or series of transactions.

(c) ***“Chief Human Resources & Administrative Officer”*** means the chief human resources & administrative officer of Discover, any successor chief human resources & administrative officer, or any other individual or committee appointed by the chief executive officer of Discover with the power and authority of the chief human resources & administrative officer.

(d) ***“Chief Risk Officer”*** means the chief risk officer of Discover, any successor chief risk officer, or any other individual or committee appointed by the chief executive officer of Discover with the power and authority of the chief risk officer.

(e) **“Competitive Activity”** means:

(1) becoming, or entering into any arrangement as, an employee, officer, partner, member, proprietor, director, independent contractor, consultant, advisor, representative or agent of, or serving in any similar position or capacity with, a Competitor, where you will be responsible for providing, or managing or supervising others who are providing, services (i) that are similar or substantially related to the services that you provided to the Company, or (ii) that you had direct or indirect managerial or supervisory responsibility for at the Company, or (iii) that call for the application of the same or similar specialized knowledge or skills as those utilized by you in your services for the Company, in each such case, at any time during the year preceding the termination of your employment with the Company; or

(2) either alone or in concert with others, forming, or acquiring a five percent (5%) or greater equity ownership, voting interest or profit participation in, a Competitor.

(f) **“Competitor”** means any corporation, partnership or other entity that engages in (or that owns a significant interest in any corporation, partnership or other entity that engages in) (1) the business of consumer lending, including, without limitation, credit card issuance or electronic payment services, or (2) any other business in which you have been involved in or had significant knowledge of, which has been conducted by the Company at any time during your employment with the Company. For the avoidance of doubt, a competitor of any entity which results from a corporate transaction involving the Company that constitutes a Change in Control shall be considered a Competitor for purposes of this Award Certificate.

(g) **“Covered Employee”** means an employee who, as of the Date of the Award, has been identified as a covered employee by Human Resources.

(h) **“Date of the Award”** means the date set forth in this Award Certificate.

(i) **“Disability”** means a “permanent and total disability,” as defined in Section 22(e)(3) of the Internal Revenue Code.

(j) **“Discover GAAP EPS”** means sum of GAAP EPS for each fiscal year within the Performance Period.

(k) **“Employed”** and **“Employment”** refer to employment with the Company and/or Related Employment.

(l) **“EPS”** means fully-diluted earnings per share as defined by U.S. GAAP, excluding unusual or non-recurring events identified in the Plan and not reflected in business plan assumptions, as determined by the Committee.

(m) **“Good Reason”** means the occurrence of any of the following upon, or within six (6) months prior to or twenty-four (24) months after the occurrence of a Change in Control of Discover without your prior written consent:

(1) any material diminution in your assigned duties, responsibilities and/or authority, including the assignment to you of any duties, responsibilities or authority inconsistent with the duties, responsibilities and authority assigned to you, immediately prior to such assignment;

(2) a material diminution in the authority, duties, or responsibilities of the supervisor to whom you are required to report;

(3) any material reduction in your base compensation; provided, however, that Company-initiated across-the-board reductions in compensation affecting substantially all eligible Company employees shall alone not be considered “Good Reason,” unless the compensation reductions exceed twenty percent (20%) of your base compensation;

(4) a material diminution of the budget over which you have authority;

(5) The Company’s requiring you to be based at a location that (i) is in excess of thirty-five (35) miles from the location of your principal job location or office immediately prior to the Change in Control, or (ii) results in an increase in your normal daily commuting time by more than ninety (90) minutes, except for required travel on Company’s business to an extent substantially consistent with your then present business travel obligations; or

(6) any other action or inaction that constitutes a material breach by the Company of any agreement pursuant to which you provide services to the Company.

For purposes of paragraphs (1) through (6) above, the duties, responsibilities and/or authority assigned to you shall be deemed to be the greatest of those in effect prior to or after the Change in Control. Unless you become Disabled, your right to terminate your Employment for Good Reason shall not be affected by your incapacity due to physical or mental illness. Your continued Employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason. Notwithstanding the foregoing, Good Reason shall not exist unless you give the Company written notice thereof within thirty (30) days after its occurrence and the Company shall not have remedied the action within thirty (30) days after such written notice

(n) “**Internal Revenue Code**” means the United States Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance thereunder.

(o) “**Legal Requirement**” means any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement (including any foreign legal requirements).

(p) “**GAAP EPS**” means EPS as defined in the Award Certificate, excluding reserves.

(q) “**Performance Period**” means the period set forth in the Award Certificate.

(r) **“Pro Ration Fraction”** means a fraction, not to exceed 1.0, the numerator of which is the number of completed months commencing on the first day of the Performance Period and ending on the effective date of your termination of Employment and the denominator of which is 12.

(s) **“Related Employment”** means your employment with an employer other than the Company (such employer, herein referred to as a **“Related Employer”**), *provided*: (1) you undertake such employment at the written request or with the written consent of the Chief Human Resources & Administrative Officer; (2) immediately prior to undertaking such employment you were an employee of the Company or were engaged in Related Employment (as defined herein); and (3) such employment is recognized by the Company in its discretion as Related Employment; and, *provided further* that the Company may (i) determine at any time in its sole discretion that employment that was recognized by the Company as Related Employment no longer qualifies as Related Employment, and (ii) condition the designation and benefits of Related Employment on such terms and conditions as the Company may determine in its sole discretion. The designation of employment as Related Employment does not give rise to an employment relationship between you and the Company, or otherwise modify your and the Company’s respective rights and obligations.

(t) **“Retirement”** means the termination of your Employment by you or by the Company for any reason other than for Cause and other than due to your death or Disability, on or after the date on which:

(1) you have attained age 55; and

(2) you have attained a combined age and years of service of at least 65 years.

(u) **“Scheduled Vesting Date”** means the Scheduled Vesting Date set forth in Award Certificate as the context requires.

(v) **“Target Award”** means the number of PSUs that has been communicated to you separately and that will be earned, subject to the other terms and conditions of this Award Certificate, if the GAAP EPS Target is achieved.

(w) **“Wrongful Solicitation”** occurs upon either of the following events:

(1) while Employed, including during any notice period applicable to you in connection with the termination of your Employment, or within one year after the termination of your Employment, directly or indirectly in any capacity (including through any person, corporation, partnership or other business entity of any kind), you hire or solicit, recruit, induce, entice, influence or encourage any Company employee to leave the Company or become hired or engaged by another firm; provided, however, that this clause shall apply only to employees with whom you worked or had professional or business contact, or who worked in or with your business unit, during any notice period applicable to you in connection with the termination of your Employment or during the one year preceding notice of the termination of your Employment; or

(2) while Employed, including during any notice period applicable to you in connection with the termination of your Employment, or within one year after the termination of your Employment, directly or indirectly in any capacity (including through any person, corporation, partnership or other business entity of any kind), you solicit or entice away or in any manner attempt to persuade any client or customer, or prospective client or customer, of the Company (i) to discontinue or diminish his, her or its relationship or prospective relationship with the Company or (ii) to otherwise provide his, her or its business to any person, corporation, partnership or other business entity which engages in any line of business in which the Company is engaged (other than the Company); *provided, however,* that this clause shall apply only to clients or customers, or prospective clients or customers, that you worked for on an actual or prospective project or assignment during any notice period applicable to you in connection with the termination of your Employment or during the one year preceding notice of the termination of your Employment.

IN WITNESS WHEREOF, Discover has duly executed and delivered this Award Certificate as of the Date of the Award.

DISCOVER FINANCIAL SERVICES

By:

A handwritten signature in black ink, appearing to read "R. Andy Eichfeld", written in a cursive style.

R. Andy Eichfeld
EVP, Chief Human Resources & Administrative Officer

APPENDIX A

Discover Financial Services International Supplement

This International Supplement to the Award Certificate for Performance Stock Units ("International Supplement") contains supplemental terms and conditions for the Performance Stock Unit award ("Equity Award") to employees of Discover Financial Services (or the relevant affiliated company) located in certain jurisdictions outside of the United States. The terms included in this International Supplement are intended to ensure compliance with the laws of the country in which you are Employed or, in certain instances, to make the awards more tax efficient in your country.

You have also received an Award Certificate applicable to your award. The Award Certificate, together with this International Supplement, collectively set forth the terms and conditions of your Equity Award. To the extent that this International Supplement amends, deletes or supplements any terms of the Award Certificate, this International Supplement shall control.

Capitalized terms that are used without definition in this International Supplement have the meanings assigned in the Plan or the Award Certificate.

All Employees Located Outside the United States.

If you are Employed outside of the United States, please note that your Equity Award is offered, issued and administered by Discover Financial Services, a Delaware corporation, and your local employer is not involved in the grant of awards under such equity incentive program. All documents related to your Equity Award, including the Award Certificate, this International Supplement and the link by which you access these documents, originate and are maintained in the United States.

Your Equity Award is made in virtue of your Employment with, and your services performed for, the appropriate entities within the Company. However, your award does not form part of your entitlement to remuneration or benefits, whether pursuant to any contract of Employment to which you may be a party or otherwise. Similarly, the existence of a contract of Employment between you and any entity within the Company shall not confer on you any right or entitlement to participate in the Equity Award or to receive awards thereunder, or any expectation that you might participate in such equity incentive program or receive additional equity awards in the future. Your Equity Award, the Award Certificate, and/or this International Supplement does not constitute an employment contract and does not create an employment relationship or a promise of continued Employment for any period of time.

In addition, your Equity Award is not part of your base salary or wages and will not be taken into account (except to the extent otherwise required by local law) in determining any other employment-related rights you may have, such as rights to pension or severance pay.

Whether or not you have a contract of Employment with any entity within the Company, your rights and obligations under the terms of your office or Employment shall not be

affected by your receipt of the Equity Award. By accepting your receipt of the Equity Award, you waive any and all rights to compensation or damages for any loss of the Equity Award in the event of your termination of your office or Employment for any reason whatsoever. This waiver applies whether or not such termination amounts to a wrongful or unfair dismissal.

You may be subject to applicable exchange control, currency control or similar financial laws that may affect your transactions with respect to your equity award, including without limitation, your ability to bring shares of Discover Financial Services common stock into your jurisdiction or to receive the proceeds of a sale of Discover Financial Services common stock in your jurisdiction. Moreover, you may be subject to certain notification, approval and/or repatriation obligations with respect to securities and funds you receive in connection with your awards. In addition the Company is not responsible for any foreign exchange fluctuations that change the value of your PSU Award. ***You are encouraged to consult your advisors to ascertain whether any restrictions or obligations apply to you.***

Your Equity Award has not been authorized or approved by any applicable securities authorities and may have been offered pursuant to an exemption from registration in your local jurisdiction. Similarly, no prospectus or similar offering or registration document has been prepared, authorized or approved by any applicable securities authorities in your jurisdiction. The grant of awards is being made only to employees of the Company and does not constitute and is not intended to be an offering to the public. For this reason, you must keep all award documents you receive, including but not limited to this International Supplement and the Award Certificate, confidential and you may not distribute or otherwise make public any award documents without the prior written consent of the Company. Moreover, you may not reproduce (in whole or in part) any award documents you receive. In addition, the shares of Company common stock you acquire upon vesting and conversion of your Equity Award may be subject to applicable restrictions on resale in your local jurisdiction. ***You are encouraged to consult your advisors to ascertain whether any restrictions or obligations apply to you.***

Employees in China.

If you are employed in China or are a Chinese national on international assignment outside of China for the Company, but your Equity Award was made in China and/or you will be taxed there, your Equity Award will be settled in cash. Rather than convert awards to shares pursuant to Section 3 of the Award Certificate and Sections 6 through 8 of the Award Certificate, the Company will convert your Equity Award to cash and the Company or your local employer will deliver the cash payment to you. You consent to this cash conversion in exchange for the Equity Award. All other terms and conditions of the Plan and the Award Certificate will otherwise apply to your Equity Award.

Employees in the United Kingdom or European Union.

If you are employed in the United Kingdom (or the European Union), the Company will act in accordance with the Data Protection Act of 2018 as amended from time to time and the General Data Protection Regulation as amended from time to time as applicable regarding any personal information which you provide to it in connection with your Equity Award (including the amount of the award) and you acknowledge the need for the processing of such personal

information in order to facilitate your participation in such equity incentive program, for any purposes required by law or regulation, or for any other legitimate business purpose. By accepting your Equity Award, you acknowledge that from time to time, for the purposes described above, your personal information may be stored and processed by and disclosed and transferred to other offices and companies within the Company and to third parties, some of which are situated outside of the European Union and may not offer as high a level of protection for personal information as countries within the European Union.

The following provisions apply in lieu of those contained in the Award Certificate for employees in the United Kingdom.

Section 10(a)

The forfeiture, cancellation and/or clawback circumstances and events set forth in this Section 10 are designed, among other things, to incentivize compliance with the Company's policies (including, without limitation, the Company's risk policies and Code of Conduct), to protect the Company's interests in non-public, confidential and/or proprietary information, products, trade secrets, customer relationships, workforce stability, and other legitimate business interests, and to ensure an orderly transition of responsibilities. This Section 10 shall apply notwithstanding any other terms of this Award Certificate (except where sections in this Award Certificate specifically provide that the circumstances set forth in this Section 10 no longer apply).

(a) Conditions. Notwithstanding your satisfaction of the vesting conditions of this Award Certificate, RSUs are not earned: (1) until the applicable Scheduled Vesting Date; and (2) unless the conditions set forth in this section 10(a) below are met. Although you will become the beneficial owner of Shares following conversion of your RSUs, the Company may, upon notice, issue a transfer restriction with respect to your Shares following conversion of your RSUs pending any investigation or other review that impacts the determination as to whether the RSUs meet the conditions set forth below. The Shares underlying such RSUs shall not legally vest in you and shall be forfeited and recoverable in the event the Company determines that the conditions set forth in this section 10(a) below are not met. Notwithstanding any provision of this Award Certificate to the contrary, in order for legal ownership of the Shares to fully vest in you it is a strict condition that you must not at any time prior to one year after the termination of your Employment or service with the Company (i) engage in Wrongful Solicitation, (ii) misuse the Company's confidential, proprietary information and/or intellectual property, as defined in your employment contract, the Company Code of Conduct, and/or any other relevant agreements or policies issued to you, or (iii) for those Participants classified by the Company as an officer of Discover Financial Services or one of its Subsidiaries on the date of grant, engage in Competitive Activity. If the conditions above are not met, you will:

(1) pay to the Company an amount in cash equal to the value of the Shares that vested and converted on or after, or within one year prior to, your termination of Employment, which value shall be determined by the Company, in its sole discretion, and shall include an amount for tax adjustments appropriate to reflect your obligation to repay such amounts due to you not meeting the conditions above; or

(2) transfer to the Company the number of Shares that vested and converted on or after, or within one year prior to, your termination of Employment, plus an amount calculated by the Company, in its sole discretion, for tax adjustments appropriate to reflect your obligation to transfer such common stock due to you not meeting the conditions above.

Section 24(e), (f) and (v)

(e) “*Competitive Activity*” means:

(1) becoming, or entering into any arrangement as, an employee, officer, partner, member, proprietor, director, independent contractor, consultant, advisor, representative or agent of, a Competitor, where you will be responsible for providing, or managing or supervising others who are providing, services (i) that are similar or substantially related to the services that you provided to the Company, or (ii) that you had direct or indirect managerial or supervisory responsibility for at the Company, or (iii) that call for the application of the same or similar specialized knowledge or skills as those utilized by you in your services for the Company, in each such case, at any time during the year preceding the earlier of the start of your notice period and the Employment; or

(2) either alone or in concert with others, forming, or acquiring a five percent (5%) or greater equity ownership, voting interest or profit participation in, a Competitor.

(f) “*Competitor*” means any corporation, partnership or other entity that engages in (or that owns a significant interest in any corporation, partnership or other entity that engages in) (1) the business of consumer lending, including, without limitation, credit card issuance or electronic payment services, or (2) any other business which you have been materially involved in or had significant knowledge of, which has been conducted by the Company at any time during the two years preceding the termination of your Employment. For the avoidance of doubt, a competitor of any entity which results from a corporate transaction involving the Company that constitutes a Change in Control shall be considered a Competitor for purposes of this Award Certificate.

(v) “*Wrongful Solicitation*” occurs upon either of the following events:

(1) while Employed, including during any notice period applicable to you in connection with the termination of your Employment, and within one year after the termination of your Employment, directly or indirectly in any capacity (including through any person, corporation, partnership or other business entity of any kind), you hire or solicit, recruit, induce, entice, influence or encourage any Company employee to leave the Company or become hired or engaged by another firm; *provided, however*, that this clause shall apply only to employees of the Company who had access to confidential information of the Company and (i) were employed at the level of officer or above, or (ii) who worked in or with your business unit or (iii) for whom you had direct or indirect responsibility, and

in each case with whom you had material contact in the course of your Employment, at any time during the year preceding the earlier of the start of your notice period and the termination of your Employment; or

(2) while Employed, including during any notice period applicable to you in connection with the termination of your Employment, or within one year after the termination of your Employment, directly or indirectly in any capacity (including through any person, corporation, partnership or other business entity of any kind), you solicit or entice away or in any manner attempt to persuade any client or customer, or prospective client or customer, of the Company (i) to discontinue or diminish his, her or its relationship or prospective relationship with the Company or (ii) to otherwise provide his, her or its business to any person, corporation, partnership or other business entity which engages in any line of business in which the Company is engaged (other than the Company); *provided, however,* that this clause shall apply only to clients or customers, or prospective clients or customers, that you worked for on an actual or prospective project or assignment during any notice period applicable to you in connection with the termination of your Employment or during the one year preceding notice of the termination of your Employment.

* * *

The Company recommends that you seek advice of your tax advisors regarding the tax treatment of your awards.

EXHIBIT D

DISCOVER FINANCIAL SERVICES
AMENDED AND RESTATED 2014 OMNIBUS INCENTIVE PLAN
2023 Award Certificate for Restricted Stock Units

This Award Certificate describes the terms and conditions under which you are being granted an Award of Restricted Stock Units (“RSUs”) under the Discover Financial Services Amended and Restated 2014 Omnibus Incentive Plan (the “Plan”), which constitutes part of your discretionary long-term incentive compensation. This Award Certificate applies only to Awards granted hereunder and other Awards are governed by terms of the applicable Award Certificate.

A copy of the Plan can be found on the E*TRADE website at www.etrade.com, or such other vendor as the Company may choose to administer the Plan. Capitalized terms under in this Award Certificate have the meanings ascribed in the Plan unless otherwise stated herein.

The full terms of your Award are set out in this Award Certificate, the Plan and any applicable policy adopted by the Committee or its delegate in respect of the Plan and Awards thereunder that is applicable to this Award. In the event of a conflict between the Plan and this Award Certificate, the terms of the Plan control.

Award Recipient	DIANE OFFEREINS	
Employee / Participant ID	B8720	
Issuer	Discover Financial Services	
Award Type	Restricted Stock Units (RSUs)	
Date of the Award	February 23, 2023	
Number of Awarded Units	8,221 RSUs	
Vesting	Your RSUs will vest as follows provided you remain continuously employed by the Company through the applicable below Scheduled Vesting Date:	
	<u>Number of Shares</u>	<u>Vesting Date</u>
	2,741	February 01, 2024
	2,740	February 01, 2025
	2,740	February 01, 2026

Settlement	Your awards will be converted and settled in shares of Company stock pursuant to Section 8 of the Plan and Section 1(b) of this Award Certificate unless your primary place of employment is located outside the United States in which case your shares may be settled in cash. See <u>Appendix A <i>International Supplement</i></u> , for additional information.
Restrictive Covenants & Clawbacks	You may be subject to repayment provisions triggered in the event of your violation of a restrictive covenant, including non-solicitation and non-competition requirements, more fully described in this Award Certificate. You are also subject to a clawback provision in the event of restatement of the Company’s financial performance.
Non-U.S. Employees	If you are employed outside the United States, please reference the “ <i>International Supplement</i> ” included herein as <u>Appendix A</u> , which contains supplemental terms and conditions for your RSU Award.

You will earn RSUs included in your RSU Award only if you (1) remain in continuous Employment through the applicable Scheduled Vesting Dates (subject to limited exceptions set forth herein), (2) are not found to be subject to the forfeiture, cancellation, or clawback provisions set forth in Section 8 below, and (3) satisfy obligations you owe to the Company as set forth in Section 10 below. If the Company deems appropriate and in its sole discretion, the Company may require you to provide a written certification or other evidence, from time to time, to confirm that none of the circumstances described in Section 8 below exist or have occurred, including upon a termination of Employment and/or during a specified period of time prior to the applicable Scheduled Vesting Dates. If you fail to timely provide any required certification or other evidence, the Company may cancel your RSU Award. It is your responsibility to provide the Human Resources Department with your up-to-date contact information.

1. Vesting Schedule; Conversion.

(a) Vesting Schedule. Your RSUs will vest according to the Scheduled Vesting Dates set forth in this Award Certificate, provided you remain continuously employed through such dates, unless earlier vesting is required pursuant to Section 4, 5 or 6 of this Award Certificate.

(b) Conversion.

(1) Except as otherwise provided in this Award Certificate, each of your vested RSUs will convert to one share of Stock on or as soon as possible following the applicable Scheduled Vesting Date.

(2) Subject to the provisions of the Plan and this Award Certificate, as well as any transfer restrictions imposed by the Company or applicable pursuant to securities laws, Shares to which you are entitled following conversion of RSUs under any provision of this Award Certificate shall be delivered to you (or your beneficiary or estate, as applicable) as soon as administratively practicable after the Scheduled Vesting Date

(c) Accelerated Conversion. The Committee, in its sole discretion, may determine that any RSUs may be converted to Shares prior to the Scheduled Vesting Date subject to compliance with all Legal Requirements.

(d) Rule of Construction for Timing of Conversion. Whenever this Award Certificate provides for RSUs to convert to Shares on the Scheduled Vesting Date or upon an accelerated or different specified event or date, such conversion will be considered to have been timely made, and neither you nor any of your beneficiaries nor your estate shall have any claim against the Company for damages based on a delay in conversion of your RSUs (or delivery of Shares following conversion), and the Company shall have no liability to you (or to any of your beneficiaries or your estate) in respect of any such delay, as long as conversion is made by December 31 of the year in which occurs the Scheduled Vesting Date or such other specified event or date or, if later, by the 15th day of the third calendar month following such specified event or date.

2. Special Provisions for Certain “Specified Employees”.

If Discover reasonably considers you to be one of its “specified employees” as defined in Section 409A of the Internal Revenue Code at the time of the termination of your Employment, any RSUs that constitute deferred compensation under Section 409A of the Internal Revenue Code that are payable upon termination of Employment will not convert to Shares until the date that is six months after the termination of your Employment (or the date of your death, if such event occurs earlier).

3. Dividend Equivalent Payments.

Until your RSUs convert to Shares, if Discover pays a regular or ordinary cash dividend on its common stock, you will be paid a dividend equivalent for your vested and unvested RSUs. No dividend equivalents will be paid to you on any canceled RSUs. Discover, in its discretion, will decide on the form of payment and may pay dividend equivalents in Shares, in cash or in a combination thereof. Discover will pay the dividend equivalents as soon as administratively practicable (and in any event within thirty (30) days) after Discover pays the corresponding dividend on its common stock.

4. Death; Disability; Retirement.

The following special vesting and payment terms apply to your RSUs:

(a) Death. If your Employment terminates due to your death, all RSUs subject to this Award Certificate will vest, convert to Shares and be delivered to your beneficiary or your estate on or as soon as administratively practicable after the Scheduled Vesting Date.

(b) Disability. If your Employment terminates due to Disability, all RSUs subject to this Award Certificate will vest, convert to Shares, and be delivered to you on or as soon as administratively practicable after the Scheduled Vesting Date.

(c) Retirement. If your Employment terminates due to Retirement, the number of RSUs that will vest on your Scheduled Vesting Date, will be determined by multiplying the RSUs subject to this Award Certificate by the Pro Ration Fraction, calculated through the date your Employment terminates, and converting to Shares, to be delivered to you on or as soon as administratively practicable after your Scheduled Vesting Date.

5. Termination Due to Reduction in Force; Position Elimination; or Increase/Addition of Skills Required for Current Position.

If the Company terminates your Employment due to a reduction in force, an elimination of your position, or as a result of an increase or addition of skills required of your current position, each as determined by the Company in its sole discretion, the number of RSUs that will be prorated on the date your Employment terminates will be determined by multiplying the RSUs subject to this Award Certificate by the Pro Ration Fraction. These RSUs will vest and convert to Shares on the sixtieth (60th) day following your termination of Employment, subject to Section 2 above, *provided* that you sign (and do not revoke) an agreement and release of claims satisfactory to the Company and be delivered to you on or as soon as administratively practicable after your Scheduled Vesting Date.

6. Change in Control.

(a) Termination in Connection with Change in Control. If the Company terminates your Employment other than for Cause, or if you terminate your Employment for Good Reason, within six months prior to or within 24 months after a Change in Control, your RSUs will immediately vest and convert to Shares on the later of the date of a Change in Control or the date of your termination following a Change in Control, as applicable and be delivered as soon as administratively practicable thereafter.

(b) Stock Consideration. In the event of a Change in Control which results from a transaction pursuant to which the shareholders of Discover receive shares of common stock of an acquiring entity that are registered under Section 12 of the Exchange Act (as defined in Section 24(b)(1)), unless otherwise determined by the Committee, in its sole discretion prior to such Change in Control, there shall be substituted for each Share subject to this Award Certificate the number and class of shares of common stock of the acquiring entity into which each outstanding Share shall be converted pursuant to such Change in Control transactions, and this Award Certificate shall otherwise continue in effect.

(c) Non-stock Consideration. In the event of a Change in Control which results from a transaction pursuant to which the shareholders of Discover receive consideration other than shares of common stock of the Acquirer that are registered under Section 12 of the Exchange Act, the value of the RSUs hereunder shall, unless otherwise determined by the Committee, in its sole discretion prior to such Change in Control, be converted into a right to receive the cash or other consideration received by the shareholders of Discover in such transaction, and this Award Certificate shall otherwise continue in effect.

7. Termination of Employment.

Your unvested RSUs will be canceled if your Employment terminates for any reason other than under the circumstances set forth in Section 4, 5 or 6 of this Award Certificate.

8. Forfeiture/Cancellation/Clawback of RSU Awards Under Certain Circumstances.

(a) Breach of Restrictive Covenants. RSUs are not earned until the applicable Scheduled Vesting Date and will be canceled prior to the applicable Scheduled Vesting Date under any of the circumstances set forth below. Although you will become the beneficial owner of Shares following conversion of your RSUs, the Company may, upon notice, issue a transfer restriction with respect to your Shares following conversion of your RSUs pending any investigation or other review that impacts the determination as to whether the RSUs are or may be cancellable under the circumstances set forth below. The Shares underlying such RSUs shall be forfeited and recoverable in the event the Company determines that the RSUs were cancellable under the circumstances set forth below. Notwithstanding any provision of this Award Certificate to the contrary, in the event that at any time prior to one year after the termination of your Employment or service with the Company, you (i) engage in Wrongful Solicitation, (ii) breach your obligations to the Company under a confidentiality, intellectual

property or other restrictive covenant, or (iii) for those Participants classified by the Company as an officer of Discover Financial Services or one of its Subsidiaries on the date of grant, engage in Competitive Activity, with respect to each such incidence of violation you shall be required to:

(1) pay to the Company an amount in cash equal to the value of the Shares that vested and converted on or after, or within one year prior to, your termination of Employment, which value shall be determined by the Company, in its sole discretion, and shall include an amount for tax adjustments appropriate to reflect your obligation to repay such amounts due to your breach of the restrictive covenants; or

(2) transfer to the Company the number of Shares that vested and converted on or after, or within one year prior to, your termination of Employment, plus an amount calculated by the Company, in its sole discretion, for tax adjustments appropriate to reflect your obligation to transfer such common stock due to your breach of the restrictive covenants.

In the event of multiple incidences of breach of this provision of the Award Certificate (e.g., in the event of violation of the non-solicitation provision following engaging in Competitive Activity), the repayment amount will be additive for each incidence of violation, not to exceed two times the amount calculated under paragraph 8(a)(1) and (2) above. If you engage in Wrongful Solicitation or engage in a Competing Activity, in addition to the remedies described in Section 8(a), the Company may also take such action at equity or in law as it deems appropriate to enforce the provisions of the applicable restrictive covenant, including pursuing injunctive relief.

The Company recommends that before accepting this Award Certificate, you consult with an attorney of your choice regarding the restrictive covenants described herein. You acknowledge that you have been provided at least fourteen (14) calendar days to review the applicable restrictive covenants prior to having the accept the award.

(b) Clawback. In the event and to the extent the Committee reasonably determines that the performance considered by the Committee, and on the basis of which the amount of RSUs were granted or converted to Shares, was based on Discover's material noncompliance with any financial reporting requirement under the securities laws or Company policy which requires Discover to file a restatement of its financial statements within three years of the Date of the Award, you will be required to comply with paragraphs (1) and (2) (as applicable) below to repay to the Company an amount equal to the number of RSUs which were granted or the Shares converted hereunder less the number of RSUs that would have been granted or Shares converted had your RSUs been granted or converted based on compliance with any such financial reporting requirement under the securities laws or Company policy (such number of RSUs, the "**Clawback RSUs**," to be determined in each case by the Committee in its sole discretion and before satisfaction of tax or other withholding obligations pursuant to Section 9):

(1) You shall forfeit a number of RSUs hereunder equal to the Clawback RSUs. In the event such forfeited RSUs are less than the Clawback RSUs, then you shall comply with the following paragraph 2.

(2) You shall be required

(A) to pay to the Company an amount in cash equal to the value of the Shares that vested and converted hereunder, which value shall be determined using a valuation method established by the Company, in its sole discretion, and shall include an amount for tax adjustments appropriate to reflect your obligation to repay such amounts due to the restatement of the Company's financial statements; or

(B) transfer to the Company the number of Shares that vested and converted hereunder, plus such amount calculated by the Company, in its sole discretion, for tax adjustments appropriate to reflect your obligation to repay such amounts due to the restatement of the Company's financial statements.

By accepting the RSUs you hereby agree and acknowledge that you are obligated to cooperate with and provide all assistance necessary to the Company to recover or recoup the RSUs or amounts paid under the Plan that are subject to the clawback pursuant to applicable securities laws or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting and documentation necessary to recover or recoup any RSUs or amounts paid pursuant to RSUs.

(c) Risk Review. For select Covered Employees, as defined and identified by the Company, no RSUs will convert to Shares until the Chief Human Resources & Administrative Officer receives confirmation from the Chief Risk Officer, or their delegate, that a review has been completed by the Chief Risk Officer, or their delegate, to determine whether you engaged in any willful or reckless violation of the Company's risk policies. If the Chief Risk Officer, or their delegate, finds any such violation or breach, then the Company may determine that all or a portion of your RSUs will be forfeited. Based on this assessment, the Company may determine that all or a portion of your RSUs will be forfeited.

(d) Investigative Holds. In the event that the Company has either commenced an investigation of a matter that you oversaw or were involved in or has evidence that may require investigation of a matter that you oversaw or were involved in, in either case concerning a breach of one of the obligations hereunder or a serious violation of Company policy, the Company may freeze your account and effectuate a transfer restriction such that your converted and delivered RSUs and any shares associated therewith may not be sold or transferred until such time as the Company reasonably believes the matter to be resolved.

(e) Authorization. You authorize the Company to deduct any amount or amounts owed by you pursuant to this Section 8 from any amounts payable by or on behalf of the Company to you, including, without limitation, any amount payable to you as salary, wages, paid time off, bonus, severance, change in control severance or the conversion of any equity-based award. This right of offset shall not be an exclusive remedy and the Company's election not to exercise this right of offset with respect to any amount payable to you shall not constitute a waiver of this right of offset with respect to any other amount payable to you or any other remedy. You further acknowledge and authorize the Company to take the actions described in this Section 8, including those describe in Section 8(d).

9. Tax and Other Withholding Obligations.

Subject to rules and procedures established by Discover, you may be eligible to elect to satisfy the tax or other withholding obligations arising upon conversion of your RSUs or upon any taxable event by paying cash or by having Discover withhold Shares or by tendering Shares, in each case in an amount sufficient to satisfy the tax or other withholding obligations. Shares withheld or tendered will be valued using the fair market value of Stock on the date the Shares are scheduled to convert, or otherwise become taxable, as applicable, using a valuation methodology established by Discover.

10. Satisfaction of Obligations.

Notwithstanding any other provision of this Award Certificate, the Company may, in its sole discretion, take various actions affecting your RSUs in order to collect amounts sufficient to satisfy any obligation that you owe to the Company and any tax or other withholding obligations. The Company's determination of the amount that you owe the Company shall be conclusive. The fair market value of Stock for purposes of the following provisions shall be determined using a valuation methodology established by Company. The actions that may be taken by Discover pursuant to this Section 10 include, but are not limited to, the following:

(a) Withholding of Shares. Upon conversion of RSUs, including any accelerated conversion pursuant to Sections 4, 5, or 6 above, or, if later, upon delivery of the Shares, the Company may withhold a number of Shares sufficient to satisfy any obligation that you owe to the Company and any tax or other withholding obligations whether national, federal, state or local tax withholding obligations including any social insurance contributions or employment tax obligation. The Company shall determine the number of Shares to be withheld by dividing the dollar value of your obligation to the Company and any tax or other withholding obligations by the fair market value of Stock on the date the Shares are scheduled to convert, or otherwise become taxable, as applicable. To the extent that the Company retains any Shares or reduces the number of RSUs to cover the withholding obligations, it will do so at the applicable minimum statutory rate or other applicable withholding rate(s). Should the Company withhold in excess of the actual tax withholding obligation, the Company will apply the excess withholding to another compensation tax liability.

(b) Netting of Accelerated RSUs. In order to satisfy any taxes due upon an event which is earlier than conversion, Discover, in its sole discretion, may accelerate the vesting and conversion of all or a portion of your unvested RSUs. The Company shall determine the number of RSUs to be accelerated and converted by dividing the dollar value of your tax obligations upon such event by the fair market value of Stock on the date of accelerated conversion. Accelerated and converted RSUs shall not exceed the value of taxes due upon such event and the resulting Shares will be withheld by the Company.

(c) Withholding of Other Compensation. Discover may withhold the payment of dividend equivalents on your RSUs or any other compensation or payments due from Discover to ensure satisfaction of any obligation that you owe the Company or any tax or other withholding obligations or Discover may permit you to satisfy such tax or other withholding obligation by paying such obligation in immediately available funds.

(d) Mobile Employees. You are liable and responsible for all taxes and social insurance contributions owed in connection with the Award, regardless of any action the Company takes with respect to any tax withholding obligations that arise in connection with the Award. The Company does not make any representation or undertaking regarding the tax treatment or the treatment of any tax withholding in connection with the grant, vesting or payment of the Award. The Company does not commit and is under no obligation to structure the Award to reduce or eliminate your tax liability. Further, you may be subject to individual income taxation (and possibly social security or other applicable personal or payroll taxes) in each jurisdiction where you have performed services for the Company between the Award Date and the Vesting Date. Taxes for which you are liable, if applicable, may be withheld and deposited by the Company in each jurisdiction in which you have performed services regardless of your status as a resident or non-resident in one or more of the jurisdictions that have a right to impose taxation. You agree that you will comply with all United States and foreign individual income tax return filing obligations that may be imposed with respect to the Award.

11. Nontransferability.

You may not sell, pledge, hypothecate, assign or otherwise transfer your RSUs, other than as provided in Section 12 (which allows you to designate a beneficiary or beneficiaries in the event of your death) or by will or the laws of descent and distribution.

12. Designation of a Beneficiary.

You may make a revocable designation of beneficiary or beneficiaries to receive all or part of the Shares and any dividend equivalents credited to you pursuant to Section 3 hereof to be paid under this Award Certificate in the event of your death. Absent a designation on file, distributions pursuant to Section 4 will be made to your estate. To make a beneficiary designation, you must complete and file the online form provided by E*TRADE, or such other vendor as the Company may choose to administer the Plan. If you previously filed a designation of beneficiary form for your equity awards with the Human Resources Department, such form will also apply to the RSUs granted pursuant to this RSU Award. You may replace or revoke your beneficiary designation at any time, and the Company will rely on your most recent designation on file for purposes of beneficiary designation.

13. Ownership and Possession.

(a) Generally. Except as specified in Section 3 with respect to Dividend Equivalents, you will not have any rights as a shareholder with respect to your RSU Awards or in the Shares corresponding to your RSUs prior to conversion of your RSUs.

(b) Following Conversion. Subject to the terms and conditions of this Award Certificate, following conversion of your RSUs you will be the beneficial owner of the shares issued to you net of taxes, and you will be entitled to all rights of ownership, including voting rights and the right to receive cash or stock dividends or other distributions paid on such shares.

14. Securities Law Matters.

Shares issued upon conversion of your RSUs may be subject to restrictions on transfer by virtue of the Securities Act of 1933, as amended. Discover may advise the transfer agent to place a stop order against such shares if it determines that such an order is necessary or advisable. Because Stock will only be maintained in book-entry form, you will not receive a stock certificate representing your interest in such shares.

15. Compliance with Laws and Regulations.

Any sale, assignment, transfer, pledge, mortgage, encumbrance or other disposition of Shares issued upon conversion of your RSUs (whether directly or indirectly, whether or not for value, and whether or not voluntary) must be made in compliance with any applicable constitution, rule, regulation, or policy of any of the exchanges or associations or other institutions with which the Company or a Related Employer has membership or other privileges, and any applicable law, or applicable rule or regulation of any governmental agency, self-regulatory organization or state or federal regulatory body.

16. No Entitlements.

(a) No Right to Continued Employment. This RSU Award is not an employment agreement, and nothing in this Award Certificate, the International Supplement, if applicable, or the Plan shall alter your status as an “at-will” employee of the Company or your Employment status at a Related Employer, nor does anything herein constitute a promise of continued employment or re-employment.

(b) No Right to Future Awards. This RSU Award is discretionary and does not confer on you any right or entitlement to receive another award of RSUs, any other equity-based award or any other award at any time in the future or in respect of any future period.

(c) No Effect on Future Employment Compensation. This RSU Award is discretionary and does not confer on you any right or entitlement to receive compensation in any specific amount for any future fiscal year, and does not diminish in any way the Company’s discretion to determine the amount, if any, of your compensation. In addition, this RSU Award is not part of your base salary or wages and will not be taken into account in determining any other Employment-related rights you may have, such as rights to pension or severance pay, end of service payments, bonuses, long-service awards or similar payments and in no event shall be considered as compensation for, or relating in any way to, past services for the Company.

(d) Termination of Employment. In consideration of the grant of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or Shares acquired through vesting of the Award resulting from termination of your employment by the Company (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release the Company and the Related Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, you will be deemed irrevocably to have waived your entitlement to pursue such claim; and in the event of termination of your employment (whether or not in breach of local labor laws), your right to receive the Award and vest in the Award under the Plan, if any, will terminate effective as of the

date that you are no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of “garden leave” or similar period pursuant to local law); Discover shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Award.

(e) **Language.** If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

(f) **Award Terms Control.** In the event of any conflict between any terms applicable to equity awards in any employment agreement, offer letter or other arrangement that you have entered into with the Company and the terms set forth in this Award Certificate, the latter shall control.

17. **Consents.**

Your RSU Award is conditioned upon the Company’s making of all filings and the receipt of all consents or authorizations required to comply with, or required to be obtained under, applicable local law.

In accepting this RSU Award, you consent to the collection, use and transfer, in electronic or other form, of your personal data by and among, as applicable, the Company and any other possible recipients for the purpose of implementing, administering and managing your participation in the Plan, as well as for the purpose of the Company’s compliance with applicable law, including, without limitation, Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. You understand that the recipients of your personal data may be located in the U.S. or elsewhere, and the recipients’ country may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of your personal data, view the personal data, request additional information about the storage of your personal data, require any necessary amendments to your personal data or refuse or withdraw your consent by contacting your local human resources representative, in any case without cost. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan.

18. **Electronic Delivery and Consent to Electronic Participation.**

The Company may, in its sole discretion, decide to deliver any documents related to the RSU Award and participation in the Plan or future RSU Awards by electronic means. You hereby consent to receive such documents by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company, including the acceptance of RSU Awards and the execution of the RSU agreements through electronic signature. Electronic acceptance of this Award Certificate through the E*TRADE website, or such other vendor as the Company may choose to administer the Plan, shall be required and binding on you. Where electronic acceptance may not be permitted under applicable law, the Company may also request and require your physical signature. Your acceptance affirms your agreement to all the terms and conditions set forth in this Award

Certificate and acceptance of the Award subject thereto. Not providing this acceptance within the timeframe stipulated may result in the Company forfeiting all or a portion of this Award.

19. Award Modification.

The Committee reserves the right to modify or amend unilaterally the terms and conditions of your RSUs, without first asking your consent, or to waive any terms and conditions that operate in favor of Discover. These amendments may include (but are not limited to) changes that the Committee considers necessary or advisable as a result of changes in any, or the adoption of any new, Legal Requirement. The Committee may not modify your RSUs in a manner that would materially impair your rights in your RSUs without your consent; *provided, however*, that the Committee may, without your consent, amend or modify your RSUs in any manner that the Committee considers necessary or advisable to comply with or reflect the application of any Legal Requirement or to ensure that your RSUs are not subject to United States federal, state or local income tax or any equivalent taxes in territories outside the United States prior to payment. Notwithstanding any provisions of this Award Certificate to the contrary, to the extent you transfer employment outside of the United States, the Award shall be subject to any special terms and conditions as Discover may need to establish to comply with local laws, rules, and regulations or to facilitate the operation and administration of the Award and the Plan in the country to which you transfer employment (or Discover may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). Discover will notify you of any amendment of your RSUs that affects your rights. Any amendment or waiver of a provision of this Award Certificate (other than any amendment or waiver applicable to all recipients generally), which amendment or waiver operates in your favor or confers a benefit on you, must be in writing and signed by the Chief Human Resources & Administrative Officer to be effective.

20. Severability.

In the event the Committee determines that any provision of this Award Certificate would cause you to be in constructive receipt for United States federal or state income tax purposes of any portion of your RSU Award, then such provision will be considered null and void and this Award Certificate will be construed and enforced as if the provision had not been included in this Award Certificate as of the date such provision was determined to cause you to be in constructive receipt of any portion of your RSU Award.

21. Successors.

This Award Certificate shall be binding upon and inure to the benefit of any successor or successors of Discover and any person or persons who shall, upon your death, acquire any rights hereunder in accordance with this Award Certificate or the Plan.

22. Governing Law.

This Award Certificate and the related legal relations between you and Discover will be governed by and construed in accordance with the laws of the State of Delaware, without regard to any conflicts or choice of law, rule or principle that might otherwise refer the interpretation of the RSU Award to the substantive law of another jurisdiction. The Company and you agree that

the jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to), the Plan or this Award Certificate shall be exclusively in the courts in the State of Illinois, Counties of Cook or Lake, including the federal courts located therein (should federal jurisdiction exist), and the Company and you hereby submit and consent to said jurisdiction and venue.

23. Section 409A.

To the extent necessary or advisable to comply with Section 409A of the Internal Revenue Code, with respect to any provision of this Award Certificate that provides for vested RSUs to convert to Shares on or as soon as administratively practicable after a specified event or date, such conversion will be made by the later of the end of the calendar year in which the specified event or date occurs or the 15th day of the third calendar month following the specified event or date.

24. Defined Terms.

For purposes of this Award Certificate, the following terms shall have the meanings set forth below:

(a) “Cause” means:

(1) any act or omission which constitutes a material breach of your obligations to the Company or your failure or refusal to perform satisfactorily any duties reasonably required of you, which breach, failure or refusal (if susceptible to cure) is not corrected (other than failure to correct by reason of your incapacity due to Disability) within ten (10) business days after written notification thereof to you by the Company;

(2) any act or omission by you that constitutes (i) fraud or intentional misrepresentation, (ii) embezzlement, misappropriation or conversion of assets of, or business opportunities considered by, the Company or (iii) any other act which has caused or may reasonably be expected to cause material injury to the interest or business reputation of the Company; or

(3) your violation of any securities, commodities or banking laws, any rules or regulations issued pursuant to such laws, or rules or regulations of any securities or commodities exchange or association of which the Company is a member or of any policy of the Company relating to compliance with any of the foregoing.

(b) “Change in Control” means, except as provided otherwise below, the first to occur of any of the following events:

(1) except as otherwise provided in clause (3) below, any person (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the “Exchange Act”), as such term is modified in Sections 13(d) and 14(d) of the Exchange Act), other than (i) any employee plan established by the Company or any of its Subsidiaries, (ii) any group of employees holding shares subject to agreements relating to the voting of such shares,

(iii) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (iv) an underwriter temporarily holding securities pursuant to an offering of such securities, or (v) a corporation owned, directly or indirectly, by shareholders of the Company in substantially the same proportions as their ownership of the Company, either (x) acquires ownership of stock of the Company that, together with stock held by such person (not including the stock owned by such person any stock acquired directly from the Company other than in connection with the acquisition by the Company of a business), constitutes more than fifty percent (50%) of the total fair market value of the stock of the Company (but only if such person did not own more than fifty percent (50%) of the total fair market value of the stock of the Company prior to the acquisition of additional stock), or (y) acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition by such person) ownership of the stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of the Company (but only if such person did not own thirty percent (30%) or more of the total voting power of the stock of the Company prior to the acquisition of additional stock and not including the stock owned by such person any stock acquired directly from the Company other than in connection with the acquisition by the Company of a business);

(2) a change in the composition of the Board during any twelve-month period, such that individuals who, as of the Date of the Award, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a member of the Board subsequent to the date of Date of the Award whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board;

(3) the consummation of a merger or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which results in the securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, at least fifty percent (50%) of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (determined pursuant to clause (1) above) is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing thirty percent (30%) or more of the total voting power of the stock of the Company (but only if such person did not own thirty percent

(30%) or more of the total voting power of the stock of the Company prior to the acquisition of additional securities);

(4) the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to (i) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (ii) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, either by the Company or by a person or more than one person acting as a group, that owns fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company; provided, however, that a Change in Control pursuant to this clause (4) shall not be deemed to have occurred unless a person (determined pursuant to clause (1) above) or persons acting as a group acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions.

Notwithstanding the foregoing, with respect to a Change in Control of Discover, no Change in Control shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the beneficial holders of the Company's common stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns substantially all of the assets of the Company immediately prior to such transaction or series of transactions.

(c) "**Chief Human Resources & Administrative Officer**" means the chief human resources & administrative officer of Discover, any successor chief human resources & administrative officer, or any other individual or committee appointed by the chief executive officer of Discover with the power and authority of the chief human resources & administrative officer.

(d) "**Chief Risk Officer**" means the chief risk officer of Discover, any successor chief risk officer, or any other individual or committee appointed by the chief executive officer of Discover with the power and authority of the chief risk officer.

(e) "**Competitive Activity**" means:

(1) becoming, or entering into any arrangement as, an employee, officer, partner, member, proprietor, director, independent contractor, consultant, advisor, representative or agent of, or serving in any similar position or capacity with, a Competitor, where you will be responsible for providing, or managing or supervising others who are providing, services (i) that are similar or substantially related to the services that you provided to the Company, or (ii) that you had direct or indirect managerial or supervisory responsibility for at the Company, or (iii) that call for the application of the same or similar

specialized knowledge or skills as those utilized by you in your services for the Company, in each such case, at any time during the year preceding the termination of your employment with the Company; or

(2) either alone or in concert with others, forming, or acquiring a five percent (5%) or greater equity ownership, voting interest or profit participation in, a Competitor.

(f) **“Competitor”** means any corporation, partnership or other entity that engages in (or that owns a significant interest in any corporation, partnership or other entity that engages in) (1) the business of consumer lending, including, without limitation, credit card issuance or electronic payment services, or (2) any other business in which you have been involved in or had significant knowledge of, which has been conducted by the Company at any time during your employment with the Company. For the avoidance of doubt, a competitor of any entity which results from a corporate transaction involving the Company that constitutes a Change in Control shall be considered a Competitor for purposes of this Award Certificate.

(g) **“Covered Employee”** means an employee who, as of the Date of the Award, has been identified as a covered employee by Human Resources.

(h) **“Date of the Award”** means the date set forth in this Award Certificate.

(i) **“Disability”** means a “permanent and total disability,” as defined in Section 22(e)(3) of the Internal Revenue Code.

(j) **“Employed”** and **“Employment”** refer to employment with the Company and/or Related Employment.

(k) **“Good Reason”** means the occurrence of any of the following upon, or within six (6) months prior to or twenty-four (24) months after the occurrence of a Change in Control of Discover without your prior written consent:

(1) Any material diminution in your assigned duties, responsibilities and/or authority, including the assignment to you of any duties, responsibilities or authority inconsistent with the duties, responsibilities and authority assigned to you, immediately prior to such assignment;

(2) A material diminution in the authority, duties, or responsibilities of the supervisor to whom you are required to report;

(3) Any material reduction in your base compensation; provided, however, that Company-initiated across-the-board reductions in compensation affecting substantially all eligible Company employees shall alone not be considered “Good Reason,” unless the compensation reductions exceed twenty percent (20%) of your base compensation;

(4) A material diminution of the budget over which you have authority;

(5) The Company's requiring you to be based at a location that (i) is in excess of thirty-five (35) miles from the location of your principal job location or office immediately prior to the Change in Control, or (ii) results in an increase in your normal daily commuting time by more than ninety (90) minutes, except for required travel on Company's business to an extent substantially consistent with your then present business travel obligations; or

(6) Any other action or inaction that constitutes a material breach by the Company of any agreement pursuant to which you provide services to the Company.

For purposes of paragraphs (1) through (6) above, the duties, responsibilities and/or authority assigned to you shall be deemed to be the greatest of those in effect prior to or after the Change in Control. Unless you become Disabled, your right to terminate your Employment for Good Reason shall not be affected by your incapacity due to physical or mental illness. Your continued Employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason. Notwithstanding the foregoing, Good Reason shall not exist unless you give the Company written notice thereof within thirty (30) days after its occurrence and the Company shall not have remedied the action within thirty (30) days after such written notice.

(l) **“Internal Revenue Code”** means the United States Internal Revenue Code of 1986, as amended, and the rules, regulations and guidance thereunder.

(m) **“Legal Requirement”** means any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement (including any foreign legal requirements).

(n) **“Pro Ration Fraction”** means a fraction, not to exceed 1.0, the numerator of which is the number of completed months commencing on the first day of the calendar year of the Date of the Award and ending on the effective date of your termination of Employment, and the denominator of which is 12.

(o) **“Related Employment”** means your employment with an employer other than the Company (such employer, herein referred to as a **“Related Employer”**), *provided*: (1) you undertake such employment at the written request or with the written consent of the Chief Human Resources & Administrative Officer; (2) immediately prior to undertaking such employment you were an employee of the Company or were engaged in Related Employment (as defined herein); and (3) such employment is recognized by the Company in its discretion as Related Employment; and, *provided further* that the Company may (i) determine at any time in its sole discretion that employment that was recognized by the Company as Related Employment no longer qualifies as Related Employment, and (ii) condition the designation and benefits of Related Employment on such terms and conditions as the Company may determine in its sole discretion. The designation of employment as Related Employment does not give rise to an employment relationship between you and the Company, or otherwise modify your and the Company's respective rights and obligations.

(p) “**Retirement**” means the termination of your Employment by you or by the Company for any reason other than for Cause and other than due to your death or Disability, on or after the date on which:

- (1) you have attained age 55; and
- (2) you have attained a combined age and years of service of at least 65 years.

(q) “**Scheduled Vesting Date**” means the Scheduled Vesting Dates set forth in Award Certificate as the context requires.

(r) “**Wrongful Solicitation**” occurs upon either of the following events:

(1) while Employed, including during any notice period applicable to you in connection with the termination of your Employment, or within one year after the termination of your Employment, directly or indirectly in any capacity (including through any person, corporation, partnership or other business entity of any kind), you hire or solicit, recruit, induce, entice, influence or encourage any Company employee to leave the Company or become hired or engaged by another firm; *provided, however*, that this clause shall apply only to employees with whom you worked or had professional or business contact, or who worked in or with your business unit, during any notice period applicable to you in connection with the termination of your Employment or during the one year preceding notice of the termination of your Employment; or

(2) while Employed, including during any notice period applicable to you in connection with the termination of your Employment, or within one year after the termination of your Employment, directly or indirectly in any capacity (including through any person, corporation, partnership or other business entity of any kind), you solicit or entice away or in any manner attempt to persuade any client or customer, or prospective client or customer, of the Company (i) to discontinue or diminish his, her or its relationship or prospective relationship with the Company or (ii) to otherwise provide his, her or its business to any person, corporation, partnership or other business entity which engages in any line of business in which the Company is engaged (other than the Company); *provided, however*, that this clause shall apply only to clients or customers, or prospective clients or customers, that you worked for on an actual or prospective project or assignment during any notice period applicable to you in connection with the termination of your Employment or during the one year preceding notice of the termination of your Employment.

IN WITNESS WHEREOF, Discover has duly executed and delivered this Award Certificate as of the Date of the Award.

DISCOVER FINANCIAL SERVICES

By:

A handwritten signature in black ink, appearing to read "R. Andy Eichfeld", is written over a light gray rectangular background.

R. Andy Eichfeld
EVP, Chief Human Resources & Administrative Officer

APPENDIX A

Discover Financial Services International Supplement

This International Supplement to the Award Certificate ("International Supplement") contains supplemental terms and conditions for the RSU Award ("Equity Award") to employees of Discover Financial Services (or the relevant affiliated company) located in certain jurisdictions outside of the United States. The terms included in this International Supplement are intended to ensure compliance with the laws of the country in which you are Employed or, in certain instances, to make the awards more tax efficient in your country.

You have also received an Award Certificate applicable to your award. The Award Certificate, together with this International Supplement, collectively set forth the terms and conditions of your Equity Award. To the extent that this International Supplement amends, deletes or supplements any terms of the Award Certificate, this International Supplement shall control.

Capitalized terms that are used without definition in this International Supplement have the meanings assigned in the Plan or the Award Certificate.

All Employees Located Outside the United States.

If you are Employed outside of the United States, please note that your Equity Award is offered, issued and administered by Discover Financial Services, a Delaware corporation, and your local employer is not involved in the grant of awards under such equity incentive program. All documents related to your Equity Award, including the Award Certificate, this International Supplement and the link by which you access these documents, originate and are maintained in the United States.

Your Equity Award is made in virtue of your Employment with, and your services performed for, the appropriate entities within the Company. However, your award does not form part of your entitlement to remuneration or benefits, whether pursuant to any contract of Employment to which you may be a party or otherwise. Similarly, the existence of a contract of Employment between you and any entity within the Company shall not confer on you any right or entitlement to participate in the Equity Award or to receive awards thereunder, or any expectation that you might participate in such equity incentive program or receive additional equity awards in the future. Your Equity Award, the Award Certificate, and/or this International Supplement does not constitute an employment contract and does not create an employment relationship or a promise of continued Employment for any period of time.

In addition, your Equity Award is not part of your base salary or wages and will not be taken into account (except to the extent otherwise required by local law) in determining any other employment-related rights you may have, such as rights to pension or severance pay.

Whether or not you have a contract of Employment with any entity within the Company, your rights and obligations under the terms of your office or Employment shall not be affected by your receipt of the Equity Award. By accepting your receipt of the Equity Award, you

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waive any and all rights to compensation or damages for any loss of the Equity Award in the event of your termination of your office or Employment for any reason whatsoever. This waiver applies whether or not such termination amounts to a wrongful or unfair dismissal.

You may be subject to applicable exchange control, currency control or similar financial laws that may affect your transactions with respect to your equity award, including without limitation, your ability to bring shares of Discover Financial Services common stock into your jurisdiction or to receive the proceeds of a sale of Discover Financial Services common stock in your jurisdiction. Moreover, you may be subject to certain notification, approval and/or repatriation obligations with respect to securities and funds you receive in connection with your awards. In addition the Company is not responsible for any foreign exchange fluctuations that change the value of your RSU Award. ***You are encouraged to consult your advisors to ascertain whether any restrictions or obligations apply to you.***

Your Equity Award has not been authorized or approved by any applicable securities authorities and may have been offered pursuant to an exemption from registration in your local jurisdiction. Similarly, no prospectus or similar offering or registration document has been prepared, authorized or approved by any applicable securities authorities in your jurisdiction. The grant of awards is being made only to employees of the Company and does not constitute and is not intended to be an offering to the public. For this reason, you must keep all award documents you receive, including but not limited to this International Supplement and the Award Certificate, confidential and you may not distribute or otherwise make public any award documents without the prior written consent of the Company. Moreover, you may not reproduce (in whole or in part) any award documents you receive. In addition, the shares of Company common stock you acquire upon vesting and conversion of your Equity Award may be subject to applicable restrictions on resale in your local jurisdiction. ***You are encouraged to consult your advisors to ascertain whether any restrictions or obligations apply to you.***

Employees in China.

If you are employed in China or are a Chinese national on international assignment outside of China for the Company, but your Equity Award was made in China and/or you will be taxed there, your Equity Award will be settled in cash. Rather than convert awards to shares pursuant to Section 1 of the Award Certificate and Sections 4 through 6 of the Award Certificate, the Company will convert your Equity Award to cash and the Company or your local employer will deliver the cash payment to you. You consent to this cash conversion in exchange for the Equity Award. All other terms and conditions of the Plan and the Award Certificate will otherwise apply to your Equity Award.

Employees in the United Kingdom or European Union.

If you are employed in the United Kingdom (or the European Union), the Company will act in accordance with the Data Protection Act of 2018 as amended from time to time and the General Data Protection Regulation as amended from time to time as applicable regarding any personal information which you provide to it in connection with your Equity Award (including the amount of the award) and you acknowledge the need for the processing of such personal information in order to facilitate your participation in such equity incentive program, for any

purposes required by law or regulation, or for any other legitimate business purpose. By accepting your Equity Award, you acknowledge that from time to time, for the purposes described above, your personal information may be stored and processed by and disclosed and transferred to other offices and companies within the Company and to third parties, some of which are situated outside of the European Union and may not offer as high a level of protection for personal information as countries within the European Union.

The following provisions apply in lieu of those contained in the Award Certificate for employees in the United Kingdom.

Section 8(a)

The forfeiture, cancellation and/or clawback circumstances and events set forth in this Section 8 are designed, among other things, to incentivize compliance with the Company's policies (including, without limitation, the Company's risk policies and Code of Conduct), to protect the Company's interests in non-public, confidential and/or proprietary information, products, trade secrets, customer relationships, workforce stability, and other legitimate business interests, and to ensure an orderly transition of responsibilities. This Section 8 shall apply notwithstanding any other terms of this Award Certificate (except where sections in this Award Certificate specifically provide that the circumstances set forth in this Section 8 no longer apply).

(a) Conditions. Notwithstanding your satisfaction of the vesting conditions of this Award Certificate, RSUs are not earned: (1) until the applicable Scheduled Vesting Date; and (2) unless the conditions set forth in this section 8(a) below are met. Although you will become the beneficial owner of Shares following conversion of your RSUs, the Company may, upon notice, issue a transfer restriction with respect to your Shares following conversion of your RSUs pending any investigation or other review that impacts the determination as to whether the RSUs meet the conditions set forth below. The Shares underlying such RSUs shall not legally vest in you and shall be forfeited and recoverable in the event the Company determines that the conditions set forth in this section 8(a) below are not met. Notwithstanding any provision of this Award Certificate to the contrary, in order for legal ownership of the Shares to fully vest in you it is a strict condition that you must not at any time prior to one year after the termination of your Employment or service with the Company (i) engage, in Wrongful Solicitation, (ii) misuse the Company's confidential, proprietary information and/or intellectual property, as defined in your employment contract, the Company Code of Conduct, and/or any other relevant agreements or policies issued to you, or (iii) for those Participants classified by the Company as an officer of Discover Financial Services or one of its Subsidiaries on the date of grant, engage in Competitive Activity. If the conditions above are not met, you will:

(1) pay to the Company an amount in cash equal to the value of the Shares that vested and converted on or after, or within one year prior to, your termination of Employment, which value shall be determined by the Company, in its sole discretion, and shall include an amount for tax adjustments appropriate to reflect your obligation to repay such amounts due to you not meeting the conditions above; or

(2) transfer to the Company the number of Shares that vested and converted on or after, or within one year prior to, your termination of Employment, plus an amount calculated by the Company, in its sole discretion, for tax adjustments appropriate to reflect your obligation to transfer such common stock due to you not meeting the conditions above.

Section 24(e), (f) and (r)

(e) “*Competitive Activity*” means:

(1) becoming, or entering into any arrangement as, an employee, officer, partner, member, proprietor, director, independent contractor, consultant, advisor, representative or agent of, a Competitor, where you will be responsible for providing, or managing or supervising others who are providing, services (i) that are similar or substantially related to the services that you provided to the Company, or (ii) that you had direct or indirect managerial or supervisory responsibility for at the Company, or (iii) that call for the application of the same or similar specialized knowledge or skills as those utilized by you in your services for the Company, in each such case, at any time during the year preceding the earlier of the start of your notice period and the Employment; or

(2) either alone or in concert with others, forming, or acquiring a five percent (5%) or greater equity ownership, voting interest or profit participation in, a Competitor.

(f) “*Competitor*” means any corporation, partnership or other entity that engages in (or that owns a significant interest in any corporation, partnership or other entity that engages in) (1) the business of consumer lending, including, without limitation, credit card issuance or electronic payment services, or (2) any other business which you have been materially involved in or had significant knowledge of, which has been conducted by the Company at any time during the two years preceding the termination of your Employment. For the avoidance of doubt, a competitor of any entity which results from a corporate transaction involving the Company that constitutes a Change in Control shall be considered a Competitor for purposes of this Award Certificate.

(r) “*Wrongful Solicitation*” occurs upon either of the following events:

(1) while Employed, including during any notice period applicable to you in connection with the termination of your Employment, and within one year after the termination of your Employment, directly or indirectly in any capacity (including through any person, corporation, partnership or other business entity of any kind), you hire or solicit, recruit, induce, entice, influence or encourage any Company employee to leave the Company or become hired or engaged by another firm; *provided, however*, that this clause shall apply only to employees of the Company who had access to confidential information of the Company and (i) were employed at the level of officer or above, or (ii) who worked in or with your business unit or (iii) for whom you had direct or indirect responsibility, and in each case with whom you had material contact in the course of your Employment, at any time during the year preceding the earlier of the start of your notice period and the

termination of your Employment; or

(2) while Employed, including during any notice period applicable to you in connection with the termination of your Employment, or within one year after the termination of your Employment, directly or indirectly in any capacity (including through any person, corporation, partnership or other business entity of any kind), you solicit or entice away or in any manner attempt to persuade any client or customer, or prospective client or customer, of the Company (i) to discontinue or diminish his, her or its relationship or prospective relationship with the Company or (ii) to otherwise provide his, her or its business to any person, corporation, partnership or other business entity which engages in any line of business in which the Company is engaged (other than the Company); *provided, however*, that this clause shall apply only to clients or customers, or prospective clients or customers, that you worked for on an actual or prospective project or assignment during any notice period applicable to you in connection with the termination of your Employment or during the one year preceding notice of the termination of your Employment.

* * *

The Company recommends that you seek advice of your tax advisors regarding the tax treatment of your awards.

EXHIBIT E

DISCOVER
DISCOVER FINANCIAL SERVICES

January 2, 2024

Ms. Diane Offereins
270 Roger Williams
Highland Park, IL 60035

Re: RSU Award Settlement

Dear Ms. Offereins:

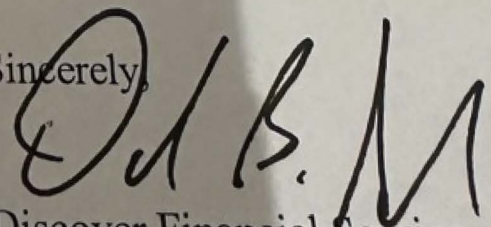
In connection with an ongoing risk review by Discover Financial Services (the "Company") related to an investigation of the card misclassification matter, we write to inform you of an update regarding your awards (the "Awards") of Restricted Stock Units (the "RSUs") under the Company's 2014 Omnibus Incentive Plan pursuant to the Award Certificates for Restricted Stock Units, dated February 19, 2021, February 25, 2022 (2 Award Certificates), and February 23, 2023 (the "Award Certificates"). Any terms used but not defined herein have the meanings set forth in the Award Certificates.

Pursuant to Section 8(c) of each of the Award Certificates, "[f]or select Covered Employees, as defined and identified by the Company, no RSUs will convert to Shares until the Chief Human Resources & Administrative Officer receives confirmation from the Chief Risk Officer, or their delegate, that a review has been completed by the Chief Risk Officer, or their delegate, to determine whether you engaged in any willful or reckless violation of the Company's risk policies. If the Chief Risk Officer, or their delegate, finds any such violation or breach, then the Company may determine that all or a portion of your RSUs will be forfeited." You were identified as a Covered Employee at the time of the grant of each of the Awards.

The Company is conducting an ongoing risk review and, in connection with such review, has not yet made a determination related to your Awards as required by Section 8(c) of the Award Certificates. Accordingly the RSUs that were scheduled to convert to shares on December 30, 2023, have not converted into Shares pending the completion of the Company's review. The Company reserves any other rights it might have not to convert the RSUs to Shares or deliver the Shares to you.

Should you have any questions, do not hesitate to contact me at DavidSchaffer@discover.com

Sincerely,



Discover Financial Services

David Schaffer, Director-Employee Re

EXHIBIT F



January 31, 2024

Via Fed Ex

Diane E. Offereins
270 Roger Williams
Highland Park, IL 60035

Re: Discover Equity Awards and Project Simple Risk Review

Dear Diane:

We write to inform you of the conclusion of a risk review performed by Discover Financial Services (the "Company") regarding your awards (the "Awards") of Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs"), as evidenced by award certificates (the "Certificates") under the Company's 2014 Omnibus Incentive Plan (the "Plan"). According to our records, you have outstanding:

- 3,230 RSUs pursuant to a Certificate dated February 19, 2021;
- 4,892 RSUs pursuant to a Certificate dated February 25, 2022;
- 5,376 RSUs pursuant to a Certificate dated February 25, 2022;
- 4,111 RSUs pursuant to a Certificate dated February 23, 2023;
- 14,534 PSUs pursuant to a Certificate dated February 19, 2021;
- 11,008 PSUs pursuant to a Certificate dated February 25, 2022; and
- 6,166 PSUs pursuant to a Certificate dated February 23, 2023.

Each Certificate provides that, before the Award converts to shares of the Company common stock, the Chief Risk Officer, or their delegate, conducts a review to determine whether you engaged in any willful or reckless violation of the Company's risk policies. Each Certificate further provides: "*If the Chief Risk Officer, or their delegate, finds any such violation or breach, then the Company may determine that all or a portion of your [Award] will be forfeited.*"

A risk review was conducted in connection with the Company's card misclassification matter, and the Chief Risk Officer concluded that you engaged in willful or reckless violation of the Company's risk policies. In consideration of this conclusion, the Board of Directors has determined that one hundred percent (100%) of each of your outstanding Awards is forfeited (the "Forfeited Awards"). Accordingly, you will not receive any shares or any other payment with respect to the Forfeited Awards.

Should you have any questions, do not hesitate to contact Michael Roemer at (224) 405-1596 or michaelroemer@discover.com.

Sincerely,

Discover Financial Services



Chairman of the Board of Directors
Chairman of the Board of Directors