

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

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): August 4, 2015

**H&R BLOCK, INC.**

(Exact name of registrant as specified in charter)

**Missouri**  
(State of Incorporation)

**1-6089**  
(Commission File Number)

**44-0607856**  
(I.R.S. Employer  
Identification Number)

**One H&R Block Way, Kansas City, MO 64105**  
(Address of Principal Executive Offices) (Zip Code)

**(816) 854-3000**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

On August 4, 2015, H&R Block, Inc. (the “Company”) and certain of its subsidiaries received regulatory approvals for the previously announced sale of certain assets and liabilities, including all of the deposit liabilities, of H&R Block Bank, a federal savings bank (“HRB Bank”), to BofI Federal Bank, a federal savings bank (“BofI”), as described further in Item 8.01 below.

Additionally, the Company and BofI have agreed to revise certain of the transaction agreements, as described further in Item 1.01 below.

**Item 1.01. Entry into a Material Definitive Agreement.**

As described in the Current Report on Form 8-K filed by the Company on April 10, 2014: (i) HRB Bank, Block Financial LLC, a Delaware limited liability company and the sole shareholder of HRB Bank (“Block Financial”), and BofI entered into a Purchase and Assumption Agreement (the “P&A Agreement”) pursuant to which HRB Bank will transfer certain assets and liabilities, including all of HRB Bank’s deposit liabilities, to BofI (the “P&A Transaction”); and (ii) the P&A Agreement included as an exhibit a form of the Program Management Agreement (“PMA”), which will be executed and become effective upon the closing of the P&A Transaction. Subsequent to its initial execution, the P&A Agreement was amended, as described in the Current Reports on Form 8-K filed by the Company on October 23, 2014 and on February 13, 2015.

On August 5, 2015, following receipt of regulatory approvals, HRB Bank, Block Financial and BofI entered into an Amended and Restated Purchase and Assumption Agreement (the “Amended and Restated P&A Agreement”) to:

- in Section 3.01, change the closing date to September 30, 2015, or such earlier date as the parties may mutually agree upon;
- in Section 9.01, provide that any party may terminate the agreement at any time after October 1, 2015 if the closing has not occurred on or prior to that date;
- attached as Exhibit G, a revised form of the PMA; and
- make other minor changes to definitions, update schedules, and change dates from 2014 to 2015.

The Company also negotiated with BofI a revised form of the PMA, a previous form of which was attached as Exhibit 10.2 to the Form 8-K filed by the Company on April 10, 2014, to:

- in Section 14.1, set the termination date to June 30, 2022, to retain a full seven year term as the parties originally intended;
- in Section 14.3(a), remove the one-time right of the Company to terminate the PMA early on June 30, 2017;
- add new Section 2.18, providing for the Company to pay BofI an annual program fee;

- add a new Section 6.4, addressing cross marketing of Boffl's individual retirement accounts, as further described therein;
- add a new Section 6.5, addressing cross marketing of Boffl's residential mortgage loans, as further described therein; and
- add definitions and make other clarifications and less significant changes, as set forth in the revised form of the PMA

The obligations of the parties to complete the P&A Transaction and the other transactions discussed herein remain subject to the fulfillment of additional closing conditions, including, but not limited to: (i) receipt of required third party consents; and (ii) the execution and delivery of the PMA and all other ancillary agreements described in the Current Report on Form 8-K filed by the Company on April 10, 2014 and contemplated under the Amended and Restated P&A Agreement described in this Current Report on Form 8-K.

Even though the parties have received the regulatory approvals described in Item 8.01 below, the Company cannot be certain when or if all the other conditions to, and other components of, the P&A Transaction will be satisfied, or whether the P&A Transaction will be completed. Furthermore, there may be additional changes to the terms and conditions of the Amended and Restated P&A Agreement, the form of the PMA, or other related agreements between now and the completion of the P&A Transaction.

Copies of the Amended and Restated P&A Agreement and the revised form of the PMA are furnished as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K.

#### **Item 8.01. Other Events.**

As of August 4, 2015: (i) HRB Bank and Boffl have each received regulatory approval to close the P&A Transaction from the OCC; (ii) HRB Bank and Block Financial have received regulatory approvals from the OCC for the related conversion of HRB Bank from a federal savings bank to a national bank (the "Conversion") and the merger of the converted national bank with and into Block Financial (the "Affiliate Merger"); and (iii) the Company, H&R Block Group, Inc., and Block Financial (collectively, the "Block Holding Companies"), which directly or indirectly own HRB Bank, have received regulatory notification from the Board of Governors of the Federal Reserve System (the "Federal Reserve") waiving the application and filing requirements under section 3(a) (1) of the Bank Holding Company Act of 1956 (as amended, the "BHC Act") and confirming that no notification is required from the Block Holding Companies under Section 4 of the BHC Act.

The Company expects that the Federal Reserve will approve the Company's pending application to deregister the Block Holding Companies as savings and loan holding companies ("SLHCs") under the Home Owners Loan Act promptly after all of the following have occurred: (i) the Company closes the Conversion, the P&A Transaction and the Affiliate Merger; (ii) the Company certifies to the Federal Reserve that such transactions have closed and the Block Holding Companies do not own a bank and are not engaged in banking; (iii) the FDIC formally terminates the deposit insurance of HRB Bank; and (iv) HRB Bank surrenders its charter to the OCC. Based

upon discussions with the Federal Reserve, the Company expects that deregistration as an SLHC will occur shortly after the closing of the P&A Transaction.

The P&A Transaction and related transactions are now scheduled to close on September 30, 2015 (or such earlier date as the parties may mutually agree), subject to the satisfaction of all remaining closing conditions.

On August 5, 2015, the Company issued a press release discussing the parties' receipt of certain regulatory approvals related to the P&A Transaction and announcing that the Company will hold a conference call for analysts, institutional investors, and shareholders at 10:00 a.m. Eastern time on August 5, 2015. During the conference call the Company will discuss developments regarding the P&A Transaction and related matters.

A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits**

Exhibit Number    Description

10.1                    Amended and Restated Purchase and Assumption Agreement, dated August 5, 2015, by and among H&R Block Bank, Block Financial LLC, and BofI Federal Bank

10.2    Revised form of Program Management Agreement

99.1    Press Release issued August 5, 2015

## **SIGNATURES**

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

### **H&R BLOCK, INC.**

Date: August 5, 2015

By: /s/ Scott W. Andreasen

Scott W. Andreasen

Vice President and Secretary

EXHIBIT INDEX

- |              |   |
|--------------|---|
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| Exhibit 10.2 | Revised form of Program Management Agreement  |
| Exhibit 99.1 | Press Release issued August 5, 2015   |

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AMENDED AND RESTATED  
PURCHASE AND ASSUMPTION AGREEMENT

among

BofI Federal Bank,  
a federal savings bank,

and

H&R Block Bank,  
a federal savings bank,

and

Block Financial LLC,  
a Delaware limited liability company,

Dated as of August 5, 2015.

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### *Closing Ancillary Agreements:*

Exhibit A - Assignment and Assumption of Deposit Liabilities Agreement  
Exhibit B - Assignment and Assumption of Assumed Contracts Agreement  
Exhibit C - Bill of Sale  
Exhibit D - Assignment and Assumption of Loans Agreement  
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Exhibit F - Limited Power of Attorney

### *Program Agreements:*

Exhibit G - Program Management Agreement (as negotiated draft of 08-05-15)  
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Exhibit I - Emerald Advance Receivables Participation Agreement  
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Exhibit O - Amended and Restated Legacy Emerald Advance Participation Agreement  
Exhibit P - Amended and Restated Legacy Emerald Unsecured Credit Card Participation Agreement

## AMENDED AND RESTATED

### PURCHASE AND ASSUMPTION AGREEMENT

THIS AMENDED AND RESTATED PURCHASE AND ASSUMPTION AGREEMENT (this “A&R Agreement”), dated as of August 5, 2015, is made by and among BofI Federal Bank, a federal savings bank (“BofI”), H&R Block Bank, a federal savings bank (“HRB Bank”), and Block Financial LLC, a Delaware limited liability company and the sole shareholder of HRB Bank (“Block Financial”).

### RECITALS

A. BofI, HRB Bank and Block Financial are parties to that certain Purchase and Assumption Agreement, dated as of April 1, 2014 (the “Original Agreement”), as amended by (i) a letter agreement,

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dated September 30, 2014 (the "First Amendment"), (ii) a letter agreement dated October 23, 2014 (the "Second Amendment"), and (iii) a letter agreement, dated February 12, 2015 (the "Third Amendment").

B. BofI, HRB Bank and Block Financial are now entering into this A&R Amendment to further amend and restate the Original Agreement, as previously amended (the Original Agreement, as amended by the First Amendment, the Second Amendment and the Third Amendment, and as amended and restated by this A&R Agreement, is referred to herein as the "Agreement"), as all set forth herein.

C. BofI desires to purchase and assume, and HRB Bank desires to sell and transfer, certain assets and liabilities, including all deposit liabilities, of HRB Bank as further set forth in this Agreement (the "P&A Transaction").

D. Immediately prior to the Closing, HRB Bank will convert to a national banking association (the "Conversion") and immediately following the closing of the P&A Transaction, HRB Bank will merge with and into Block Financial (the "Affiliate Merger"). The Conversion, the P&A Transaction and the Affiliate Merger will occur in immediate succession on the Closing Date.

E. Because the Conversion will occur prior to the Closing, HRB Bank will be a national banking association at the time of the Closing.

F. Contemporaneous with the execution and delivery of the Original Agreement, the parties hereto and certain of their Affiliates executed and delivered a Confidentiality and Common Interest Agreement, dated as of April 10, 2014.

## AGREEMENT

ACCORDINGLY, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree to amend and restate the Original Agreement, as previously amended, as follows:

### ARTICLE I

#### DEFINITIONS

**1.01. Certain Definitions.** Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below.

"Accounting Firm" has the meaning set forth in Section 3.03(b).

"Accrued Interest" means (a) with respect to the Deposits, the interest that has been accrued but not paid on or credited to the Deposits, and (b) with respect to the Loans, the interest, fees, costs and other charges that have accrued on or been charged to the Loans but not paid by the borrower, or if applicable, a guarantor or surety therefor, or otherwise collected by offset or recourse to collateral for the applicable Loan.

"ACH" means the Automated Clearing House system.

"Affiliate" means any Person that, directly or indirectly, through one or more intermediaries, (a) owns or controls another Person, (b) is owned or controlled by another Person, or (c) is under common

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control or ownership with another Person, and “ownership” means the direct or indirect beneficial ownership of more than 20% of the equity securities of a Person, or, in the case of a Person that is an entity but not a corporation, more than 20% of the other voting and/or equity interest. For purposes of this definition, “control” (and its derivatives) of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than 20% of the votes entitled to be cast at meetings of the members or stockholders of such Person or power to control composition of a majority of the members of the board of directors or other governing body of such Person.

“Affiliate Merger” has the meaning set forth in the Recitals.

“Ancillary Agreements” means the merger agreement entered into in connection with the Affiliate Merger, the Program Management Agreement, the Receivables Participation Agreement and the Closing Ancillary Agreements.

“Approving Authorities” means, collectively or individually, as applicable, the OCC, the Board of Governors of the Federal Reserve System and any other Governmental Entity whose approval is necessary for Bofl, HRB Bank and Block Financial to consummate the transactions contemplated hereby.

“Assumed Contracts” has the meaning set forth in Section 4.11(b).

“Assumed Liabilities” has the meaning set forth in Section 2.03.

“ATM” means the automated teller machine owned by HRB Bank, which is located at One H&R Block Way, Kansas City, MO 64105.

“Bank Office” means the sole location of HRB Bank located at One H&R Block Way, Kansas City, MO 64105.

“Beneficial Rights” has the meaning set forth in Section 2.05.

“BINs” means the existing bank identification numbers for the Emerald Cards, HRB Gift Cards and HRB Incentive Cards.

“Block Financial” has the meaning set forth in the opening paragraph.

“Block Financial Capital Contribution” means a capital contribution by Block Financial to HRB Bank of an amount of cash that when combined with HRB Bank’s cash on hand is sufficient to pay the Estimated Transfer Amount at the Closing.

“Bofl” has the meaning set forth in the opening paragraph.

“Bofl Disclosure Schedule” has the meaning set forth in Article V.

“Bofl Financial Statements” has the meaning set forth in Section 5.05.

“Bofl Holding” means Bofl Holding, Inc., a Delaware corporation.

“Bofl Indemnified Parties” has the meaning set forth in Section 10.01.

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“Boff’s Knowledge” means the actual and imputed knowledge of Gregory Garrabrants or Andrew J. Micheletti.

“Brokered Deposits” means all Deposits that have been placed through a broker or other intermediary for which HRB Bank has incurred liability for payment of a commission or other remuneration to such broker or intermediary.

“Business Day” means any day except a Saturday, Sunday or other day on which banking institutions located in the State of Missouri or the State of California are authorized by Law to close.

“Call Report Instructions” means, as of any date, the then-applicable instructions to the Reports of Condition and Income as promulgated by the Federal Financial Institutions Examination Council.

“Claim Notice” has the meaning set forth in Section 10.03(a).

“Closing” has the meaning set forth in Section 3.01.

“Closing Ancillary Agreements” means the Assignment and Assumption of Deposit Liabilities Agreement, the Assignment and Assumption of Assumed Contracts Agreement, the Bill of Sale, the Assignment and Assumption of Loans Agreement, the Assignment, Transfer and Appointment of Successor Custodian for Custodial Accounts, and the Limited Power of Attorney.

“Closing Date” has the meaning set forth in Section 3.01.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commitments” means the unfunded portion of a line of credit or other unfunded commitment to make a Consumer Loan (or additional advances with respect to a Consumer Loan) as reflected on the books and records of HRB Bank, that was legally binding on HRB Bank immediately prior to the Closing.

“Consent” shall mean any consent, approval, authorization, clearance, exemption, waiver, or similar affirmation by any Person pursuant to any Contract, Law, Order or Permit.

“Constituent Documents” means collectively or individually, as the case may be, the charter, articles of incorporation or certificate of incorporation and/or the bylaws (and/or any equivalent governing documents) of a Person.

“Consumer Loans” means all Loans made primarily for personal, family or household purposes (excluding, however, all Residential Mortgage Loans), including but not limited to all Emerald Advances for the current tax season, all Emerald Advances for any prior tax season, all Unsecured Credit Card Accounts, and all Unsecured Credit Card Receivables (in each case regardless of whether a participation interest in such Emerald Advances, Unsecured Credit Card Accounts or Unsecured Credit Card Receivables has been sold to a third party).

“Contract” shall mean any contract, agreement, arrangement, authorization, commitment, indenture, instrument, license, lease, obligation, plan, practice, restriction, understanding, or undertaking of any kind or character, or other document to which any Person is a party or that is binding on any Person or its assets or business.

“Conversion” has the meaning set forth in the Recitals.

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“Custodial Account” has the meaning set forth in Section 3.07.

“Damages” has the meaning set forth in Section 10.01.

“Deposits” mean all deposit liabilities of HRB Bank, which are defined as deposits in the FDIA, including in each case collected and uncollected Deposits plus Accrued Interest.

“Divestiture Transaction” means the Conversion, the P&A Transaction and the Affiliate Merger, collectively.

“EFS” means Emerald Financial Services, LLC, a Delaware limited liability company.

“Emerald Advance” means each H&R Block Emerald Advance line of credit account established pursuant to an agreement between HRB Bank and any individual.

“Emerald Cards” means the prepaid cards issued under the brand name “Emerald Card” by HRB Bank.

“Estimated Transfer Amount” has the meaning set forth in Section 3.02(d).

“Excluded Assets” has the meaning set forth in Section 2.02.

“Excluded Liabilities” has the meaning set forth in Section 2.04.

“FDIA” means the Federal Deposit Insurance Act, as amended.

“Federal Reserve Borrowings” means all borrowings of HRB Bank from the Federal Reserve Bank of Kansas City.

“FHLB Advances” means all borrowings of HRB Bank from the Federal Home Loan Bank of Des Moines.

“Final Settlement Date” has the meaning set forth in Section 3.04.

“Final Transfer Amount” has the meaning set forth in Section 3.03(a).

“Final Transfer Payment” has the meaning set forth in Section 3.04.

“Fundamental Representations” means (i) with respect to BofI, the representations and warranties set forth in Section 4.01 (Organization and Authority), Section 4.02 (Execution and Delivery), Section 4.04 (Compliance with Laws, Permits and Instruments), Section 4.08 (Consents and Approvals), Section 4.09 (Ownership of Assets), and Section 4.20 (Finder's Fee) and (ii) with respect to HRB Bank and Block Financial, the representations and warranties set forth in Section 5.01 (Organization and Authority), Section 5.02 (Execution and Delivery), Section 5.03 (Compliance with Laws, Permits and Instruments), Section 5.04 (Consents and Approvals), Section 5.09 (Finder's Fee), Section 5.10 (Association Rights) and Section 5.11 (Nevada Branch).

“GAAP” means generally accepted accounting principles as in effect in the United States.

“Governmental Entity” means any United States, foreign, federal, state or local court, tribunal, judicial body, arbitral body, administrative agency or commission, or other governmental instrumentality.

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“H&R Block” means, collectively, HRB and its subsidiaries.

“HRB” means H&R Block, Inc., a Missouri corporation.

“HRB Bank” has the meaning set forth in the opening paragraph. Following consummation of the Affiliate Merger, references to HRB Bank in this Agreement shall be deemed to refer to Block Financial, as successor to HRB Bank pursuant to the Affiliate Merger.

“HRB Bank Common Stock” has the meaning set forth in Section 4.03.

“HRB Bank Disclosure Schedule” has the meaning set forth in Article IV.

“HRB Bank Indemnifying Parties” means HRB Bank and Block Financial.

“HRB Bank Indemnified Parties” has the meaning set forth in Section 10.02.

“HRB Bank’s Knowledge” means the actual and imputed knowledge of Jeffrey Brown, Greg Macfarlane, Greg Quarles, Alana Neale or Jim Koger.

“HRB Financial Statements” has the meaning set forth in Section 4.05.

“HRB Gift Cards” means the prepaid cards issued by HRB Bank and identified as “gift cards.”

“HRB Incentive Cards” means the prepaid cards issued by HRB Bank and identified as “incentive cards.”

“HRB Prepaid Cards” means the Emerald Cards, HRB Gift Cards and HRB Incentive Cards.

“HRB Prepaid Card Balances” means the balances on HRB Prepaid Cards.

“Indemnified Party” has the meaning set forth in Section 10.03.

“Indemnifying Party” has the meaning set forth in Section 10.03(a).

“Investment Securities” means all of the readily marketable investment securities in HRB Bank’s investment portfolio.

“Law” means any federal or state law, statute, regulation, rule, or reporting or licensing requirement applicable to a Person or its assets, liabilities or business, including those promulgated, interpreted, or enforced by any Governmental Entity.

“Liability” means any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, fixed or unfixed, contingent or non-contingent, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured.

“Lien” means any lien, pledge, claim, charge, security interest, mortgage, easement, covenant, restriction, or encumbrance of any nature whatsoever, but excluding participation interests in the Transferred Loans.

“Litigation” means any complaint, action, suit, proceeding, review, arbitration or other alternative dispute resolution procedure, demand, claim, investigation or inquiry of any kind or nature, whether civil, criminal or administrative.

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“Loans” means all of the following owed to or held by HRB Bank:

(a) All loans, funded portions of lines of credit or credit plans (whether revolving or not and whether commercial or consumer), including loans secured by Deposits, extensions of credit pursuant to a credit card plan or any other extensions of credit;

(b) All liens, rights (including rights of setoff), remedies, powers, privileges, demands, claims, priorities, equities and benefits owned or held by, or accruing or to accrue to or for the benefit of, the holder of the obligations or instruments referred to in clause (a) above, including those arising under or based upon all Records evidencing or securing a Loan (including any note, mortgage, deed of trust, security agreement, guarantee, other collateral documents, attorney opinions, all other tangible or electronic items relating to the Loans and all amendments, modifications, extensions or renewals of any of the foregoing), casualty insurance, gap/warranty and credit life insurance policies and binders, standby letters of credit, mortgagee title insurance policies and binders, payment bonds and performance bonds at any time and from time to time existing with respect to any of the obligations or instruments referred to in clause (a) above; and

(c) All amendments, modifications, renewals, extensions, refinancings, and refundings of or for any of the foregoing, and any financing statements, participation agreements, subordination agreements, and intercreditor agreements related to any of the foregoing.

“MasterCard” means MasterCard Incorporated, a Delaware corporation.

“Material Adverse Change” with respect to a party shall mean an event, change, or occurrence which, individually or together with any other event, change, or occurrence, has or would reasonably be expected to have a material adverse effect on (a) the business, regulatory status, assets, financial position or prospects of such party, or results of operations of such party, (b) the ability of such party to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement or (c) in the case of HRB Bank and Block Financial, the Transferred Assets or Assumed Liabilities, provided, however, that none of the following will be taken into account in determining whether there has been a Material Adverse Change, unless such event, change, or occurrence, individually or together with any other event, change, or occurrence, has or would reasonably be expected to have a disproportionate impact on the business, regulatory status, assets, financial position or prospects of such party, or results of operations of such party as compared to other comparable companies in such party's industry: (i) adverse changes in GAAP or regulatory accounting requirements; (ii) adverse changes in Laws of general applicability to companies in the U.S. banking, financial services or tax preparation industries; (iii) adverse changes in global or national political conditions or general economic or market conditions (including changes in prevailing interest rates, and currency exchange rates) affecting other companies in the U.S. banking industry; or (iv) any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism.

“Materially Burdensome Regulatory Condition” has the meaning set forth in Section 6.04(e).

“Mortgage Holdings” means HRB Mortgage Holdings, LLC, a Delaware limited liability company.

“Nevada Branch” has the meaning set forth in Section 5.11.

“Non-Assigned Assets” has the meaning set forth in Section 2.05.

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“Nondisclosure Agreement” means the Amended and Restated Letter Agreement, dated as of October 21, 2013, by and among Block Financial, HRB Tax Group, Inc., and BofI Holding, Inc.

“Notice Period” has the meaning set forth in Section 10.03(a).

“OCC” means the Office of the Comptroller of the Currency.

“Operating Cash” means all teller working cash, petty cash, vault cash and any other cash of HRB Bank located at the Bank Office or in the ATM, as of the close of business on the Closing Date.

“Order” shall mean any order, injunction, judgment, decision, award, decree, ruling, writ, or administrative decision of any Governmental Entity.

“OREO” means all real property acquired by HRB Bank through foreclosure or satisfaction of judgments or indebtedness, together with all improvements, fixtures and appurtenances located thereon and owned by HRB Bank as of the Closing Date.

“Other Correspondent Accounts” means all deposit accounts of HRB Bank located at any other bank or financial institution, other than the UMB Correspondent Accounts.

“Overdrafts” means negative balances on Deposit accounts and HRB Prepaid Cards.

“P&A Transaction” has the meaning set forth in the Recitals.

“Pending Litigation” has the meaning set forth in Section 4.07.

“Permit” shall mean any permit, approval, authorization, certificate, easement, franchise, license, or right given by any Governmental Entity to any Person, or that is or may be binding upon or inure to the benefit of any Person, or its assets or business.

“Person” means an individual, corporation, partnership, limited liability company, unincorporated association, trust, joint venture or other organization or entity or Governmental Entity and shall include any successor (by merger or otherwise) of such entity.

“Personal Property” means the ATM and all other equipment, furniture, appliances, fixtures, furnishings, computer equipment (hardware and software), materials, supplies, signs, structures, improvements and other items of tangible personal property owned by HRB Bank and located at the Bank Office.

“Post-Closing Transfer Calculation” has the meaning set forth in Section 3.03(a).

“Program Agreements” has the meaning set forth in Section 6.13.

“Program Management Agreement” means the Program Management Agreement, including the product schedules attached thereto, to be entered into by BofI, Block Financial and EFS concurrent with the Closing, pursuant to which EFS will provide certain services to BofI and will market and distribute BofI products and services.

“Pro Rata Adjustment” has the meaning set forth in Section 3.06.

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“Real Property” means the real property leased by HRB Bank in which the Bank Office is located, together with all improvements, improvements in progress, fixtures and appurtenances located thereon or related thereto.

“Receivables Participation Agreement” means the Emerald Advance Receivables Participation Agreement to be entered into by BofI, HRB and a subsidiary of Block Financial concurrent with the Closing, pursuant to which, from time to time, BofI will sell and such subsidiary will purchase participation interests in certain Emerald Advance Loans originated by BofI.

“Records” means all books, records and files relating primarily to the Transferred Assets and the Assumed Liabilities, in every format, in the possession or control of HRB Bank or any of its Affiliates, agents or service providers.

“Required Regulatory Approval” means a regulatory authorization, consent, order or approval from an Approving Authority required to complete any part of the Divestiture Transaction, including but not limited to (a) with respect to HRB Bank, approval of (i) the OCC, as the regulator of national banks, to complete (A) the Conversion, (B) the P&A Transaction and (C) the Affiliate Merger and (ii) the OCC, as the regulator of federal savings banks, to complete the Conversion; (b) with respect to Block Financial, H&R Block Group, Inc., and HRB, approval of the Board of Governors of the Federal Reserve System of a waiver of the application and filing requirements under section 3(a)(1) of the Bank Holding Company Act of 1956; and (c) with respect to BofI, approval of the OCC to complete the P&A Transaction, as appropriate.

“Residential Mortgage Loans” means each first or second lien residential mortgage Loan including all of HRB Bank’s right, title and interest in and to such Loan, including the servicing rights and all escrows related to such Loan.

“Retained Contracts” means all Contracts of HRB Bank that are not set forth in Section 4.11(b) of the HRB Bank Disclosure Schedule.

“Secured Credit Card Account” means each open-end credit account that is accessed by a credit card established pursuant to a cardholder agreement between HRB Bank and any individual, that is secured by a Deposit.

“Secured Credit Card Receivables” means any amounts shown on HRB Bank’s records as amounts payable by obligors on any Secured Credit Card Account.

“Tax” or “Taxes” means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs, duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, escheat, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not and including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

“Tax Return” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Third Party Claim” has the meaning set forth in Section 10.03(a).

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“Threshold Amount” has the meaning set forth in Section 10.04(a).

“Time Deposits” means Deposits that are time deposits or certificates of deposit.

“Transfer Amount” has the meaning set forth in Section 3.02(b).

“Transferred Assets” has the meaning set forth in Section 2.01.

“Transferred Loans” means all Consumer Loans, regardless of whether any such Consumer Loan has been written off on the books of HRB Bank or participated, in whole or in part, to a third party, including all Accrued Interest thereon.

“UMB Correspondent Accounts” means the three deposit accounts of HRB Bank with UMB Bank, n.a. which are HRB Bank’s primary operating and clearing accounts.

“Unsecured Credit Card Account” means each unsecured open-end credit account that is accessed by a credit card established pursuant to a cardholder agreement between HRB Bank and any individual.

“Unsecured Credit Card Receivables” means all amounts shown on HRB Bank’s records as amounts payable by obligors on any Unsecured Credit Card Account.

## ARTICLE II

### PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

**2.01. Purchase of Assets.** Subject to the terms, conditions, representations and warranties set forth in this Agreement, at the Closing, HRB Bank will sell, assign, transfer, grant, bargain, deliver and convey to BofI, and BofI will purchase and otherwise acquire from HRB Bank, free and clear of any Lien, HRB Bank’s entire right, title and interest in and to the following assets (the “Transferred Assets”):

- (a) the Transferred Loans, and all Accrued Interest on the Transferred Loans;
  - (b) the Overdrafts;
  - (c) the Assumed Contracts;
  - (d) the Records;
  - (e) the Contracts between HRB Bank and each depositor governing the terms and conditions of the Deposits (including the Brokered Deposits), the HRB Prepaid Cards and the Transferred Loans;
  - (f) all ABA routing numbers, BINs, and customer account numbers, transit routing numbers, and any other account numbers used or held for use in connection with the Transferred Assets and/or the Assumed Liabilities; and
  - (g) all security and/or other deposits and prepaid expenses exclusively relating to the Transferred Assets.
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No later than three (3) Business Days prior to the Closing Date, HRB Bank shall complete and provide to BofI (i) an electronic schedule, in form and substance reasonably acceptable to BofI, setting forth such information as BofI may reasonably request with respect to the Transferred Loans as they existed as of the cut-off date for such schedule which shall be not earlier than the fifth (5<sup>th</sup>) Business Day prior to the Closing Date and (ii) an electronic schedule in form and substance reasonably acceptable to BofI setting forth such information as BofI may reasonably request with respect to the Overdrafts as they existed as of the cut-off date for such schedule which shall be not earlier than the fifth (5<sup>th</sup>) Business Day prior to the Closing Date. The parties acknowledge and agree that the schedules to be delivered as provided in the preceding sentence are preliminary and will not account for changes in the Transferred Loans or Overdrafts between the cut-off dates of such schedules and the Closing Date. No later than five (5) Business Days after the Closing Date, HRB Bank shall deliver final electronic versions of the aforementioned schedules containing information regarding the Transferred Loans and the Overdrafts as of the close of business on the Closing Date.

## **2.02. Excluded Assets**

. Notwithstanding anything to the contrary in Section 2.01, all of the assets of HRB Bank that are not Transferred Assets, including the following assets, will be retained by HRB Bank and are excluded from the Transferred Assets (the “Excluded Assets”):

- (a) all Investment Securities;
  - (b) all Residential Mortgage Loans;
  - (c) all OREO;
  - (d) all commercial and industrial Loans;
  - (e) the Retained Contracts;
  - (f) HRB Bank’s membership interest in EFS;
  - (g) HRB Bank’s membership interest in Mortgage Holdings;
  - (h) HRB Bank’s equity interest in any other subsidiary or other entity;
  - (i) HRB Bank’s stock in the Federal Home Loan Bank of Des Moines (and any right to the proceeds of the redemption of such stock);
  - (j) all claims, demands or causes of action for refunds of taxes and governmental charges related to HRB Bank’s business;
  - (k) HRB Bank’s corporate seal, minute books, charter, corporate stock record books, tax records, organizational documents and such other books and records as pertain to the organization, taxation or capitalization of HRB Bank;
  - (l) any claims, demands or causes of action or rights associated with the Excluded Assets or the Excluded Liabilities;
  - (m) any intellectual property owned by, or licensed to, HRB Bank;
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- (n) any intercompany receivables from an Affiliate of HRB Bank;
- (o) the Secured Credit Card Accounts;
- (p) the Secured Credit Card Receivables;
- (q) the Other Correspondent Accounts;
- (r) the Operating Cash;
- (s) the Personal Property;
- (t) the Real Property; and
- (u) the UMB Correspondent Accounts.

### **2.03. Assumed Liabilities**

. Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date, BofI will assume and agree to pay and perform, as and when due, only those Liabilities of HRB Bank listed below in this Section 2.03 (the “Assumed Liabilities”):

- (a) all Deposits;
- (b) all HRB Prepaid Card Balances;
- (c) the payment and performance of obligations and other Liabilities (other than Excluded Liabilities) arising after the Closing Date relating to the Transferred Assets or the Assumed Contracts (other than (i) obligations or Liabilities arising out of or relating to a breach or non-performance of the terms thereof prior to the Closing and (ii) obligations or Liabilities payable after Closing but subject to proration as provided in Section 3.06, which obligations or Liabilities will be paid by BofI for HRB Bank’s account after Closing); and
- (d) the obligations under the Commitments (other than obligations arising out of or relating to a breach or non-performance thereof prior to the Closing).

No later than three (3) Business Days prior to the Closing Date, HRB Bank shall complete and provide to BofI (i) an electronic schedule, in form and substance reasonably acceptable to BofI, setting forth such information as BofI may reasonably request with respect to the Deposits as they existed as of the cut-off date for such schedule which shall be not earlier than the fifth (5<sup>th</sup>) Business Day prior to the Closing Date, (ii) an electronic schedule, in form and substance reasonably acceptable to BofI, setting forth such information as BofI may reasonably request with respect to the HRB Prepaid Card Balances as they existed as of the cut-off date for such schedule which shall be not earlier than the fifth (5<sup>th</sup>) Business Day prior to the Closing Date, and (iii) an electronic schedule, in form and substance reasonably acceptable to BofI, setting forth such information as BofI may reasonably request with respect to the Commitments as they existed as of the cut-off date for such schedule which shall be not earlier than the fifth (5<sup>th</sup>) Business Day prior to the Closing Date. The parties acknowledge and agree that the schedules to be delivered as provided in the preceding sentence are preliminary and will not account for changes in the Deposits, HRB Prepaid Card Balances and the Commitments between the cut-off dates of such schedules and the Closing Date. No later than five (5) Business Days after the Closing Date, HRB Bank

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shall deliver final electronic versions of the aforementioned schedules containing information regarding the Deposits, HRB Prepaid Card Balances and Commitments as of the close of business on the Closing Date.

**2.04. Excluded Liabilities.** Except as and to the limited extent specifically set forth in Section 2.03, BofI is not assuming any Liabilities of HRB Bank. HRB Bank is, and following the Closing HRB Bank will continue to be, responsible for all Liabilities of HRB Bank other than the Assumed Liabilities (collectively, the “Excluded Liabilities”). Without limiting the generality of the foregoing, the Excluded Liabilities include the following:

(a) any Liability arising out of or in connection with the business of HRB Bank or any transactions or series of transactions, any facts or series of facts existing, or any events or series of events to the extent they occurred on or prior to the Closing Date (other than the Liabilities expressly assumed by BofI pursuant to Section 2.03);

(b) any Liability with respect to employment or consulting agreements, pension, profit-sharing, welfare or benefit plans, or amounts owing for commissions or compensation, termination, severance or other payments to present or former employees, officers, managers or members of HRB Bank and/or to the spouse, dependents, and beneficiaries of such individuals, regardless of whether any such person is employed by HRB Bank or BofI following the Closing;

(c) any Liability of HRB Bank for any Taxes of any kind or nature, or any interest or penalties thereon, including any of HRB Bank's Tax obligations arising out of the transactions contemplated hereunder;

(d) all FHLB Advances (if any) and Federal Reserve Borrowings (if any);

(e) any Liability under or relating to the Retained Contracts;

(f) any Liability arising from or relating to the Excluded Assets;

(g) any Liability for commissions or other payments due to brokers on any Brokered Deposits incurred or accrued prior to the Closing Date;

(h) any Liabilities arising from or related to the Pending Litigation, which are expressly retained by HRB Bank and expressly excluded from the Assumed Liabilities to be assumed by BofI; and

(i) any fee payable by HRB Bank pursuant to its engagement letter with either of Goldman, Sachs. & Co. or First Annapolis Consulting, Inc. or any other broker, investment bank, consultant or other advisor engaged by HRB Bank, Block Financial or any Affiliate thereof and any other costs, expenses or other Liabilities incurred by HRB Bank, Block Financial or any Affiliate thereof in connection with the Divestiture Transactions.

**2.05. Nonassignable Contracts and Rights.** Notwithstanding anything to the contrary in this Agreement, no Contracts, Permits, properties, rights or other assets (collectively, the “Non-Assigned Assets”) of HRB Bank shall be deemed sold, transferred or assigned to BofI pursuant to this Agreement if the attempted sale, transfer or assignment thereof to BofI without the Consent of any other Person would be ineffective or would constitute a default or breach of Contract or a violation of any Law or

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Order, and such Consent is not obtained at or prior to the Closing. In such case, to the extent possible, (a) the beneficial interest in or to such Non-Assigned Assets (collectively, the "Beneficial Rights") shall in any event pass at the Closing to BofI under this Agreement; and (b) pending such Consent, BofI shall discharge, as agent for HRB Bank, the obligations of HRB Bank under such Beneficial Rights to the extent such obligations are Assumed Liabilities, and HRB Bank shall act as BofI's agent in the receipt of any benefits, rights or interest received from the Beneficial Rights. With respect to each Non-Assigned Asset, HRB Bank and Block Financial will comply with the covenants contained in Section 6.13(b).

### ARTICLE III

#### CLOSING AND TRANSFER AMOUNT

**3.01. Closing.** Unless this Agreement shall have been terminated in accordance with Article IX, the closing of the transactions contemplated by this Agreement (the "Closing") shall take place on September 30, 2015, or such earlier date as the parties may mutually agree upon in writing (the "Closing Date"), but subject to satisfaction of each of the conditions to Closing set forth in Article VIII hereof or waiver by the party entitled to the benefit thereof. The P&A Transaction, and all calculations made in connection therewith, shall be effective as of the close of HRB Bank's banking business on the Closing Date. The Closing will take place, subject to the satisfaction or waiver of all conditions set forth in Article VIII, at the offices of Stinson Leonard Street LLP, 1201 Walnut, Suite 2900, Kansas City, Missouri 64106.

**3.02. Transfer Amount.**

(a) In connection with the sale by HRB Bank to BofI of the Transferred Assets and the assumption by BofI of the Assumed Liabilities as provided for herein, at the Closing, if:

- (i) the Estimated Transfer Amount is negative, HRB Bank will transfer to BofI by wire transfer of immediately available funds to an account designated by BofI an amount equal to the Estimated Transfer Amount; or
- (ii) the Estimated Transfer Amount is positive, BofI will transfer to HRB Bank by wire transfer of immediately available funds to an account designated by HRB Bank an amount equal to the Estimated Transfer Amount.

(b) For purposes of this Agreement, the "Transfer Amount" will be equal to:

- (i) the aggregate book value of the Transferred Loans, plus all Accrued Interest on the Transferred Loans;
- (ii) *plus*, the aggregate book value of the Overdrafts;
- (iii) *minus*, the sum of (A) aggregate par value of the Deposits (without a premium), *plus* (B) all accrued and unpaid interest on the Deposits;
- (iv) *plus or minus (as applicable)* the Pro Rata Adjustment.

(c) If the Estimated Transfer Amount is a negative number then, prior to the Closing Date, Block Financial will make the Block Financial Capital Contribution; *provided, however*, that the

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failure of Block Financial to timely make the Block Financial Capital Contribution shall not relieve Block Financial or HRB Bank of their respective obligations under this Agreement.

(d) Three (3) Business Days prior to the Closing Date, HRB Bank shall deliver to BofI a written calculation of the Transfer Amount setting forth in reasonable detail HRB Bank's good faith best estimate of the Transfer Amount calculated as of the close of business on the date that is five (5) Business Days prior to the Closing Date, determined in accordance with GAAP (the "Estimated Transfer Amount") and shall make available the work papers, schedules and other supporting data used by HRB Bank to calculate and prepare the Estimated Transfer Amount. The Estimated Transfer Amount will be subject to the approval of BofI, which approval shall not be unreasonably delayed, conditioned or withheld.

(e) A pro forma hypothetical calculation of the Transfer Amount is included in Schedule 3.02.

### **3.03. Post-Closing Transfer Calculation.**

(a) Not later than the twentieth (20<sup>th</sup>) Business Day after the Closing Date, HRB shall deliver to BofI a written calculation (the "Post-Closing Transfer Calculation") of the Transfer Amount setting forth in reasonable detail the Transfer Amount calculated as of the close of business on the Closing Date, determined in accordance with GAAP (the "Final Transfer Amount") and shall make available the work papers, schedules and other supporting data used by HRB Bank to calculate and prepare the Post-Closing Transfer Calculation to enable BofI to verify the accuracy of the Final Transfer Amount.

(b) If HRB Bank and BofI are unable to agree upon the Post-Closing Transfer Calculation within ten (10) Business Days after HRB delivers the Post-Closing Transfer Calculation, the disputed items or amounts concerning the Post-Closing Transfer Calculation shall be determined by PricewaterhouseCoopers LLP (the "Accounting Firm") within fourteen (14) Business Days following the submission of such disputed items or amounts to the Accounting Firm. In making such calculation, the Accounting Firm may only consider those items or amounts in the Post-Closing Transfer Calculation as to which HRB Bank and BofI have disagreed, and the Accounting Firm shall act as an expert and not an arbitrator. The fees of the Accounting Firm incurred in determining the Post-Closing Transfer Calculation will be paid equally by HRB Bank and BofI. Except as set forth on Schedule 3.03, neither HRB Bank, Block Financial or their Affiliates (on the one side), or BofI, BofI Holding or their Affiliates (on the other side) have engaged the Accounting Firm for services in the last two years.

**3.04. Final Settlement.** On the Business Day immediately following the day on which the Post-Closing Transfer Calculation shall have been finally determined pursuant to the terms of Section 3.03 (the "Final Settlement Date"), if the Final Transfer Amount is greater than the Estimated Transfer Amount, then BofI shall pay the difference to HRB Bank. If the Final Transfer Amount is less than the Estimated Transfer Amount, then HRB Bank shall pay the difference to BofI. In each case such payment shall be made within three (3) Business Days after the Final Settlement Date by wire transfer in immediately available funds to an account designated in writing by HRB Bank to BofI or to an account designated in writing by BofI to HRB Bank, as applicable. Any payment pursuant to this Section 3.04 (the "Final Transfer Payment") shall include interest on such amount for the number of days from and including the Closing Date to but excluding the Final Settlement Date at a rate equal to the effective Federal Funds rate as published by the Board of Governors of the Federal Reserve System on the Final Settlement Date. If the Final Settlement Date is not a Business Day, the Federal Funds Rate shall be the rate applicable to federal funds transactions on the immediately preceding day for which such rate is reported.

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**3.05. Purchase Price Allocation.** The allocation of the consideration paid by Bofl is intended to comply with the allocation method required by Section 1060 of the Code. The parties will each report the federal, state and local and other tax consequences of the P&A Transaction (including the filing of Internal Revenue Service Form 8594) in a manner consistent with such allocation and take no position in any tax filing, return, proceeding, audit or otherwise which is inconsistent with such allocation, unless required to do so by law as interpreted or modified subsequent to the Closing Date. Within thirty (30) days following the Closing Date, Bofl shall provide to HRB Bank a schedule showing Bofl's proposed allocation of the consideration payable with respect to the Transferred Assets. Bofl, on the one hand, and HRB Bank on the other, shall agree upon such allocation within sixty (60) days after the Closing Date; provided that if Bofl and HRB Bank are unable to agree upon an allocation schedule within such sixty (60) day period, the allocation schedule shall be prepared by the Accounting Firm, who shall be mutually engaged by HRB Bank and Bofl for such purpose. The fees of the Accounting Firm incurred in preparing the allocation schedule shall be paid equally by Bofl and HRB Bank.

**3.06. Prorations.** The parties intend that HRB Bank will own the Transferred Assets and be responsible for the Assumed Liabilities for its own account until the close of business on the Closing Date, and that Bofl will own the Transferred Assets and be responsible for the Assumed Liabilities for its own account after the close of business on the Closing Date. Thus, except as otherwise specifically provided in this Agreement, items of expense and income directly attributable to the Transferred Assets and Assumed Liabilities, other than any general overhead expenses of HRB Bank, will be prorated as of the close of business on the Closing Date, whether or not such adjustment would normally be made as of such time, including any payments due or made on any Assumed Contracts. The aggregate net amount of such proration shall result in an adjustment (the "Pro-Rata Adjustment") in the calculation of the Estimated Transfer Amount and the Final Transfer Amount as provided for in Section 3.02 and Section 3.04, respectively. A schedule setting forth the items of income and expense expected to be prorated with respect to the Transferred Assets and Assumed Liabilities is attached as Schedule 3.06.

**3.07. Custodial Accounts.** At the Closing, HRB Bank will resign as custodian with respect to any individual retirement account included as part of the Assumed Liabilities as to which HRB Bank is custodian (the "Custodial Account"). At the Closing, HRB Bank will designate and appoint Bofl as successor custodian under each such Custodial Account. Bofl covenants and agrees that it will, following its designation or appointment as successor custodian under the Custodial Accounts, perform, fulfill, and discharge each of the obligations required to be performed by the custodian with respect to such Custodial Accounts pursuant to Law, or pursuant to the governing documents establishing such Custodial Account.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF HRB BANK AND BLOCK FINANCIAL

As a material inducement to Bofl to enter into and perform its obligations under this Agreement, except as disclosed in the Disclosure Schedule (the "HRB Bank Disclosure Schedule") delivered by HRB Bank and Block Financial to Bofl before the execution of this Agreement, HRB Bank and Block Financial, jointly and severally, hereby represent and warrant to Bofl that the statements contained in this Article IV are true and correct as of the date hereof (unless they are made as of a specific date, in which case they shall be true and correct as of such specific date) and will be true and correct as of the Closing (unless they are made as of a specific date, in which case they shall be true and correct as of such specific date);

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#### **4.01. Organization and Authority.**

(a) HRB Bank is a federal savings bank, duly organized and validly existing under the Laws of the United States. HRB Bank has all requisite corporate power and authority to carry on its business as now being conducted, to own, lease and operate its properties and assets as now owned, leased or operated and to enter into and to carry on the business and activities now conducted by it. True and complete copies of all HRB Bank Constituent Documents, as amended to date, have been made available to BofI. HRB Bank is an insured bank as defined in the FDIA. HRB Bank does not own or control any Affiliate or subsidiary other than EFS and Mortgage Holdings. HRB Bank is the sole Member of EFS and Mortgage Holdings. Other than the Member Interests in EFS and Mortgage Holdings, HRB Bank has no equity interest, direct or indirect, in any other corporation or in any partnership, joint venture or other business enterprise or entity.

(b) Block Financial is a limited liability company, duly organized and validly existing and in good standing under the laws of the State of Delaware. Block Financial has all requisite limited liability company power and authority to carry on its business as now being conducted, to own, lease and operate its properties and assets as now owned, leased or operated and to enter into and to carry on the business and activities now conducted by it, and is duly qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership, leasing or operation of its properties and assets makes such qualification necessary, except where the failure to be so qualified and in good standing would not reasonably be expected to create a Material Adverse Change.

#### **4.02. Execution and Delivery.**

(a) HRB Bank has the corporate power and authority to execute, deliver and perform this Agreement, the Ancillary Agreements to which it is a party, and any documents, agreements or instruments to be executed by HRB Bank pursuant to this Agreement or any Ancillary Agreement, and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Agreements to which it is a party by HRB Bank and the consummation by HRB Bank of the transactions contemplated hereby have been duly authorized by the Board of Directors of HRB Bank and, other than the approval of the Divestiture Transaction by the sole shareholder of HRB Bank (which approval will be obtained promptly following the execution of this Agreement), no other corporate proceedings are necessary to authorize this Agreement and the Divestiture Transaction. This Agreement has been, and the Ancillary Agreements to which it is a party and the other agreements and documents contemplated hereby and thereby, have been or at Closing will be, duly executed by HRB Bank, and each constitutes or will, assuming the due execution thereof by each of the other parties thereto, constitute the legal, valid and binding obligation of HRB Bank, enforceable in accordance with its respective terms and conditions, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, receivership, moratorium or similar Laws affecting creditors' rights and remedies and by general principles of equity, including principles of commercial reasonableness, good faith and fair dealing, regardless of whether enforcement is sought in a proceeding at law or in equity.

(b) Block Financial has the limited liability company power and authority to execute, deliver and perform this Agreement, the Ancillary Agreements to which it is a party, and any documents, agreements or instruments to be executed by Block Financial pursuant to this Agreement or any Ancillary Agreement to which it is a party, and to consummate the transactions contemplated hereby and thereby. Block Financial has taken all limited liability company action necessary (and no further action or proceeding on the part of Block Financial or its members is necessary) to authorize the execution, delivery

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and performance of this Agreement, the Ancillary Agreements to which it is a party and any documents, agreements or instruments to be executed by Block Financial pursuant to this Agreement, the Ancillary Agreements to which it is a party, and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and the Ancillary Agreements to which it is a party and the other agreements and documents contemplated hereby and thereby, have been or at Closing will be, duly executed by Block Financial and each constitutes or will, assuming the due execution thereof by each of the other parties thereto, constitute the legal, valid and binding obligation of Block Financial, enforceable in accordance with its respective terms and conditions, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, receivership, moratorium or similar laws affecting creditors' rights and remedies generally and by general principles of equity, including principles of commercial reasonableness, good faith and fair dealing, regardless of whether enforcement is sought in a proceeding at law or in equity.

**4.03. Capitalization of HRB Bank.** The entire authorized capital stock of HRB Bank consists of 10,000 shares of common stock, par value \$1.00 per share (the "HRB Bank Common Stock"). As of the date hereof, 100 shares of HRB Bank Common Stock are issued and outstanding and all 100 of such shares are owned, legally and beneficially, by Block Financial. All of the shares of HRB Bank Common Stock have been duly authorized, validly issued, and are fully paid and nonassessable, and have not and will not have been issued in violation of the preemptive rights of any Person.

**4.04. Compliance with Laws, Permits and Instruments.**

(a) HRB Bank has performed and abided by all obligations required to be performed by it to the date hereof, and has complied with, and is in compliance with, and is not in default (and with the giving of notice or the passage of time will not be in default) under, or in violation of, (i) any provision of the HRB Bank Constituent Documents, (ii) any provision of any Contract applicable to the Transferred Assets or Assumed Liabilities, except where nonperformance, noncompliance, default or violation would not reasonably be expected to result in a Material Adverse Change, (iii) any Law, Order or Permit applicable to HRB Bank, except where nonperformance, noncompliance, default or violation would not reasonably be expected to result in a Material Adverse Change, or (iv) any Law, Order or Permit applicable specifically to the Transferred Assets or Assumed Liabilities, in any material respect.

(b) The execution, delivery and (provided the Required Regulatory Approvals are obtained) performance of this Agreement and the other agreements contemplated hereby, and the completion of the transactions contemplated hereby and thereby will not conflict with, result in any violation or breach of or result in a default, under (i) the HRB Bank Constituent Documents (ii) any provision of any Contract, applicable to the Transferred Assets or Assumed Liabilities, except where such conflict, breach, default or violation would not reasonably be expected to result in a Material Adverse Change, or (iii) any Law, Order or Permit applicable to HRB Bank, the Transferred Assets or Assumed Liabilities, in any material respect.

**4.05. Financial Statements.** HRB Bank and Block Financial have made available to Boff true and complete copies of the financial statements of each of HRB Bank and Block Financial identified in Section 4.05 of the HRB Bank Disclosure Schedule (the "HRB Financial Statements"). The HRB Financial Statements (including the related notes) compiled as to form, as of their respective dates, in all material respects with applicable accounting requirements, have been prepared in accordance with GAAP, fairly present the financial condition of each of HRB Bank and Block Financial at the dates thereof and the results of operations for the periods then ended (subject, in the case of unaudited financial statements, to notes and normal year-end audit adjustments that were not material in amount or effect),

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and the accounting records underlying the HRB Financial Statements accurately and fairly reflect in all material respects the transactions of HRB Bank and Block Financial. The Assumed Liabilities have been reflected in the HRB Financial Statements and other material financial records (including those delivered or made available to any Governmental Entity) in accordance with GAAP or regulatory accounting principles, as applicable, and all applicable legal and regulatory requirements. Since January 1, 2009, HRB Bank's and Block Financial's external auditor was independent of HRB Bank and Block Financial and their management. As of the date hereof, HRB Bank's and Block Financial's external auditor has not resigned or been dismissed as a result of or in connection with any disagreements with HRB Bank or Block Financial on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

**4.06. Undisclosed Liabilities.** Neither HRB Bank nor Block Financial has any material Liability that is not reflected in or disclosed in the HRB Financial Statements.

**4.07. Litigation.** Except for Litigation listed in Section 4.07 of the HRB Bank Disclosure Schedule (the “Pending Litigation”), there is no Litigation pending or, to HRB Bank’s Knowledge, threatened against either of HRB Bank or Block Financial at law or in equity, or by or before any Governmental Entity (a) relating to the Transferred Assets or the Assumed Liabilities or (b) that challenges the validity of this Agreement or the transactions contemplated hereby, that challenges any actions taken or to be taken by HRB Bank or Block Financial pursuant hereto or thereto or that seeks to enjoin or otherwise restrain the transactions contemplated hereby or thereby. There is no material Litigation now pending in which HRB Bank or Block Financial is the plaintiff or claimant which relate to, or would reasonably be expected to materially affect Boffl's ownership, operation or use in its business of, the Transferred Assets or the Assumed Liabilities.

**4.08. Consents and Approvals.** No Consent or Order of any Governmental Entity or other Person is required on the part of HRB Bank or Block Financial in connection with the execution, delivery or performance of this Agreement by HRB Bank or Block Financial, or any agreement to be executed by HRB Bank or Block Financial contemplated hereby, or the completion by HRB Bank or Block Financial of the transactions contemplated hereby or thereby, and to HRB Bank’s Knowledge, no such Governmental Entity or other Person has indicated that it will withhold such Consent or Order.

**4.09. Ownership of Assets.** HRB Bank has good and transferable title to, or in the case of the Transferred Assets described in Sections 2.01(f), a valid license or right to use, the Transferred Assets, free and clear of all Liens.

**4.10. Absence of Certain Changes or Events.** Since April 30, 2013, HRB Bank has conducted its business only in the ordinary course and has not:

(a) Instituted, had instituted against it, settled or agreed to settle any Litigation relating to the Transferred Assets or Assumed Liabilities other than in the ordinary course of business;

(b) Made any, or acquiesced with any, material change in any accounting methods, principles or practices applicable to the Transferred Assets or Assumed Liabilities, except as required by applicable Law;

(c) Changed its interest rate or fee pricing policies or other material terms with respect to its Deposits, Loans or Commitments other than in the ordinary course of business;

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(d) Waived any material right related to the Transferred Assets or the Assumed Liabilities;

(e) Amended, terminated, waived, assigned or modified the terms of any Loan, Deposit or Commitment except in the ordinary course of business; or

(f) Entered into any agreement or made any commitment whether in writing or otherwise to take any of the types of action described in subsections (a) through (e) above.

#### **4.11. Contracts and Commitments.**

(a) HRB Bank is not a party to or bound by any Contract for the purchase or sale of any of the Transferred Assets or the assumption of the Assumed Liabilities, or for the grant of any preferential right to purchase any of the Transferred Assets or assume any of the Assumed Liabilities.

(b) Each of the Contracts identified in Section 4.11(b) of the HRB Bank Disclosure Schedule (the “Assumed Contracts”) and each of the Commitments constitutes and, on the Closing Date, each of the Assumed Contracts and the Commitments will constitute, the legal, valid and binding obligation of HRB Bank, and each of the other parties thereto. Each of the Assumed Contracts and Commitments is, and, on the Closing Date, will be, in full force and effect (except to the extent that any Assumed Contract or Commitment expires in accordance with its terms). HRB Bank has fulfilled and performed in all material respects its obligations under the Assumed Contracts and Commitments in accordance with their respective terms. Neither HRB Bank nor any other party to any Assumed Contract or Commitment is, or is alleged to be, in breach or default under any Assumed Contract or Commitment, nor does there exist any condition which with the passage of time or the giving of notice or both would result in a breach or default thereunder. HRB Bank has made available to BofI true and complete copies of each Assumed Contract and of the terms applicable to each Commitment.

(c) Section 4.11(c) of the HRB Bank Disclosure Schedule identifies each material Contract pursuant to which HRB Bank obtains services from a third party material to the administration or management of the Transferred Assets or the Assumed Liabilities.

#### **4.12. Taxes and Tax Returns.**

(a) HRB Bank has duly and timely filed all Tax Returns that it was required to file under applicable Law with the appropriate Federal, state, local or foreign governmental agencies. All such Tax Returns were correct and complete in all material respects and have been prepared in substantial compliance with all applicable Law. All Taxes due and owing by HRB Bank (whether or not shown on any Tax Return) have been paid. There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of HRB Bank.

(b) HRB Bank has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, depositor, shareholder, or other third party, and all information reporting (including Forms W-2, 1098 and 1099) required with respect thereto have been properly completed and timely filed. HRB Bank has timely and properly taken such actions in response to and in compliance with notices from the Internal Revenue Service in respect of information reporting and backup and nonresident withholding as are required by Law, including the notation in its records of any B notices or C notices received with respect to any customers, shareholders, or payees.

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(c) There is no dispute or claim concerning any Tax liability of HRB Bank either (i) claimed or raised by any authority in writing, or (ii) as to which any director or officer (or employee responsible for Tax matters) of HRB Bank has knowledge based upon personal contact with any agent of such authority. No claim has been made in writing by any Governmental Entity in a jurisdiction where HRB Bank does not file Tax Returns that HRB Bank is, or may be, subject to taxation by that jurisdiction.

(d) HRB Bank is not a party to or bound by any tax allocation or sharing agreement.

**4.13. No Material Adverse Change.** There has not been any Material Adverse Change with respect to HRB Bank or Block Financial since April 30, 2013, nor has any event or condition occurred that has resulted in, or would be reasonably likely to result in, a Material Adverse Change with respect to HRB Bank or Block Financial.

**4.14. Evidences of Indebtedness.** All of the Transferred Loans and Overdrafts are legal, valid and binding obligations of the respective obligors thereof, enforceable in accordance with their respective terms, and are not subject to any known or, to HRB Bank's Knowledge, any threatened, defenses, offsets or counterclaims that may be asserted against HRB Bank or any subsequent holder thereof; provided, however that the enforceability of the Loans may be affected by bankruptcy, reorganization, insolvency and similar laws of general application relating to or affecting the rights or remedies of creditors generally and by equitable principles that may be applied by a court in construing or enforcing such Loans. Any collateral securing a Transferred Loan is (i) the collateral described in the applicable security agreement, mortgage, pledge, collateral assignment or other security document and (ii) subject to a valid, enforceable and perfected Lien.

**4.15. Regulatory Compliance.** HRB Bank is not subject to any Order of any Governmental Entity other than Orders broadly applicable to similarly situated financial institutions. Other than routine regulatory examinations, there are no actions or proceedings pending or, to HRB Bank's Knowledge, threatened against HRB Bank or affecting or relating to in any material manner the Transferred Assets or the Assumed Liabilities by or before any Governmental Entity. HRB Bank has not received notice from any Governmental Entity indicating that it would oppose or not grant or issue its Consent, if required, with respect to the transactions contemplated by this Agreement.

**4.16. Books and Records.** The Records (a) have been accurately maintained in all material respects in the ordinary course of business, (b) are substantially complete and correct in all material respects, (c) have only entered transactions therein that represent bona fide transactions, (d) do not fail to reflect transactions involving the business of HRB Bank that properly should have been set forth therein and that have not been accurately so set forth, (e) comply with all applicable Laws and (f) are sufficient to allow Boff to manage the Transferred Assets and Assumed Liabilities in the same manner as they have been managed by HRB Bank and Block Financial.

**4.17. Financial Products and Services.** Each of the financial products and services that are a part of the Transferred Assets or Assumed Liabilities is, and at all times has been, offered and sold in compliance in all material respects with all applicable Laws.

**4.18. Interest Rate Risk Management Instruments.** HRB Bank has no interest rate swaps, caps, floors, option agreements or other interest rate risk management arrangements, entered into for the account of HRB Bank.

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**4.19. Participations.** Each outstanding Emerald Advance and Unsecured Credit Card Receivable originated by HRB Bank has been, or will be prior to the Closing, fully participated to an H&R Block Affiliate in a participation arrangement that meets GAAP requirements for de-recognition of assets.

**4.20. Finder's Fee.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or any of the transactions contemplated hereby based upon arrangements made by or on behalf of HRB Bank, or any officer, member, director or employee of HRB Bank, or any Affiliate of HRB Bank.

**4.21. Custodial Accounts.** HRB Bank has no Custodial Accounts other than individual retirement accounts. HRB Bank has managed the Custodial Accounts included in the Transferred Assets at all times in compliance in all material respects with Law and the governing documents of such Custodial Accounts.

**4.22. Trust Accounts.** HRB Bank has no trust accounts, trust assets or any other accounts or relationships of a fiduciary nature.

**4.23. Deposits.** Subject to applicable Law, all of the Deposits (other than Time Deposits) may be re-priced by HRB Bank in the ordinary course of business. All of the Deposits (including the Records pertaining to such Deposits) have been established and are held in compliance in all material respects with (i) all applicable policies, practices and procedures of HRB Bank, and (ii) all applicable Laws, including anti-money laundering, anti-terrorism, or embargoed persons requirements. All of the Deposit accounts are insured to the maximum limit set by the FDIC and any premiums and assessments required to be paid in connection therewith have been fully paid, and no proceedings for the termination or revocation of such insurance are pending, or to HRB Bank's Knowledge threatened.

**4.24. Customer Information Security.** To HRB Bank's Knowledge no facts or circumstances exist that would cause HRB Bank to be deemed not to be in satisfactory compliance in any material respect with the applicable privacy of customer information requirements contained in any applicable federal and state privacy laws and regulations, including, without limitation, in Title V of the Gramm-Leach-Bliley Act of 1999 and regulations promulgated thereunder, as well as the provisions of any information security program adopted by HRB Bank pursuant to 12 C.F.R. Part 170.

**4.25. Prior Purchase and Assumption Agreement.**

(a) A true and complete copy, excluding the schedules, of the Purchase and Assumption Agreement, dated as of July 11, 2013 (the "Prior P&A Agreement"), among Republic Bank & Trust Company, a Kentucky bank and trust company, HRB Bank and Block Financial was included as Exhibit 10.1 to H&R Block's form 8-k, filed with the Securities and Exchange Commission on July 11, 2013.

(b) HRB Bank and Block Financial have validly terminated the Prior P&A Agreement prior to entering into this Agreement.

**4.26. Available Funds.** Block Financial has, and as of the Closing Date will have, access to sufficient funds to make any required Block Financial Capital Contribution.

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**4.27. Disclosure.** No representation or warranty by HRB Bank or Block Financial in this Agreement, nor any statement, certificate, schedule or exhibit hereto furnished or to be furnished by or on behalf of HRB Bank or Block Financial pursuant to this Agreement or in connection with transactions contemplated hereby, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES OF BOFI

As a material inducement to HRB Bank and Block Financial to enter into and perform its obligations under this Agreement, except as disclosed in the Disclosure Schedule (the “Bofi Disclosure Schedule”) delivered by Bofi to HRB Bank and Block Financial before the execution of this Agreement, Bofi hereby represents and warrants to HRB Bank and Block Financial that the statements contained in this Article V are true and correct as of the date hereof (unless they are made as of a specific date, in which case they shall be true and correct as of such specific date) and will be true and correct as of the Closing (unless they are made as of a specific date, in which case they shall be true and correct as of such specific date):

**5.01. Organization and Authority.** Bofi is a federal savings bank duly organized and validly existing under the Laws of the United States. Bofi has all requisite corporate power and authority to carry on its business as now being conducted, to own, lease and operate its properties and assets as now owned, leased or operated and to enter into and to carry on the business and activities now conducted by it. True and complete copies of all Constituent Documents of Bofi, as amended to date, have been made available to HRB Bank. Bofi is an insured bank as defined in the FDIA.

**5.02 Execution and Delivery.** Bofi has the corporate power and authority to execute, deliver and perform this Agreement, the Ancillary Agreements to which it is a party and any documents, agreements or instruments to be executed by Bofi pursuant to this Agreement or any Ancillary Agreement, and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Agreements to which it is a party by Bofi and the consummation by Bofi of the transactions contemplated hereby have been duly authorized by the Board of Directors of Bofi, and no other corporate proceedings are necessary to authorize this Agreement and the P&A Transaction. This Agreement has been, and the Ancillary Agreements to which it is a party, and the other agreements and documents contemplated hereby and thereby, have been or at Closing will be, duly executed by Bofi, and each constitutes or will, assuming the due execution thereof by each of the other parties thereto, constitute the legal, valid and binding obligation of Bofi, enforceable in accordance with its respective terms and conditions, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, receivership, moratorium or similar Laws affecting creditors’ rights and remedies and by general principles of equity, including principles of commercial reasonableness, good faith and fair dealing, regardless of whether enforcement is sought in a proceeding at law or in equity.

**5.03. Compliance with Laws, Permits and Instruments.**

(a) Bofi has performed and abided by all obligations required to be performed by it to the date hereof, and has complied with, and is in compliance with, and is not in default (and with the giving of notice or the passage of time will not be in default) under, or in violation of, (i) any provision of its Constituent Documents, (ii) any provision of any Contract, except where nonperformance,

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noncompliance, default or violation would not reasonably be expected to result in a Material Adverse Change, or (iii) any Law, Order or Permit applicable to Bofl, except where nonperformance, noncompliance, default or violation would not reasonably be expected to result in a Material Adverse Change.

(b) The execution, delivery and (provided the Required Regulatory Approvals are obtained) performance of this Agreement and the other agreements contemplated hereby, and the completion of the transactions contemplated hereby and thereby will not conflict in any material respect with, result in any violation or breach of or result in a material default, under (i) Bofl's Constituent Documents (ii) any provision of any Contract, applicable to Bofl's activities, except where nonperformance, noncompliance, default or violation would not reasonably be expected to result in a Material Adverse Change, or (iii) any Law, Order or Permit applicable to Bofl.

**5.04. Consents and Approvals.** No Consent or Order of any Governmental Entity or other Person is required on the part of Bofl in connection with the execution, delivery or performance of this Agreement by Bofl, or any agreement to be executed by Bofl contemplated hereby, or the completion by Bofl of the transactions contemplated hereby or thereby, and to Bofl's Knowledge, no such Governmental Entity or other Person has indicated that it will withhold such Consent or Order.

**5.05. Financial Statements.** Bofl has made available to HRB Bank true and complete copies of the Bofl Holding financial statements identified in Section 5.05 of the Bofl Disclosure Schedule (the "Bofl Financial Statements"). The Bofl Financial Statements (including the related notice) complied as to form, as of their respective dates, in all material respects with applicable accounting requirements, have been prepared in accordance with GAAP, fairly present the financial condition of Bofl at the dates thereof and the results of operations for the periods then ended (subject, in the case of unaudited financial statements, to notes and normal year-end audit adjustments that were not material in amount or effect), and the accounting records underlying the Bofl Financial Statements accurately and fairly reflect in all material respects the transactions of Bofl. Since January 1, 2009, Bofl's and Bofl Holding's external auditor was independent of Bofl and Bofl Holdings and their management. As of the date hereof, Bofl's and Bofl Holding's external auditor has not resigned or been dismissed as a result of or in connection with any disagreements with Bofl or Bofl Holdings on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

**5.06. Undisclosed Liabilities.** Bofl does not have any material Liability that is not reflected in or disclosed in the Bofl Financial Statements.

**5.07. Litigation.** There is no Litigation pending or, to Bofl's Knowledge, threatened against Bofl at law or in equity, or by or before any Governmental Entity (a) relating to the Transferred Assets or the Assumed Liabilities or (b) that challenges the validity of this Agreement or the transactions contemplated hereby, that challenges any actions taken or to be taken by Bofl pursuant hereto or thereto or that seeks to enjoin or otherwise restrain the transactions contemplated hereby or thereby.

**5.08. Regulatory Compliance.** Bofl is not subject to any Order of any Governmental Entity other than Orders broadly applicable to similarly situated financial institutions. Other than routine regulatory examinations, there are no actions or proceedings pending or, to Bofl's Knowledge, threatened against Bofl by or before any Governmental Entity. Bofl has not received notice from any Governmental Entity indicating that it would oppose or not grant or issue its Consent, if required, with respect to the transactions contemplated by this Agreement.

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**5.09. Finder's Fee.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or any of the transactions contemplated hereby based upon arrangements made by or on behalf of BofI, or any officer, member, director or employee of BofI, or any Affiliate of BofI.

**5.10. Association Rights.** BofI is a member in good standing of MasterCard and has full authority under applicable MasterCard operating regulations to issue Emerald Cards and to use and display MasterCard trademarks.

**5.11. Nevada Branch.** BofI has filed all regulatory notices and applications required under 12 C.F.R. § 145.93 or otherwise to open and operate a new full service branch in Reno, Nevada (the "Nevada Branch").

**5.12. Disclosure.** No representation or warranty by BofI in this Agreement, nor any statement, certificate, schedule or exhibit hereto furnished or to be furnished by or on behalf of BofI pursuant to this Agreement or in connection with transactions contemplated hereby, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading.

## ARTICLE VI

### COVENANTS

**6.01. Conduct of the Business in the Ordinary Course.** Except as otherwise expressly contemplated under this Agreement or disclosed in Schedule 6.01, between the date of this Agreement and the Closing, HRB Bank will conduct its business only in the ordinary course of business consistent with past custom and practice with respect to the Transferred Assets and Assumed Liabilities, and shall incur no Assumed Liabilities other than in the ordinary course of business consistent with past custom and practice.

**6.02. Required Acts.** In furtherance of and without limiting Section 6.01, except as otherwise expressly contemplated under this Agreement, between the date of this Agreement and the Closing, HRB Bank will:

- (a) Timely file all Tax Returns required to be filed by it and promptly pay all Taxes that become due and payable, except those being contested in good faith by appropriate proceedings, with adequate reserves established;
  - (b) Promptly classify and charge off Loans and make appropriate adjustments to loss reserves in accordance with the Call Report Instructions, applicable regulatory definitions and the Uniform Retail Credit Classification and Account Management Policy;
  - (c) Maintain its books of account in accordance with GAAP or regulatory accounting principles (as applicable);
  - (d) Promptly inform BofI of all material issues and developments arising in relation to the Transferred Assets and the Assumed Liabilities; and
  - (e) Promptly take all reasonable actions to wind down all Brokered Deposits.
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### 6.03. Prohibited Acts.

( a ) **HRB Bank.** In furtherance of and without limiting Section 6.01, except as specifically permitted under this Agreement, between the date of this Agreement and Closing, HRB Bank will not, without the prior written consent of BofI:

- (i) Amend, terminate, waive, assign or modify any of the terms of any Assumed Contract or Commitment, except in the ordinary course of business and only to the extent not adverse to HRB Bank or BofI;
- (ii) Amend, terminate, waive, transfer, assign or modify any of the terms of any Consumer Loan or Deposit, except in the ordinary course of business and only to the extent not materially adverse to HRB Bank or BofI;
- (iii) Amend, waive or modify HRB Bank's Consumer Loan and Deposit underwriting, credit servicing, collection and operating policies and procedures, except in response to changes in Applicable Laws and except in the ordinary course of business and only to the extent not materially adverse to HRB Bank or BofI;
- (iv) Offer rates or other material terms on any category of Loans, Overdraft or Deposits in a manner inconsistent with HRB Bank's past practices;
- (v) Sell, assign or transfer any Transferred Asset or Deposit to any other Person or, except as disclosed in the HRB Bank Disclosure Schedule, encumber or permit or suffer to exist any Lien on any Transferred Asset or Deposit;
- (vi) Take any action that could reasonably be expected to complicate, hinder or delay any Required Regulatory Approval; or
- (vii) Agree to do any of the foregoing.

( b ) **BofI.** Except as specifically permitted under this Agreement, between the date of this Agreement and Closing, BofI will not, without the prior written consent of HRB Bank, take any action that could reasonably be expected to complicate, hinder or delay any Required Regulatory Approval.

### 6.04. Regulatory Approvals.

( a ) Within seven (7) Business Days following the date of this Agreement, each of BofI, HRB Bank and Block Financial will (i) file all applications necessary to obtain the Required Regulatory Approvals with the Approving Authorities and (ii) publish all required public notices required in connection with the applications filed to obtain the Required Regulatory Approvals.

( b ) Each party will promptly furnish to the requesting party all information, data and documents required to be included in any regulatory application to be filed with the Approving Authorities; except to the extent that such information would be, or relates to information that would

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be, filed under a claim of confidentiality. Each party agrees to cooperate and join in with the other party in the preparation, execution and processing of all such applications. The party responsible for filing a regulatory application shall promptly deliver to the other party evidence of the filing of such application and a copy of the non-confidential portions of such application.

(c) The parties shall promptly advise each other upon receiving any communication from any Approving Authorities that would reasonably cause such party to believe that there is a likelihood that the Required Regulatory Approvals or any other consent or approval required hereunder will not be obtained or that the receipt of any such approval will be materially delayed.

(d) Each party will use its commercially reasonable best efforts to pursue and obtain the Required Regulatory Approvals and will promptly respond to all inquiries from the Approving Authorities. To the extent permitted by applicable law, each party shall promptly deliver to the other party a copy of each material Order and other correspondence received by such party from any Approving Authority or other Governmental Entity with respect to the Divestiture Transaction or any other transaction or agreement contemplated by this Agreement.

(e) Notwithstanding the foregoing or any other provision of this Agreement to the contrary, in no event shall any party hereto be obligated to, in connection with seeking Required Regulatory Approvals:

- (i) (A) agree to, or proffer to, divest or hold separate, or enter into any licensing (except those licensing agreements as may be required or contemplated by the Program Management Agreement) or similar arrangement with respect to, any material assets (whether tangible or intangible) or any material portion of any business of such party or its Affiliates, or (B) take any action, or commit to take any action, or agree to any condition or restriction (in each case including with respect to the terms of this Agreement or the Program Management Agreement), involving any party or any of such party's Affiliates or subsidiaries which, in the case of (A) or (B), such party determines, in its reasonable good faith judgment, is or is reasonably likely to be materially and unreasonably burdensome on such party's or its Affiliates' or subsidiaries' business following the Closing or would be reasonably likely to materially reduce the economic benefits of the transactions contemplated by this Agreement or the Program Management Agreement to such party to such a degree that such party would not have entered into this Agreement had such condition or restriction been known to it at the date hereof (a "Materially Burdensome Regulatory Condition"); or
  - (ii) litigate or contest any Litigation, whether judicial or administrative, (A) challenging or seeking to restrain or prohibit the consummation of the transactions contemplated by this Agreement, (B) seeking to prohibit or limit in any respect the ownership or operation by the party of any material asset (whether tangible or intangible) or any material portion of its business or to require the party to divest or hold separate, or enter into any licensing or similar arrangement with respect to, any asset (whether tangible or intangible) or any portion of its business as a result of the transactions contemplated by this Agreement, (C) seeking to impose
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limitations on the ability of BofI to acquire or hold, or exercise full rights of ownership of, any of the Transferred Assets or Assumed Liabilities, or (D) seeking to prohibit BofI from effectively controlling in any respect any of the Transferred Assets or Assumed Liabilities.

**6.05. Access to Information and Properties.** Between the date of this Agreement and the Closing Date, HRB Bank shall permit any officers, employees, representatives or agents of BofI, at BofI's cost and expense, access at all reasonable times to HRB Bank's assets and personnel, and disclose and make available to BofI and its officers, employees, representatives or agents, all books, papers and records relating to the Transferred Assets and the Assumed Liabilities as BofI may reasonably request. HRB Bank shall cause its personnel to provide reasonable assistance to BofI in BofI's investigation of matters relating to the Transferred Assets and the Assumed Liabilities; *provided* such assistance does not unreasonably interfere with such personnel's job duties. BofI will not exercise its rights under this section in a manner that materially disrupts the normal business operations of HRB Bank. Any information disclosed, or made available, between the parties hereto will at all times be subject to the Nondisclosure Agreement.

**6.06. Agreements and Consents.** Each of the parties hereto will use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, or advisable under applicable Laws to consummate and make effective the transactions contemplated by this Agreement as expeditiously as possible. HRB Bank will act diligently and reasonably in attempting to obtain, before the Closing Date, the Consents, in form and substance reasonably satisfactory to BofI, from any party to any Contract required to be obtained to assign or transfer any such Contract to BofI or interests therein.

**6.07. Fees and Expenses.** Except as otherwise set forth in this Agreement, HRB Bank and Block Financial will pay their own, and BofI will pay its own, out-of-pocket expenses in connection with this Agreement, including appraisal, accounting, consulting, professional and legal fees, if any, whether or not the transactions contemplated by this Agreement are consummated.

**6.08. Employees.** Between the date of this Agreement and the Closing Date, BofI will not hire any employee of HRB Bank and HRB Bank will not hire any employee of BofI.

**6.09. Notification.** Prior to the Closing Date:

(a) HRB Bank and Block Financial shall promptly provide BofI (after HRB Bank or Block Financial has notice thereof) with written notice of, and keep BofI advised as to, (a) any Material Adverse Change in the Transferred Assets or the Assumed Liabilities and (b) any pending or, to HRB Bank's Knowledge, threatened or anticipated Litigation that challenges any part of the Divestiture Transaction.

(b) BofI shall promptly provide HRB Bank and Block Financial (after BofI has notice thereof) with written notice of, and keep HRB Bank advised as to any pending or, to BofI's Knowledge, threatened or anticipated Litigation that challenges any part of the Divestiture Transaction.

**6.10. BINs.** The BINs shall be transferred to BofI on a mutually agreed date on or about the Closing Date. With respect to the BINs transfer, each party shall use commercially reasonable efforts to assist in the transfer of the BINs to BofI, including providing any notices to, or obtaining any consents from, MasterCard.

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**6.11. Exclusive Dealing.** During the period beginning on the date of this Agreement and continuing through the earlier of the Closing Date or the termination of this Agreement, (a) neither HRB Bank nor Block Financial will, directly or indirectly, through any representative or otherwise, solicit or entertain offers from, negotiate with or accept, any proposal of any other person relating to any of the Transferred Assets, the P&A Transaction or the transactions contemplated by the Program Management Agreement and the Receivables Participation Agreement (or any similar transaction) or the assets, liabilities or business, in whole or in part, of HRB Bank (any such offer or proposal, a "Competing Proposal"), and (b) BofI will not negotiate or enter into any arrangement or transaction similar to those contemplated by the Program Management Agreement with any other tax return preparer. HRB Bank, Block Financial and their respective Affiliates shall immediately cease and cause to be terminated any existing discussions or negotiations with any Persons conducted heretofore with respect to any Competing Proposal.

**6.12. Nevada Branch Opening.** BofI shall complete the opening of its Nevada Branch by the Closing Date.

**6.13. Execution and Delivery of Program Contracts.** At the Closing on the Closing Date, BofI, HRB Bank and Block Financial will execute and deliver (and Block Financial will cause its Affiliates to execute and deliver) each of the following program agreements (collectively, the "Program Agreements"):

- (a) Program Management Agreement, substantially in the form attached hereto as Exhibit G;
  - (b) Guaranty Agreement, substantially in the form attached hereto as Exhibit H;
  - (c) Emerald Advance Receivables Participation Agreement, substantially in the form attached hereto as Exhibit I;
  - (d) Company Financial Products Distribution Agreement, substantially in the form attached hereto as Exhibit J;
  - (e) Franchisee Financial Products Distribution Agreement, substantially in the form attached hereto as Exhibit K; provided, however, that the franchisees will not sign the Franchisee Financial Products Distribution Agreement on the Closing Date;
  - (f) Trademark Licensing Agreement, substantially in the form attached hereto as Exhibit L;
  - (g) Trademark Licensing Agreement, substantially in the form attached hereto as Exhibit M;
  - (h) Collection Services Agreement, substantially in the form attached hereto as Exhibit N;
  - (i) Amended and Restated Legacy Emerald Advance Participation Agreement, substantially in the form attached hereto as Exhibit O; and
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(j) Amended and Restated Legacy Emerald Unsecured Credit Card Participation Agreement, substantially in the form attached hereto as Exhibit P.

**6.14. Further Assurances.** From time to time after the Closing, each party, without further consideration, shall execute and deliver, or cause to be executed and delivered, such instruments and take such action as may be reasonably necessary or requested by the other party in order to carry out the transactions contemplated by this Agreement. Without limiting the foregoing, on and after the Closing Date, HRB Bank and Block Financial shall (a) give such further assistance to BofI and shall execute, acknowledge, and deliver all such instruments and take such further action as may be reasonably necessary and appropriate or reasonably requested by BofI effectively to transfer to, and vest in, BofI full, legal, and equitable title to the Transferred Assets and Assumed Liabilities and put BofI in possession of the Transferred Assets, (b) in the case of Contracts and other interests included in the Transferred Assets (including any Non-Assigned Assets) (i) which cannot be transferred or assigned effectively without the Consent of third parties which Consent has not been obtained prior to the Closing, exercise commercially reasonable efforts, and cooperate with BofI in exercising commercially reasonable efforts, to obtain such Consent promptly, and if any such Consent is unobtainable, to use its commercially reasonable efforts to secure to BofI the benefits thereof in some other manner or (ii) which are otherwise not transferable or assignable, to use its commercially reasonable efforts jointly with BofI to secure to BofI the benefits and burdens thereof in some other manner (including the exercise of the rights of HRB Bank thereunder), in the case of each of clause (i) and (ii) immediately above to the extent requested by, and at the option of, BofI; provided, however, that nothing herein shall relieve HRB Bank or Block Financial of their obligations under any other section of this Agreement, and (c) use reasonable efforts to assist BofI in the orderly transfer of the Transferred Assets and Deposits.

## ARTICLES VII

### POST-CLOSING

**7.01. Affiliate Merger.** Subject to regulatory approval, promptly following the Closing, HRB Bank will merge with and into Block Financial. Pursuant to the Affiliate Merger, Block Financial will succeed to all of the remaining assets and liabilities of HRB Bank. As a result of the Affiliate Merger, HRB Bank will surrender its bank charter and cease to exist as a separate legal entity.

**7.02. Filings; Power of Attorney.** BofI may file with Governmental Entities, on behalf and in the name of HRB Bank, all assignments related to the Loans and any financing statement amendments and any other documents covered by the Power of Attorney to be executed by HRB Bank on or after the Closing Date.

**7.03 Overdrafts True-Ups.** Block Financial agrees to indemnify BofI for the aggregate amount of all Overdrafts purchased by BofI that are not covered by subsequent Customer deposits or loads to HRB Prepaid Cards within sixty (60) days after the Closing Date. For a period of three (3) years after the Closing Date, BofI agrees to reimburse Block Financial, on a quarterly basis, for each Overdraft purchased by BofI with respect to which (i) Block Financial indemnified BofI pursuant to the preceding sentence and (ii) BofI thereafter obtains a recovery, either through a subsequent Customer deposit, load to an HRB Prepaid Card or otherwise, to the extent of such recovery.

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## ARTICLE VIII

### CONDITIONS

**8.01. Conditions to Obligations of HRB Bank and Block Financial.** The obligation of HRB Bank and Block Financial to effect the P&A Transaction is subject to the fulfillment of HRB Bank's and Block Financial's written waiver at or prior to the Closing Date of all of the following additional conditions:

(a) **Regulatory Approvals.** All Required Regulatory Approvals have been obtained and remain in full force and effect and all applicable waiting periods have expired, and no such Regulatory Approval shall contain or shall have resulted in, or would reasonably be expected to result in, the imposition of any Materially Burdensome Regulatory Condition.

(b) **Representations and Warranties.** The representations and warranties of BofI set forth in this Agreement are true and correct in all material respects as of the date of this Agreement and as of the Closing Date (as though made on and as of the Closing Date except (i) to the extent such representations and warranties are by their express provisions made as of a specific date, and (ii) for the effect of changes or transactions permitted or contemplated by this Agreement).

(c) **Performance of Obligations.** BofI has performed all obligations, covenants and agreements required to be performed by it under this Agreement, in all material respects, prior to the Closing Date, including the delivery of the documents described in Section 8.01(j).

(d) **No Adverse Action.** No Law or Order shall have been promulgated, enacted, entered, enforced or deemed applicable to this Agreement or the transactions contemplated hereby by any Governmental Entity that would (i) make this Agreement or any other agreement contemplated hereby, or any part of the Divestiture Transaction, illegal, invalid or unenforceable, or (ii) impose material limits in the ability of any party to this Agreement to complete this Agreement or any other agreement contemplated hereby, or any part of the Divestiture Transaction.

(e) **Execution of Program Agreements.** BofI has executed and delivered the Program Agreements pursuant to Section 6.13.

(f) **No Material Adverse Change.** Since the date of this Agreement, there has been no Material Adverse Change with respect to BofI.

(g) **Estimated Transfer Amount.** BofI shall have tendered the Estimated Transfer Amount (if it is a positive number).

(h) **Third Party Consents.** The parties shall have obtained the third party consents identified on Schedule 8.01(h).

(i) **Nevada Branch.** BofI shall have opened the Nevada Branch.

(j) **Other Deliverables.** BofI has delivered to HRB Bank and Block Financial all of the following agreements, certifications and other deliverables:

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- (i) an executed Assignment and Assumption of Deposit Liabilities Agreement, in substantially the form set forth in Exhibit A;
- (ii) an executed Assignment and Assumption of Assumed Contracts Agreement, in substantially the form set forth in Exhibit B;
- (iii) an executed Bill of Sale, in substantially the form of Exhibit C.
- (iv) an executed Assignment and Assumption of Loans Agreement, in substantially the form set forth in Exhibit D;
- (v) an executed Assignment, Transfer and Appointment of Successor Custodian for Custodial Accounts, in substantially the form set forth in Exhibit E;
- (vi) a certified copy of the resolutions of the Board of Directors of Bofl authorizing the execution of this Agreement and the consummation of the P&A Transaction;
- (vii) a Certificate or Certificates signed by an authorized officer of Bofl stating that all of the conditions set forth in Sections 8.01(b) and (c) have been satisfied or waived, as provided therein; and
- (viii) such other documents, instruments, certificates and other agreements as HRB Bank or Block Financial may reasonably require to effect the transactions contemplated by this Agreement to be consummated as of the Closing.

**8.02. Conditions to Obligations of Bofl.** The obligation of Bofl to effect the P&A Transaction is subject to the fulfillment or Bofl's written waiver at or prior to the Closing Date of all of the following additional conditions:

(a) **Regulatory Approvals.** All Required Regulatory Approvals have been obtained and remain in full force and effect and all applicable waiting periods have expired, and no such Regulatory Approval shall contain or shall have resulted in, or would reasonably be expected to result in, the imposition of any Materially Burdensome Regulatory Condition.

(b) **Representations and Warranties.** The representations and warranties of HRB Bank and Block Financial set forth in this Agreement are true and correct in all material respects as of the date of this Agreement and as of the Closing Date (as though made on and as of the Closing Date except (i) to the extent such representations and warranties are by their express provisions made as of a specific date, and (ii) for the effect of changes or transactions permitted or contemplated by this Agreement).

(c) **Performance of Obligations.** Each of HRB Bank and Block Financial has performed all obligations, covenants and agreements required to be performed by it under this Agreement, in all material respects, prior to the Closing Date, including the delivery of the documents described in Section 8.02(i).

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(d) **No Adverse Action**. No Law or Order shall have been promulgated, enacted, entered, enforced or deemed applicable to this Agreement, or the transactions contemplated hereby by any Governmental Entity that would (i) make this Agreement or any other agreement contemplated hereby, or the P&A Transaction, illegal, invalid or unenforceable, or (ii) impose material limits in the ability of any party to this Agreement to complete this Agreement or any other agreement contemplated hereby, or the P&A Transaction.

(e) **Execution of Program Agreements**. EFS and Block Financial (and their Affiliates) have executed and delivered the Program Agreements pursuant to Section 6.13.

(f) **No Material Adverse Change**. Since the date of this Agreement, there has been no Material Adverse Change with respect to HRB Bank or Block Financial.

(g) **Transfer Amount**. HRB Bank shall have tendered the Estimated Transfer Amount (if it is a negative number).

(h) **Third Party Consents**. The parties shall have obtained the third party consents identified on Schedule 8.01(h).

(i) **Other Deliverables**. Each of HRB Bank and Block Financial has delivered, or caused to be delivered, to BofI all of the following agreements, certifications and other deliverables:

- (i) an executed Assignment and Assumption of Deposit Liabilities Agreement, in substantially the form set forth in Exhibit A;
  - (ii) an executed Assignment and Assumption of Assumed Contracts Agreement, in substantially the form set forth in Exhibit B;
  - (iii) an executed Bill of Sale, in substantially the form set forth in Exhibit C;
  - (iv) an executed Assignment and Assumption of Loans Agreement, in substantially the form set forth in Exhibit D;
  - (v) an executed Assignment, Transfer and Appointment of Successor Custodian for Custodial Accounts, in substantially the form set forth in Exhibit E;
  - (vi) an executed Limited Power of Attorney, in substantially the form set forth in Exhibit F;
  - (vii) a certified copy of the resolutions of the Board of Directors and Shareholder of HRB Bank authorizing the execution of this Agreement and the consummation of the P&A Transaction;
  - (viii) a Certificate or Certificates signed by an authorized officer of HRB Bank stating that all of the conditions set forth in Sections 8.02(b) and (c) have been satisfied or waived, as provided therein;
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- (ix) such other bills of sale, assignments, and other instruments and documents as counsel for BofI may reasonably require as necessary or desirable for transferring, assigning and conveying to BofI good, marketable and insurable title to the Transferred Assets;
- (x) the Records; and
- (xi) such other documents, instruments, certificates and other agreements as BofI may reasonably require to effect the transactions contemplated by this Agreement to be consummated as of the Closing.

## ARTICLE IX

### TERMINATION, AMENDMENT, AND WAIVER

**9.01. Termination.** This Agreement may be terminated at any time prior to the Closing Date:

- (a) By written consent of all parties hereto;
  - (b) By any party hereto at any time after October 1, 2015, if the Closing has not occurred on or prior to that date; provided, however, that the rights to terminate this Agreement under this Section 9.01(b) are not available to any party whose action or failure to act has been the principal cause of, or resulted in, the failure of the Closing to occur on or before such date and such action or failure to act constitutes a breach of this Agreement;
  - (c) By HRB Bank or Block Financial, if (i) any Approving Authority has (A) denied approval of any regulatory application filed by BofI in connection with the P&A Transaction; or (B) indicated to BofI that no final decision on a regulatory application filed by BofI can or will be made prior to August 15, 2015; or (ii) BofI has (A) withdrawn a regulatory application filed by BofI in connection with the P&A Transaction, or (B) failed to provide any additional or supplemental information that any Approving Authority has requested in connection with its review of a regulatory application filed by BofI within the shorter of thirty (30) days or the date requested by the Approving Authority;
  - (d) By BofI, if (i) any Approving Authority has (A) denied approval of any regulatory application filed by HRB Bank or Block Financial in connection with any part of the Divestiture Transaction; or (B) indicated to HRB Bank or Block Financial that no final decision on a regulatory application filed by HRB Bank or Block Financial can or will be made prior to August 15, 2015; or (ii) HRB Bank or Block Financial has (A) withdrawn a regulatory application filed by HRB Bank or Block Financial in connection with any part of the Divestiture Transaction, or (B) failed to provide any additional or supplemental information that any Approving Authority has requested in connection with its review of a regulatory application filed by HRB Bank or Block Financial within the shorter of thirty (30) days or the date requested by the Approving Authority;
  - (e) By any party hereto in the event of a material breach by the other of any representation, warranty, covenant or agreement contained in this Agreement, which breach is not cured within ten (10) days (or such longer period not exceeding twenty (20) days in the event such breach cannot reasonably be cured within fifteen (15) days and a cure is being pursued with reasonable diligence) after written notice thereof is given to the party committing such breach or waived by such other party(ies);
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(f) By Bofl, if there is a Material Adverse Change with respect to (i) HRB Bank or Block Financial that would adversely affect in any material respect HRB Bank's or Block Financial's ability to perform their obligations under this Agreement or the Ancillary Agreements or (ii) the Transferred Assets and Assumed Liabilities (taken as a whole) that would adversely affect Bofl in any material respect; or

(g) By HRB Bank or Block Financial if there is a Material Adverse Change with respect to Bofl that would adversely affect in any material respect Bofl's ability to perform its obligations under this Agreement or the Ancillary Agreements.

**9.02. Effect of Termination.** In the event of termination of this Agreement as provided in Section 9.01 above, this Agreement becomes void and without further effect and there will be no liability on the part of any party hereto or the respective officers and directors of any party, except for Section 6.07 (regarding expenses and payment of fees) and except that no termination of this Agreement pursuant to Section 9.01(e) shall relieve the non-performing or defaulting party of any liability to any other party hereto arising from the material non-performance and/or breach prior to the date of such termination of any covenant, agreement, term, provision, representation or warranty required to be observed, performed, complied with and/or kept by such non-performing or defaulting party. For the avoidance of doubt, the Nondisclosure Agreement will survive any termination of this Agreement.

## ARTICLE X

### INDEMNIFICATION

**10.01. HRB Bank's Indemnity.** Subject to the provisions of this Article X, if the Closing occurs, the HRB Bank Indemnifying Parties shall jointly and severally indemnify and hold Bofl, and its directors, officers, employees, agents, representatives, successors and assigns (collectively, the "Bofl Indemnified Parties"), harmless from and against any and all damages, losses, costs, obligations, claims, causes of action, demands, assessments, judgments, settlements or Liability (whether based on contract, tort, product liability, strict liability or otherwise and whether ultimately determined to be valid), including Taxes and regulatory fines, and all reasonable costs and expenses (including prejudgment interest and other interest, penalties and attorneys' and accountants' fees and disbursements) of defending any of the foregoing or of enforcing this Agreement (collectively, "Damages") asserted against, resulting to, imposed upon or incurred by any Bofl Indemnified Parties after the Closing, directly or indirectly, arising out of, resulting from or in connection with:

(a) Any inaccuracy or breach of any representation or warranty (ignoring, for purposes of determining the existence of any such inaccuracy or breach and the amount of Damages with respect thereto, any qualification as to Material Adverse Change, "materiality," "knowledge," "HRB Bank's Knowledge" or similar qualifier set forth in such representation or warranty) or any breach or failure (regardless of whether such breach or failure is deemed "material") to perform any covenant or agreement made or undertaken by HRB Bank in this Agreement or in any Closing Ancillary Agreement, certificate, schedule, exhibit or writing delivered by HRB Bank and/or Block Financial pursuant to this Agreement;

(b) Any of the Excluded Assets or Excluded Liabilities;

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(c) Any Liability to a third party based upon any act or omission of HRB Bank or any of its Affiliates that relates to any of the Transferred Assets or Assumed Liabilities (other than the Assumed Liabilities themselves) or the business of HRB Bank conducted prior to the Closing and which occurred or failed to occur on or before the Closing Date; and

(d) Any Litigation incident, or relating, to any matter covered by subsections (a), (b) or (c) of this Section 10.01.

**10.02. Bofl Indemnity.** Subject to the provisions of this Article X, if the Closing occurs, Bofl shall indemnify and hold HRB Bank and Block Financial, and their directors, officers, employees, agents, representatives, successors and assigns (the “HRB Bank Indemnified Parties”) harmless from and against any and all Damages asserted against, resulting to, imposed upon or incurred by any HRB Bank Indemnified Parties after the Closing, directly or indirectly, arising out of, resulting from or in connection with:

(a) Any inaccuracy or breach of any representation or warranty (ignoring, for purposes of determining the existence of any such inaccuracy or breach and the amount of Damages with respect thereto, any qualification as to Material Adverse Change, “materiality,” “knowledge,” “Bofl’s Knowledge” or similar qualifier set forth in such representation or warranty) or any breach or failure (regardless of whether such breach or failure is deemed “material”) to perform any covenant or agreement made or undertaken by Bofl in this Agreement or in any Closing Ancillary Agreement, certificate, schedule, exhibit or writing delivered by Bofl pursuant to this Agreement;

(b) The Assumed Liabilities;

(c) Any Liability to a third party based upon any act or omission of Bofl that relates to any of the Transferred Assets or Assumed Liabilities and which occurs or fails to occur after the Closing Date; and

(d) Any Litigation incident, or relating, to any matter covered by subsections (a), (b) or (c) of this Section 10.02;

provided, however, that Bofl shall have no obligation to indemnify an HRB Bank Indemnified Party under Section 10.02 (b), (c) or (d) (but only as subparagraph (d) relates to subparagraph (b) or (c)) to the extent that Bofl has a right to indemnification from EFS under the Program Management Agreement based upon the same facts or circumstances.

If an HRB Bank Indemnified Party makes a claim against Bofl for indemnification under Section 10.02(b), (c) or (d) (but only as subparagraph (d) relates to subparagraphs (b) or (c)) of this Agreement, and Bofl reasonably believes that should such HRB Indemnified Party succeed in such claim, then Bofl would itself have a claim for indemnification from EFS under Section 16.1 of the Program Management Agreement, then Bofl shall so notify such HRB Indemnified Party, and such related claims for indemnification under this Agreement and under the Program Management Agreement (collectively, “Related Claims”) shall only be litigated, adjudicated, decided and/or resolved, as the case may be, in a single proceeding before a single forum.

Each Party hereby agrees to take all reasonable steps to ensure strict compliance with the terms of the immediately preceding paragraph, including: (i) jointly filing such motions or pleadings as may be required for a consolidation of all Related Claims in a single proceeding; (ii) in the case of HRB

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Bank Indemnified Parties, causing EFS to also agree that Related Claims shall be, and take all steps required for Related Claims to be, determined in a single proceeding as contemplated hereunder; and (iii) refraining from executing upon or in any manner attempting to collect any award with respect to any claim for indemnification hereunder (other than such actions as may be required to preserve or perfect such award) until a final and unappealable ruling has been made with respect to all Related Claims. With respect to any proceeding in which a HRB Indemnified Party claims indemnification from BofI and BofI, in turn, claims indemnification from EFS, any recovery finally awarded to a HRB Indemnified Party in connection with such claim shall be offset against any recovery finally awarded to BofI in connection with its claim against EFS, and only the difference, if any, shall then be paid to the appropriate Party.

**10.03. Indemnity Procedure.** All claims for indemnification by a party seeking to be indemnified (an “Indemnified Party”) under this Article X shall be asserted and resolved as follows:

(a) In the event that any claim or demand for which the HRB Bank Indemnifying Parties or BofI, as applicable (each, an “Indemnifying Party”) may be liable to an Indemnified Party hereunder is asserted against or sought to be collected from such Indemnified Party by a third party, including a Governmental Entity (a “Third Party Claim”), such Indemnified Party shall with reasonable promptness give notice (the “Claim Notice”) to the Indemnifying Party of such claim or demand, specifying the nature of and specific basis for such claim or demand and the amount or the estimated amount thereof to the extent then feasible (which estimate shall not be conclusive of the final amount of such claim and demand). Failure to provide a Claim Notice of any such claim or demand shall not affect the Indemnifying Party’s duties or obligations under this Article X, except to the extent the Indemnifying Party is materially prejudiced thereby. The Indemnifying Party shall have ten (10) days from the delivery or mailing of the Claim Notice (the “Notice Period”) to notify the Indemnified Party (i) whether or not it disputes the liability of the Indemnifying Party to the Indemnified Party hereunder with respect to such claim or demand, and (ii) whether or not it desires, at the cost and expense of the Indemnifying Party, to defend the Indemnified Party against such claim or demand; provided, however, that any Indemnified Party is hereby authorized, but is not obligated, prior to and during the Notice Period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party, and provided further, that in respect of a claim or demand for Taxes no such right of the Indemnifying Party to defend shall apply unless and to the extent the Indemnified Party consents. If the Indemnifying Party notifies the Indemnified Party within the Notice Period that it desires to defend the Indemnified Party against such claim or demand, the Indemnifying Party shall, subject to the preceding sentence and the last sentence of this Section 10.03(a), have the right to control the defense against the claim by all appropriate proceedings and any settlement negotiations; provided, however, that to the satisfaction of the Indemnified Party, the Indemnifying Party shall indemnify and secure the Indemnified Party against such contested claims by posting a bond or otherwise. If the Indemnifying Party undertakes the defense of the Third Party Claim, then the Indemnified Party shall have the right to participate in the defense of the Third Party Claim at its own expense; provided, however, that the Indemnifying Party shall bear the reasonable fees and expenses of such separate counsel for the Indemnified Party if the representation by one counsel of both the Indemnifying Party and the Indemnified Party in any such Third Party Claim would, in the reasonable opinion of counsel for the Indemnified Party, be inappropriate due to a conflict of interest; provided, further, that the Indemnifying Party shall not have the right to assume control of such defense and shall pay the fees and expenses of counsel retained by the Indemnified Party if the claim which the Indemnifying Party seeks to control (i) involves criminal allegations or (ii) is one in which the Indemnified Party is advised by counsel chosen by it that there are legal defenses available to the Indemnified Party which the Indemnifying Party cannot assert on behalf of the Indemnified Party. If the Indemnifying

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Party fails to respond to the Indemnified Party within the Notice Period or after electing to defend fails to commence or diligently pursue such defense, then the Indemnified Party shall have the right, but not the obligation, to undertake or continue the defense of and to compromise or settle (exercising reasonable business judgment) the claim or other matter, all on behalf of, for the account, at the expense and at the risk of the Indemnifying Party. Notwithstanding the foregoing, if the basis of the proceeding relates to a condition or operations which existed or were conducted both prior to and after the Closing Date, each party shall have the same right to participate in the proceeding without either party having the right of control.

(b) If requested by the Indemnifying Party, the Indemnified Party agrees, at the Indemnifying Party's expense, to reasonably cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim that the Indemnifying Party elects to contest.

(c) If any Indemnified Party should have a claim or demand against the Indemnifying Party hereunder that does not involve a Third Party Claim, the Indemnified Party shall send a Claim Notice with respect to such claim or demand to the Indemnifying Party. Failure to provide a Claim Notice of any such claim or demand shall not affect the Indemnifying Party's duties or obligations under this Article X, except to the extent the Indemnifying Party is materially prejudiced thereby. If the Indemnifying Party disputes such claim, such dispute shall be resolved by mutual agreement of the Indemnifying Party and Indemnified Party or by litigation in an appropriate court of competent jurisdiction.

(d) The Indemnifying Party shall not (i) settle any claim in a manner that imposes any liability upon the Indemnified Party or admits any wrongdoing by the Indemnified Party without the Indemnified Party's prior written consent, which consent may be granted or withheld in the Indemnified Party's sole and absolute discretion; or (ii) otherwise compromise or settle a claim against the Indemnified Party without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld or delayed.

#### **10.04. Limitations on Indemnity.**

(a) Notwithstanding the foregoing, neither the HRB Bank Indemnifying Parties nor BofI shall be required to indemnify the BofI Indemnified Parties or the HRB Bank Indemnified Parties, as applicable, in respect of any Damages suffered by the BofI Indemnified Parties or the HRB Bank Indemnified Parties, as applicable, in connection with a breach of representation or warranty pursuant to Section 10.01(a) or Section 10.02(a), as the case may be, unless the aggregate amount of the Indemnifying Parties obligation under this Article X exceeds an amount equal to \$50,000 (the "Threshold Amount"), in which case the HRB Bank Indemnifying Parties or BofI, as applicable, will be required to indemnify the BofI Indemnified Parties or the HRB Bank Indemnified Parties, as applicable, for all Damages regardless of the Threshold Amount, back to the first dollar of Damages.

(b) No indemnification will be provided by any Indemnifying Party for any claim for indemnification which is made more than three (3) years following the Closing Date; provided, however, that claims for indemnification may be made for any Fundamental Representations until 30 days following the expiration of the applicable statute of limitations, and such Fundamental Representations shall survive until such time. Notwithstanding the foregoing, if at the end of such period there shall be pending any indemnification claim by a person, such person shall continue to have the right to seek such indemnification with respect to such claim notwithstanding such expiration.

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(c) No Indemnified Party shall be required to (i) incur any material out-of-pocket costs or expenses or pay any other material amounts to third parties, except to the extent that the Indemnifying Party has acknowledged in writing that such costs, expenses or other amounts constitute indemnifiable Damages hereunder, (ii) make any claims under existing insurance policies, or (iii) take any other action to the extent such action would adversely affect such Indemnified Party in any material respect.

(d) For the avoidance of doubt, this Article X does not provide for any indemnification or other remedy relating to the performance after the Closing of the obligations of the parties under the Program Management Agreement, the Receivables Participation Agreement or any document, agreement or instrument to be executed in connection with the Program Management Agreement or the Receivables Purchase Agreement.

**10.05. Exclusive Remedy.** After the Closing Date, this Article X shall provide the exclusive remedy for any of the matters addressed herein or other claims arising out of this Agreement, provided that the foregoing shall not be deemed to limit the rights of any party to seek equitable remedies (including specific performance or injunctive relief) or seek Damages in the case of any fraud, willful or knowing breach or misrepresentation.

## ARTICLE XI

### TRANSITIONAL AND POST-CLOSING MATTERS

#### 11.01. Notification to Customers.

(a) Bofl will, jointly with HRB Bank, unless otherwise required earlier by applicable Law or Contract, on a date promptly after the Closing Date, prepare and mail to each customer whose Deposit is to be assumed by Bofl and whose Loan is to be purchased by Bofl, a letter, in form and substance reasonably satisfactory to the parties, informing such Person of the nature of this transaction and the services to be provided by Bofl on and after the Closing Date.

(b) Either as part of or in addition to the notification to customers described in Section 11.01(a), subject to the terms of the Program Management Agreement, Bofl may provide notification of changes in terms to the Transferred Assets or Assumed Liabilities that will take effect shortly following the Closing Date and will provide additional notices to customers of changes to occur upon conversion of the Deposit Accounts to Bofl's processing system.

**11.02. Payment of Instruments.** Following the Closing, Bofl agrees to pay all checks, drafts, and withdrawal orders (including ACH debits) with respect to the Deposits to the extent that (a) such payment is in accordance with applicable Law and the overdraft and other policies applicable to such Deposits, (b) they are otherwise properly payable, and (c) they are presented to Bofl by mail, over its counters, or by any other authorized means. Bofl shall in all other respects discharge, in the usual course of business, the duties and obligations of HRB Bank with respect to the Deposits and the balances due and owing thereunder. Subject to the terms of the Program Management Agreement, HRB Bank shall cooperate in a commercially reasonable fashion with Bofl to enable Bofl to (x) amend and reissue Contracts and disclosures relating to the Deposits, Transferred Loans and Overdrafts, (y) reissue cards (other than Emerald Cards) issued to customers with respect to the Deposits and Transferred Loans, no later than the date on which such reissuance would be required by MasterCard, and (z) otherwise facilitate the transfer of such customers' business relationships to Bofl. HRB Bank will also for a period of ninety

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(90) days after the Closing continue to transfer to Bofl any withdrawal orders (including ACH debits) received by it relating to any of the Deposits.

**11.03. Statements.** To the extent required by applicable Law or Contract, (a) HRB Bank will issue statements to its customers that include all transactions with respect to the Deposits and the Loans through an agreed-upon date, and (b) Bofl will issue statements for all transactions with respect to the Deposits and the Loans thereafter. Interest and service charge calculations will be processed on behalf of HRB Bank on such customer statements as of the close of business on the Closing Date.

**11.04. Access to Records.** To the extent any books, records and files relating to the Transferred Assets and the Assumed Liabilities are not Records for purposes of this Agreement but are material in relation to any of the Transferred Assets or Assumed Liabilities or Bofl's ownership or management thereof, HRB Bank will use commercially reasonable efforts to provide Bofl with the material information contained in such books, records or files. In addition, HRB Bank and Bofl mutually agree to maintain all other records and other documents relating to the Transferred Assets and Assumed Liabilities for such periods as provided in HRB Bank and Bofl's respective record retention policies and required by applicable Law, and to permit the other party to examine, inspect, copy and reproduce such records and other documents relating to such Transferred Assets and Assumed Liabilities as may be reasonably requested by the other party. Any charges for such examination and photocopying will be at a rate not greater than the examining party's customary rates for similar requests by its customers.

**11.05. Information Reporting.** With respect to the Loans and Deposits purchased and assumed by Bofl pursuant to this Agreement, HRB Bank will be responsible for reporting to the customer and to the Internal Revenue Service (and any state or local taxing authority as required by Law) all interest paid or earned by the customer prior to and including the Closing Date, and Bofl will be responsible for reporting to the customer and to the Internal Revenue Service (and any state or local taxing authority as required by Law) all interest paid or earned by the customer after the Closing Date.

**11.06. Transition.** From and after the date of this Agreement, HRB Bank and Bofl agree to fully cooperate with and assist one another in connection with the transition and conversion of all customer accounts, files (including data processing files) and other information which are being purchased and assumed by Bofl pursuant to the terms hereof, including providing all information that Bofl may reasonably request at such times and in such formats as Bofl may reasonably request. Additionally, each of Bofl and HRB Bank agree to provide each other, upon reasonable prior notice, with such information and data as is necessary to allow HRB Bank and Bofl to comply with all tax, regulatory reporting, audit or other compliance obligations relating to the customers, employees (to the extent applicable) and Transferred Assets and Assumed Liabilities, and each of HRB Bank and Bofl agree to timely take any and all action as required by Law to comply with such tax, regulatory and/or reporting obligations.

## ARTICLE XII

### GENERAL PROVISIONS

**12.01 Amendment.** This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

**12.02 Waiver.** Any term, condition or provision of this Agreement may be waived in writing at any time by the party which is entitled to the benefits thereof. No failure or delay on the part of any party hereto to exercise any right, power, or privilege hereunder or under any instrument executed

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pursuant hereto operates as a waiver nor does any single or partial exercise of any right, power, or privilege preclude any other further exercise thereof or the exercise of any other right, power, or privilege.

**12.03. Survival of Representations and Warranties.** The parties hereto agree that all of the representations and warranties contained in this Agreement shall survive for a period of three (3) years subsequent to the Closing Date; other than the Fundamental Representations which shall survive until 30 days following the expiration of their respective statutes of limitation.

**12.04. Binding Effect; Assignment.** Subject to Section 2.05, no party may assign its rights or obligations under this Agreement without the prior written consent of the other parties to this Agreement. Subject to the preceding sentence, all terms of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

**12.05. Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement.

**12.06. Headings.** Article, Section, Subsection, and Paragraph titles, captions and headings herein are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

**12.07. Entire Agreement.** Except as relates to the Nondisclosure Agreement, the Program Management Agreement and the Receivables Participation Agreement, this Agreement and the Schedules and Exhibits hereto constitutes the entire agreement between and among the parties with respect to the subject matter hereof, supersedes all prior negotiations, representations, warranties, commitments, offers, letters of interest or intent, proposal letters, Contracts, or understandings with respect thereto. In the event of any ambiguity or conflict between the terms and provisions of this A&R Agreement and the terms and provisions of the Original Agreement, as amended by the First Amendment, the Second Amendment and the Third Amendment, the terms and provisions of this A&R Agreement shall control.

**12.08. Counterparts.** This Agreement may be executed in one or more counterparts, and any party to this Agreement may execute and deliver this Agreement by executing and delivering any of such counterparts, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or electronic mail transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or electronic mail shall be deemed to be their original signatures for all purposes.

**12.09. Notices.** All notices required or permitted under this Agreement must be given in writing, reference this Agreement and will be deemed delivered and given (i) upon personal delivery to the party to be notified; (ii) on the date sent by facsimile or email (with confirmation of transmission); (iii) on the date received if sent by registered or certified U.S. mail, return receipt requested, postage and charges prepaid; (iii) one Business Day after deposit with a nationally-recognized commercial overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the following addresses (or at such other address for a party as shall be specified by like notice):

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- (a) If to Boff:  
Boff Federal Bank  
4350 La Jolla Village Drive, Suite 140  
San Diego, California 92122  
Attn: Gregory Garrabrants  
Email: ggarrabrants@boffifederalbank.com  
Telephone: 858-350-6203  
Facsimile: 858-764-6561

With copies to:

Boff Federal Bank  
4350 La Jolla Village Drive, Suite 140  
San Diego, California 92122  
Attn: Eshel Bar-Adon  
Email: ebaradon@boffifederalbank.com  
Telephone: 858-764-2905  
Facsimile: 858-764-6561

- (b) If to HRB Bank:  
H&R Block Bank  
One H&R Block Way  
Kansas City, MO 64105  
Attn: Greg Quarles  
Email: greg.quarles@hrblock.com  
Telephone: 816-854-5709  
Facsimile: 816-854-8052

With copies to:

H&R Block, Inc.  
One H&R Block Way  
Kansas City, MO 64105  
Attn: Walter Pirnot, Vice President and  
Deputy General Counsel  
Email: wpirnot@hrblock.com  
Telephone: 816-8544502;  
816-854-5757  
Facsimile: 816-802-1065

Stinson Leonard Street LLP  
Attn: Mike Lochmann  
1201 Walnut Street, Suite 2900  
Kansas City, MO 64106  
Email: mike.lochmann@  
stinsonleonard.com  
Telephone: 816-691-3208  
Facsimile: 816-412-1249

- (c) If to Block Financial:

Block Financial, LLC  
One H&R Block Way  
Kansas City, MO 64105  
Attn: Gregory J. Macfarlane, President  
Email: gregory.macfarlane@hrblock.com  
Telephone: 816-854-7565  
Facsimile: 816-854-8500

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With copies to:

H&R Block, Inc.  
One H&R Block Way  
Kansas City, Missouri 64105  
Attn: Tom Gerke, Chief Legal Officer  
Email: tom.gerke@hrblock.com  
Telephone: 816-854-6060  
Facsimile: 816-854-8500

Stinson Leonard Street LLP  
Attn: Mike Lochmann  
1201 Walnut Street, Suite 2900  
Kansas City, Missouri 64106  
Email: mike.lochmann@  
stinsonleonard.com  
Telephone: 816-691-3208  
Facsimile: 816-412-1249

provided, however, that the providing of notice to counsel shall not, of itself, be deemed the providing of notice to a party hereto. All notices provided pursuant to this Section 12.09 shall be effective on the day of completion of all delivery requirements.

#### **12.10 Governing Law; Jurisdiction; Waiver of Jury Trial.**

(a) This Agreement is governed by and controlled as to validity, enforcement, interpretation, effect, and in all other respects by the internal laws of the State of New York applicable to Contracts made in that state, without reference to its conflicts of laws principles.

(b) Except as otherwise expressly provided in this Agreement, any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be in the United States District Court for the Eastern District of Missouri, located in the City of St. Louis, or as to those lawsuits to which the Federal Courts of the United States lack subject matter jurisdiction, before a court located in the State of Missouri in the City of St. Louis, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. The parties acknowledge and agree that this Agreement was executed and delivered in the State of Missouri. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 12.09 shall be deemed effective service of process on such party.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**12.11. Third Party Beneficiaries.** The parties intend that this Agreement is not to benefit or create any right or cause of action in or on behalf of any Person other than the parties hereto and their affiliates. No future or present employee or customer of any of the parties is to be treated as a third party beneficiary in or under this Agreement.

**12.12. Specific Performance.** The parties acknowledge that monetary damages could not adequately compensate the parties in the event of a breach of this Agreement by one party, that the non-

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breaching party or parties would suffer irreparable harm in the event of such breach and that the non-breaching party or parties have, in addition to any other rights or remedies it or they may have at law or in equity, specific performance and injunctive relief as a remedy for the enforcement hereof.

**12.13. Mutual Drafting.** This Agreement is the mutual product of the parties hereto and each provision hereof has been subject to the mutual consultation, negotiation and agreement of each party and shall not be construed for or against any party.

**12.14. Interpretive Provisions.** For purposes of this Agreement, (a) the words “including” and “include” shall be deemed to be followed by the words “including without limitation” and “include without limitation,” respectively and (b) the words “herein,” “hereof,” “hereby,” “hereto” or “hereunder” refer to this Agreement. Unless the context otherwise requires, references in this Agreement: (a) to Articles, Sections, Subsections, Paragraphs, Exhibits and Schedules mean the Articles, Sections, Subsections and Paragraphs of, and the Exhibits and Schedules attached to, this Agreement; (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement; and (c) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. The Schedules and Exhibits referred to in this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein.

*[Execution page follows]*

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**IN WITNESS WHEREOF**, the parties hereto have caused this Amended and Restated Purchase and Assumption Agreement to be signed by their respective officers thereunto duly authorized as of date first above written.

**BOFI FEDERAL BANK**

By: /s/ Gregory Garrabrants  
Name: Gregory Garrabrants  
Title: President and Chief Executive Officer

**H&R BLOCK BANK**

By: /s/ Greg M. Quarles  
Name: Greg M. Quarles  
Title: President and Chief Executive Officer

**BLOCK FINANCIAL LLC**

By: /s/ Gregory J. Macfarlane  
Name: Gregory J. Macfarlane  
Title: President

## List of Schedules and Similar Attachments Omitted from Purchase and Assumption Agreement

Schedule 3.02	Sample Transfer Amount Calculation
Schedule 3.03	Prior Engagements
Schedule 3.06	Items of Income and Expenses to be Prorated
Schedule 6.01	Transactions Outside the Ordinary Course of Business
Schedule 8.01(h)	Required Third Party Consents
Exhibit A	Assignment and Assumption of Deposit Liabilities Agreement
Exhibit B	Assignment and Assumption of Assumed Contracts Agreement
Exhibit C	Bill of Sale
Exhibit D	Assignment and Assumption of Loans Agreement
Exhibit E	Assignment, Transfer and Appointment of Successor Custodian for Custodial Accounts
Exhibit F	Limited Power of Attorney
Exhibit J	Company Financial Products Distribution Agreement
Exhibit K	Franchisee Financial Products Distribution Agreement
Exhibit L	Trademark Licensing Agreement
Exhibit M	Trademark Licensing Agreement
Exhibit N	Collection Services Agreement
Exhibit O	Amended and Restated Legacy Emerald Advance Participation Agreement
Exhibit P	Amended and Restated Legacy Emerald Unsecured Credit Card Participation Agreement

Exhibit H - Guaranty Agreement and Exhibit I - Emerald Advance Receivables Participation Agreement were filed as exhibits to the registrant's Current Report on Form 8-K filed April 10, 2014.

Exhibit G - Program Management Agreement was filed as an exhibit to the registrant's Current Report on Form 8-K filed August 5, 2015 and replaces, in its entirety, the Program Management Agreement filed as an exhibit to the registrant's Current Report on Form 8-K filed April 10, 2014.

Upon request, the registrant agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule or similar attachment to the Purchase and Assumption Agreement; provided, however, that the registrant may request confidential treatment of omitted items prior to any public disclosure.



**PROGRAM MANAGEMENT AGREEMENT**

**By and Between**

**EMERALD FINANCIAL SERVICES, LLC,**

**and**

**BofI FEDERAL BANK**

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**Dated as of**

\_\_\_\_\_, 2015

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  - Schedule F: Service Level Agreements
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## PROGRAM MANAGEMENT AGREEMENT

THIS PROGRAM MANAGEMENT AGREEMENT (this "Agreement"), dated as of \_\_\_\_\_, 2015 is made by and between **EMERALD FINANCIAL SERVICES, LLC**, a limited liability company organized under the laws of Delaware ("EFS"), and **Bofi FEDERAL BANK**, a federal savings bank ("Bank"). EFS and Bank are at times hereinafter referred to as the "Parties" and each individually as a "Party."

### RECITALS:

A. Bank has purchased certain assets and assumed certain liabilities related to accounts ("Purchased Accounts") held by H&R Block Bank ("HRB Bank") under an Amended and Restated Purchase and Assumption Agreement, dated August 5, 2015 ("Purchase Agreement").

B. HRB Tax Group, Inc., a Missouri corporation ("HRB Tax Group"), and certain of its subsidiaries are in the business of providing (or making available through Franchisees) tax preparation and related products and services to consumer customers (including customers of Franchisees) ("Company Customers") throughout the Program Territory.

C. HRB Tax Group and EFS are indirect subsidiaries of H&R Block, Inc., a Missouri corporation ("Block, Inc."; and together with all its subsidiaries, the "Company").

D. In conjunction with other products and services offered by the HRB Tax Group and its subsidiaries, HRB Bank developed and offered a prepaid card program and companion financial products and services to Company Customers (collectively, the "HRB Bank Financial Products").

E. Concurrent with closing under the Purchase Agreement (the "Closing"), HRB Bank will no longer offer the HRB Bank Financial Products.

F. Bank has developed, and shall continue to develop, various prepaid card programs, under which it issues reloadable and non-reloadable prepaid cards, as well as a series of card-related products and services in conjunction therewith, including products and services similar to the HRB Bank Financial Products.

G. It is the intention of the Parties that upon Closing the BINs, ICA numbers and customer relationships related to the HRB Bank Financial Products be transferred by HRB Bank to Bank, and that Bank thereafter offer to Company Customers Financial Products upon terms and conditions that are the same or substantially similar to those applicable to the HRB Financial Products, as well as such future Bank sponsored and EFS marketed products and services as the Parties may from time to time mutually agree (collectively, the "Program").

H. Bank now desires to engage EFS, and EFS desires to be engaged, to serve as program manager and provide program management and processing services in connection with the Program subject to the terms and conditions set forth herein.

### AGREEMENT

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ACCORDINGLY, in consideration of the mutual covenants and agreements of the Parties herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

**ARTICLE 1**  
**DEFINITIONS; ORDER OF PRECEDENCE; RULES OF INTERPRETATION**

1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings set forth below; provided, however, that with respect to any capitalized term specifically defined in any Product Schedule, such term shall have the meaning set forth in such Product Schedule:

"Account" means (a) each loan account, deposit account and prepaid account originated by Bank for a Company Customer associated with any Financial Products offered in connection with the Program, and (b) each Purchased Account.

"Account Documentation" means, with respect to an Account, the applications, Accountholder agreements, disclosures, privacy notices, change of terms notices, including any and all amendments or modifications thereto, however and wherever stored or kept, and any other written information relating to such Account's terms and conditions.

"Accountholder" means any Person who holds or has held an Account.

"Accountholder Data" means all Personally Identifiable Information regarding an Accountholder received by or on behalf of Bank or by EFS in connection with a Financial Product, or obtained by or on behalf of Bank or EFS in connection with an Account but shall not include Company Customer Data.

"Accounts Receivable" means any and all amounts owing from time to time by an Accountholder on an Account, whether billed or unbilled, including any unpaid balances for purchases, accrued finance charges, late fees and any other charges and fees assessed on an Account.

"Acquiring IP Party" has the meaning set forth in Section 9.2(a) (Ownership of Intellectual Property).

"Affected Party" has the meaning set forth in Section 12.2(b) (Data Security).

"Affiliate" means any Person that, directly or indirectly, through one or more intermediaries, (a) owns or controls another Person, (b) is owned or controlled by another Person, or (c) is under common control or ownership with another Person, and "ownership" means the direct or indirect beneficial ownership of more than 30% of the equity securities of a Person, or, in the case of a Person that is not a corporation, more than 30% of the voting and/or equity interest of such Person.

"Agreement" has the meaning set forth in the Preamble.

"Applicable Law" means any and all laws, treaties, rules, regulations, regulatory guidance and determinations of a Regulatory Authority, mandatory written direction from a Regulatory

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Authority, and orders opinions and interpretations of any Regulatory Authority, including under the Bank Secrecy Act, UDAAP, laws relating to anti-money laundering (including customer due diligence and enhanced due diligence necessary to meet "know your customer" requirements), identity theft, fraud schemes, and predatory, unfair or deceptive acts, any and all sanctions or regulations enforced by OFAC, and statutes or regulations of any state relating to gift cards, money transmission or unclaimed property, that are applicable to the Program, or otherwise applicable to any of the Parties, or any Distributor or Franchisee.

"Applicant" means any Person who has submitted an application to Bank for a Financial Product.

"Applicant Data" means all Personally Identifiable Information regarding an Applicant received by or on behalf of Bank (including by EFS as servicer) in connection with such Applicant's application for a Financial Product, but shall not include Company Customer Data or Bank Customer Data.

"Assumed Accounts Purchase Date" has the meaning set forth in Section 15.1 (EFS Purchase Options).

"Assumed Liabilities" has the meaning set forth in Section 15.1 (EFS Purchase Options).

"Back-Up Account Originator" has the meaning set forth in Section 2.10 (Back-Up Account Originator).

"Back-Up Notice" has the meaning set forth in Section 2.10 (Back-Up Account Originator).

"Bank" has the meaning set forth in the Preamble.

"Bank Corrective Plan" has the meaning set forth in Section 8.2(b) (Bank Audit Rights and Obligations).

"Bank Customer" means any individual who has or had a banking relationship with Bank that was not originated through the Program or acquired under the Purchase Agreement.

"Bank Customer Data" means data relating to Bank Customers, other than Program Customer Data.

"Bank Event of Default" has the meaning set forth in Section 13.2 (Bank Event of Default).

"Bank Indemnified Parties" has the meaning set forth in Section 16.1 (Indemnification of Bank by EFS).

"Bank Licensed Marks" means the trademarks, trade names, service marks, logos and other proprietary designations of Bank licensed to EFS by Bank under the EFS Licensing Agreement.

"Bank Licensing Agreement" means the Trademark Licensing Agreement substantially in the form attached as Exhibit L to the Purchase Agreement, pursuant to which HRB Innovations

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is granting a license to Bank.

"Bank Matters" has the meaning set forth in Section 4.1(a) (Bank Matters).

"Bank Rules" means the policies, procedures, operating rules and regulations of Bank, as amended from time to time by Bank in the exercise of its reasonable discretion, and incorporated into the Operating Procedures or Product Schedules.

"Bank Senior Program Manager" has the meaning set forth in Section 3.1(b)(i) (Program Managers).

"Bank Service Provider" means a third-party service provider (including an Affiliate of Bank or a Material Bank Service Provider) used by Bank in connection with the performance of Bank's obligations under this Agreement, other than EFS or an EFS Service Provider.

"BIN" has the meaning set forth in Section 15.5(b) (ABA Routing Number; BIN; ICA).

"Block, Inc." has the meaning set forth in the Recitals.

"Block Licensing Agreement" means the Trademark Licensing Agreement substantially in the form attached as Exhibit M to the Purchase Agreement, pursuant to which Bank is granting a license to certain subsidiaries of Block, Inc.

"Business Day" means any day, except a Saturday, Sunday or a federal legal holiday.

"Claim" means any claim, demand, suit, legal action, regulatory action, administrative action, arbitration or proceeding, including those brought in connection with allegations of misrepresentations, breach of warranty, breach of contract, violation of Applicable Law, unfair or deceptive acts or practices, or otherwise seeking to recover Indemnified Losses.

"Closing" has the meaning set forth in the Recitals.

"Closing Date" has the meaning set forth in Section 15.4 (Purchase Mechanics).

"Code" has the meaning set forth in Section 6.2(a) (Cross Marketing).

"Company" has the meaning set forth in the Recitals.

"Company Applicable Law" has the meaning set forth in Section 4.3(b) (Compliance Obligations).

"Company Customer" has the meaning set forth in the Recitals.

"Company Customer Data" means all Personally Identifiable Information regarding a Company Customer or tax return information (as defined in IRC § 7216) obtained in connection with the provision of Company products and services to such Company Customer.

"Company Distribution Agreement" means the Company Financial Products Distribution Agreement in substantially the form attached as Exhibit J to the Purchase Agreement.

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"Company Licensed Marks" means the trademarks, trade names, service marks, logos and other proprietary designations of Company licensed to Bank under the Bank Licensing Agreement.

"Company Location" means a location that is using Company Licensed Marks in the Program Territory doing business with the public, including an electronic location (such as a Company Website), other direct access media within the Program Territory that is owned or operated by Company or any Franchisee Locations.

"Company Website" means that portion of the worldwide web internet sites operated by Company in support of the Program.

"Confidential Information" has the meaning set forth in Section 11.1(a) (Confidential Information).

"Conversion Date" has the meaning set forth in Section 15.5(a) (Interim Servicing).

"Credit Card Product" means the H&R Block MasterCard Credit Card as described in Schedule D (Credit Card Product Schedule).

"Data Security Requirements" has the meaning set forth in Section 12.2(a) (Data Security).

"Deposit Products" means the individual retirement accounts as described in Schedule E (Deposit Product Schedule).

"Designated Executive" has the meaning set forth in Section 3.1(a)(i) (Designated Executives).

"Disclosing Party" has the meaning set forth in Section 11.2(b) (Limits on Use and Disclosure).

"Dispute" has the meaning set forth in Section 3.2(b) (Dispute Resolution).

"Disputed Program Change Notification" means written notice (that has been delivered in compliance with Section 17.7 (Notices)) describing with particularity the Party's basis for disputing a Program Change covered by such notice.

"Distributors" means HRB Tax Group, HRB Enterprises, HRB Eastern Enterprises and HRB Digital.

"Durbin Regulatory Event" shall have occurred if, for any reason, the applicable Financial Products, as currently structured, do not qualify to receive the highest interchange fees permitted for federally insured depository institutions.

"Effective Date" means the Closing Date (as defined in the Purchase Agreement).

"EFS" has the meaning set forth in the Preamble.

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"EFS Audit Plan" means an audit plan with respect to the Financial Products maintained by EFS and approved by Bank in the form set forth as Schedule 2.4(f) (EFS Audit Plan), except as otherwise from time to time agreed between the Parties in writing or required by Applicable Law, as determined by Bank in its reasonable discretion.

"EFS Audit Parties" means EFS and any of its Affiliates that are specifically covered by the EFS Audit Plan.

"EFS Corrective Plan" has the meaning set forth in Section 8.1(b) (EFS Audit Rights and Obligations).

"EFS Event of Default" has the meaning set forth in Section 13.1 (EFS Event of Default).

"EFS Matters" has the meaning set forth in Section 4.1(b) (EFS Matters).

"EFS Purchase Option" has the meaning set forth in Section 15.1 (EFS Purchase Options).

"EFS Senior Program Manager" has the meaning set forth in Section 3.1(b)(i) (Program Managers).

"EFS Corrective Plan" has the meaning set forth in Section 8.1(b) (Bank Audit Rights and Obligations).

"EFS Indemnified Parties" has the meaning set forth in Section 16.2 (Indemnification of EFS by Bank).

"EFS Service Provider" means a third-party service provider (including an Affiliate of EFS but excluding Franchisees) used by EFS in connection with the performance of EFS's obligations under this Agreement, including a Material EFS Service Provider. For the avoidance of doubt, a third-party service provider that enters into a tri-party agreement among itself, EFS and Bank is an EFS Service Provider.

"Emerald Advance" means an open-end line of credit offered by Bank under the Program whereby Company Customers may obtain credit as further described in Schedule C (Emerald Advance Product Schedule).

"Emerald Card" means a reloadable, general purpose debit card associated with a demand deposit account offered by Bank to Company Customers under the Program as further described in Schedule A (Prepaid Products Product Schedule).

"Event of Default" means any EFS Event of Default or Bank Event of Default.

"Executive Officer" has the meaning set forth in Section 3.2(b) (Dispute Resolution).

"Exercise Notice" has the meaning set forth in Section 15.1 (EFS Purchase Options).

"Final Wind-Down Date" has the meaning set forth in Section 15.6 (Wind-Down by

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Bank).

"Financial Products" means the Prepaid Products, Refund Transfer, Emerald Advance, Credit Card Product, and any New Product, in each case offered by Bank and distributed by EFS pursuant to this Agreement.

"FIS" means Fidelity National Information Services, Inc., and its Affiliates.

"Force Majeure Event" has the meaning set forth in Section 17.8(a) (Force Majeure).

"Franchisee" means a Person party to a Franchisee Distribution Agreement with Bank and EFS. No H&R Block franchisee that has not signed a Franchisee Distribution Agreement with Bank may participate in the Program or be considered a Franchisee under this Agreement.

"Franchisee Distribution Agreement" means the Franchisee Financial Products Distribution Agreement in substantially the form attached as Exhibit K to the Purchase Agreement.

"Franchisee Location" means any physical retail office open to the public for the preparation of Returns operated by any Franchisee.

"GLBA" means, collectively, Title V – Privacy of the Gramm–Leach–Bliley Act, P.L. 106–102 and implementing regulations promulgated thereunder, and the standards for safeguarding customer information set forth in 12 CFR Part 364 and 16 CFR Part 314, all as they may be amended, supplemented and/or interpreted in writing from time to time by any federal Regulatory Authority.

"HRB Bank" has the meaning set forth in the Recitals.

"HRB Bank Financial Products" has the meaning set forth in the Recitals.

"HRB Digital" means HRB Digital LLC, a Delaware limited liability company.

"HRB Eastern Enterprises" means H&R Block Eastern Enterprises, Inc., a Missouri corporation.

"HRB Enterprises" means H&R Block Enterprises LLC, a Missouri limited liability company.

"HRB Innovations" means HRB Innovations, Inc., a Delaware corporation, and its successors and assigns.

"HRB Tax Group" has the meaning set forth in the Recitals.

"ICA" has the meaning set forth in Section 15.5(b) (ABA Routing Number; BIN; ICA).

"Indemnification Threshold Amount" has the meaning set forth in Section 16.7(a) (Indemnification Payments).

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"Indemnified Losses" means any and all losses, liabilities, costs and expenses of any kind, nature or description imposed or incurred in connection with this Agreement (including reasonable attorneys' fees and expenses, reasonable out-of-pocket costs, interest and penalties), settlements, equitable relief, judgments, damages (including liquidated damages), claims (including counter and cross-claims, and allegations whether or not proven) demands, offsets, defenses, actions, investigations or proceedings by whomsoever asserted (including Regulatory Authorities).

"Indemnified Party" has the meaning set forth in Section 16.3 (Notice).

"Indemnifying Party" has the meaning set forth in Section 16.3 (Notice).

"Intellectual Property" means, on a worldwide basis, any and all: (i) rights associated with works of authorship, including copyrights, moral rights and mask-works; (ii) trademarks and service marks and the goodwill associated therewith; (iii) trade secret rights; (iv) patents, designs, algorithms and other industrial property rights; (v) other intellectual and industrial property rights of every kind and nature, however designated, whether arising by operation of law, contract, license or otherwise; and (vi) applications, registrations, renewals, extensions, continuations, divisions or reissues thereof now or hereafter in force (including any rights in any of the foregoing).

"IP Owner" has the meaning set forth in Section 9.2(a) (Ownership of Intellectual Property).

"IRA Accounts" means traditional, rollover, and Roth individual retirement accounts from time to time offered by Bank.

"Knowledge" means, with respect to EFS the actual and imputed knowledge, after reasonable inquiry, of the Chief Financial Officer of Block, Inc., President or most senior executive officer of EFS, CFO or most senior financial officer of EFS and COO or most senior operations officer of EFS, and with respect to Bank, the actual and imputed knowledge, after reasonable inquiry, of the chief executive officer, the chief financial officer and the chief operating officer of Bank.

"Marketing Deadline" means (a) with respect to Emerald Advance, September 15th of each Program Year, and (b) for all other Financial Products, October 15th of each Program Year.

"Marketing Materials" means all advertisements, brochures, applications, telemarketing scripts, point of purchase displays, packaging, television advertisements, radio advertisements, electronic web pages, electronic web links, and any other type of advertisement, solicitation material, or interactive media developed, launched or distributed for purposes of marketing or promoting the Program, including any and all amendments or modifications thereto, however stored or kept.

"Marketing Templates" has the meaning set forth in Section 2.9(a) (Promotion of Program; Program Marketing Plan).

"Material Bank Service Provider" has the meaning set forth in Section 7.2(a) (Service Providers).

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"Material EFS Service Provider" has the meaning set forth in Section 7.2(a) (Service Providers).

"Mortgage Products" means residential real estate secured loan products as from time to time offered by Bank.

"New Product" has the meaning set forth in Section 5.6(a) (New Products).

"New Product Offering Plan" has the meaning set forth in Section 5.6(a) (New Products).

"No Interest Notice" has the meaning set forth in Section 15.1 (EFS Purchase Options).

"Nominated Purchaser" has the meaning set forth in Section 15.1 (EFS Purchase Options).

"Non-Surviving Obligations" means the obligations of a Party set forth in this Agreement that do not continue following a Termination Date, which include the obligations under Sections 5.2 and 6.2(a).

"Notified Party" has the meaning set forth in Section 8.4(d) (Reporting).

"Notifying Party" has the meaning set forth in Section 8.4(d) (Reporting).

"OCC" means the Office of the Comptroller of the Currency.

"OFAC" means the Office of Foreign Assets Control.

"Operating Procedures" has the meaning set forth in Section 2.12(a) (Operating Procedures).

"Party" has the meaning set forth in the Preamble.

"Payment Network" means MasterCard, Visa and any other network, including reload networks, as selected by EFS and approved by Bank (such approval not to be unreasonably withheld), facilitating financial transactions through the use of a credit, debit or prepaid product.

"Payment Network Rules" means (i) the applicable bylaws, rules, bulletins, regulations, documentation and manuals promulgated or adopted by each of the Payment Networks, and (ii) any applicable rule or requirement of NACHA - The Electronic Payments Organization, in each case as such rules, manuals and other items may be amended or supplemented from time to time.

"Performance Material Adverse Effect" means, with respect to a Party, any event, change, occurrence or effect that, individually or in the aggregate, has or could be reasonably anticipated to have a material and adverse effect on such Party's ability to perform its duties and obligations under the terms of this Agreement (including the Product Schedules).

"Person" means and includes any individual, partnership, joint venture, corporation, limited liability company, bank, trust, unincorporated organization, government or any

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department, agency or instrumentality thereof.

"Personally Identifiable Information" means any information that alone, or in combination with other information, relates to a specific, identifiable individual or can be used to identify an individual, including any information defined as "nonpublic personal information" for purposes of GLBA.

"Pilot Program" has the meaning set forth in Section 2.10(b) (Back-Up Account Originator)

"Prepaid Products" means the Emerald Card, employee incentive cards and gift cards cobranded with Company's name as offered by Bank under the Program, in each case as further described in Schedule A (Prepaid Products Product Schedule).

"Privacy Notice" has the meaning set forth in Section 12.1(b) (Privacy Notice).

"Processing Services" means any and all services necessary or convenient for operation of the Program, including the issuance of cards or the processing of transactions or settlements in accordance with applicable Payment Network Rules and Applicable Law. Such services shall include: set-up and maintenance of cardholder accounts, transaction authorization, processing, clearing and settlement, Payment Network access, cardholder dispute resolution, Payment Network compliance, regulatory compliance, security and fraud control, customer service, collections and activity reporting.

"Processor" means a third-party provider of some or all of the Processing Services, including any EFS Service Provider and any Bank Service Provider.

"Product Schedules" means the product schedules set forth in Schedule A (Prepaid Products), Schedule B (Refund Transfer), Schedule C (Emerald Advance), Schedule D (Credit Card Product), and Schedule E (Deposit Product).

"Program" has the meaning set forth in the Recitals.

"Program Change" means any change to the terms, pricing, conditions, underwriting or other characteristics of, or the Account Documentation, Marketing Materials, Servicing Materials or any other Program documentation or requirements for, any Financial Product, or any other aspect of the Program or the obligations of EFS or Bank under the Program, made after the date of this Agreement.

"Program Customer" means any Accountholder or any Applicant.

"Program Customer Data" means Accountholder Data and Applicant Data.

"Program Data Site" means a secure content management website containing the Operating Procedures and other documents agreed by the Parties for the Program as set forth in this Agreement.

"Program Eligibility Policy" means the policies, procedures, strategies, guidelines and implementation procedures for the establishment and maintenance of Financial Products and the

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extension of credit thereunder, if applicable, including all Account eligibility decisioning activities (including application decisioning criteria/procedures, score cutoff strategies, judgmental decisioning policies/procedures and screenings relating to anti-money laundering, Bank Secrecy Act, OFAC and customer identification programs) and Account management activities (including authorizations, line management, delinquency management, fraud monitoring and plastic reissue strategies).

"Program Fee" has the meaning of set forth in Section 2.18(a) (Annual Program Fee).

"Program Guidelines" means the policies, procedures and guidelines for the operation of the Program and the distribution of the Financial Products by the Distributors and the Franchisees.

"Program Marketing Plan" has the meaning set forth in Section 2.9(b) (Promotion of Program; Program Marketing Plan).

"Program Material Adverse Effect" means any event, change, occurrence or effect that, individually or in the aggregate, has or could be reasonably anticipated to have a material and adverse effect upon the financial or other performance of the Program as set forth on its pro forma financial statements as developed by the Parties.

"Program Territory" means the United States, Guam, Puerto Rico and certain U.S. military bases outside the United States as identified in Schedule 2.1(a) (Financial Products by Territory).

"Program Year" means the twelve-month period commencing on July 1st of each calendar year (or as applicable, a shorter period for the first Program Year) and ending on June 30th of the following calendar year.

"Prospect Data" means all Personally Identifiable Information regarding a Prospective Customer used by the Parties in connection with determining whom to solicit for the Program.

"Prospective Customer" means Company Customers and any other Persons selected by the Parties to receive Program offers.

"Purchase Agreement" has the meaning set forth in the Recitals.

"Purchase Option Exercise Period" has the meaning set forth in Section 15.1 (EFS Purchase Options).

"Purchase Option Expiration Date" means, with respect to any one or more Product Schedules or the entire Agreement, as applicable, the earliest date upon which one of the following occurs: (a) EFS issues a No Interest Notice, (b) the Purchase Option Exercise Period has expired without EFS issuing an Exercise Notice, (c) the time period for EFS or its designee to enter into a purchase agreement(s) for the purchase of the Purchased Assets and the assumption of the Assumed Liabilities has expired and EFS or its designee has not entered into such agreement(s) as set forth in Section 15.4 (Purchase Mechanics), (d) the time period for EFS or its designee to consummate the purchase of the Purchased Assets and the assumption of the Assumed Liabilities under the purchase agreement(s) has expired and EFS or its designee has not

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consummated such purchase as set forth in Section 15.4 (Purchase Mechanics), (e) the purchase and assumption agreement for the Purchased Assets and the Assumed Liabilities has been terminated by a Party as permitted pursuant to the terms thereof, or (f) EFS (or its permitted designee) otherwise ceases to have the option to purchase the Purchased Assets and assume the Assumed Liabilities.

"Purchase Price" has the meaning set forth in Section 15.3(a) (Determination of Purchase Price).

"Purchased Accounts" has the meaning set forth in the Recitals.

"Purchased Assets" has the meaning set forth in Section 15.1 (EFS Purchase Options).

"Reasonable and Related Outside Counsel Transaction Expenses" has the meaning set forth in Section 15.5(c) (Conversion Costs).

"Receivables Participation Agreement" means the Emerald Advance Receivables Participation Agreement in substantially the form of Exhibit I attached to the Purchase Agreement, governing the ongoing purchases of Emerald Advance Accounts Receivables and other unsecured Accounts Receivables by HRB Participant I, LLC from Bank, which purchases and sales of receivables are intended to be true sales for all purposes.

"Receiving Party" has the meaning set forth in Section 11.2(b) (Limits on Use and Disclosure).

"Refund Transfer" means a banking service offered by Bank under the Program in which Program Customers receive income tax refunds under the Program in a limited-use deposit account via direct deposit from the U.S. Treasury, from which amounts authorized by Program Customers are deducted and as further described in Schedule B (Refund Transfer Product Schedule).

"Regulatory Authority" means, as the context requires, any federal, state or local, domestic, foreign or supranational governmental, regulatory or self-regulatory authority, agency, court, tribunal, commission or other governmental, regulatory or self-regulatory entity with jurisdiction over a Party, any Distributor or any Franchisee.

"Regulatory Request" has the meaning set forth in Section 11.2(b) (Limits on Use and Disclosure).

"Relevant Audit Portions" has the meaning set forth in Section 8.2(d) (EFS Audit Rights and Obligations).

"Returns" means the federal, state and local income tax returns prepared by Company or any of the Franchisees or by a Person using the Company Website.

"SEC" means the U.S. Securities and Exchange Commission.

"Security Breach" has the meaning set forth in Section 12.2(b) (Data Security).

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"Senior Program Manager" has the meaning set forth in Section 3.1(b)(i) (Program Managers).

"Servicing Materials" means any correspondence, documents and reports relating to the customer servicing and collections for the Accounts, including any and all amendments or modifications thereto, however stored or kept.

"Settlement Account" means an account used for settlement of all transactions with respect to the Program.

"Settlement Statement" has the meaning set forth in Section 2.15 (Settlement Statements).

"Solvent" as to a Person, means (a) the present fair salable value of such Person's assets is in excess of the total amount of its liabilities, (b) such Person is presently able generally to pay its debts as they become due, and (c) such Person does not have unreasonably small capital to carry on such Person's business as theretofore operated and all business in which such Person is about to engage. The phrase "present fair salable value" of a Person's assets is intended to mean that value which can be obtained if the assets are sold within a reasonable time in arms'-length transactions in an existing and not theoretical market.

"Specified Party" means those Persons listed in Schedule 15.6 (Block Specified Parties).

"Suspended Product" has the meaning set forth in Section 5.3 (Right to Suspend Offering of Financial Product).

"Tax Season" means the period from November 1st of a given year through April 30th of the following year.

"Term" has the meaning set forth in Section 14.1 (Term).

"Termination Date" means, as applicable, the date on which this Agreement or a Product Schedule terminates or expires in accordance with Article 14 (Term and Termination).

"Third Party Guidance" has the meaning set forth in Section 8.5 (OCC 2013-29).

"Transaction" means a card usage that is processed through a Payment Network and its members, or through a Processor, including a load or reload, a deposit, a purchase, a cash withdrawal, or a refund.

"UDAAP" means Sections 1031 and 1036 of the Dodd Frank Wall Street Reform and Consumer Protection Act, 12 USC § 5536, and implementing regulations issued pursuant thereto, and Federal Reserve Regulation AA, which prohibit unfair, deceptive or abusive acts or practices.

"United States" means each of the fifty (50) states or commonwealths comprising the United States of America and the District of Columbia.

1.2 Order of Precedence. This Agreement and the Schedules and Exhibits contain the base terms that govern the relationship between EFS and Bank. In the event any

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provision of any Schedules (including any Product Schedule) or Exhibits conflicts with a provision of this Agreement, the provision of this Agreement shall control, unless such provision of the Schedule (including any Product Schedule) or Exhibit expressly states that it supersedes a specifically-identified section of this Agreement. To the extent that there are any inconsistencies or conflicts arising between the provisions of this Agreement and any other agreements entered into between Bank and EFS, the provisions of this Agreement shall control unless otherwise expressly provided in such other agreements.

1.3 Rules of Interpretation. Unless otherwise expressly provided in this Agreement or the context otherwise requires, the following rules apply hereto:

- (a) the singular includes the plural and the plural includes the singular;
  - (b) all references to the masculine gender include the feminine gender (and vice versa);
  - (c) "include," "includes" and "including" are not limiting and are deemed to be followed by the words "without limitation";
  - (d) references to a particular agreement, instrument or document also refer to and include all renewals, extensions, modifications, amendments and restatements of such agreement, instrument or document;
  - (e) a reference in this Agreement to an Article, Section, Schedule or Exhibit is to the Article, Section, Schedule or Exhibit of or to this Agreement;
  - (f) a reference to an Article or Section in this Agreement refers to all sub-parts or sub-components of any such article or section;
  - (g) words such as "hereunder," "hereto," "hereof," and "herein," and other words of like import refer to the whole of this Agreement and not to any particular section, subsection or clause hereof;
  - (h) a lower-case reference in this Agreement to a "party" or "parties" includes any Person;
  - (i) the headings and subheadings of the sections of this Agreement are inserted for convenience of reference only and do not control or affect the meaning or construction of any of the agreements, terms, covenants and conditions of this Agreement in any manner;
  - (j) a reference to "unreasonably withheld" means "unreasonably withheld, delayed or conditioned;"
  - (k) any approval, consent or notice required hereunder means "written approval," "written consent" or "written notice," as applicable; and
  - (l) any reference made in this Agreement to Applicable Law means such Applicable Law as may be amended from time to time, and to any successor Applicable Law relating to the same subject.
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(m) Any provision in this Agreement that allows a Party to unilaterally exercise (i) reasonable discretion, (ii) a right of final approval, or (iii) similar decision-making authority, shall automatically include a requirement that, upon exercise of such unilateral right, and a written request by the other Party (signed by a person, and delivered to a person, in each case included in the definition of Knowledge), the Party exercising such unilateral right shall provide a written explanation of the basis for such Party's exercise of such right.

## **ARTICLE 2 PROGRAM DESCRIPTION**

### 2.1 Establishment of the Program.

(a) Commencement of Program; Program Scope. Bank and EFS shall establish the Program within the Program Territory. Specifically, Bank and EFS shall offer Financial Products within the United States under the Program pursuant to the terms and conditions of this Agreement and the Product Schedules. Additionally, Bank and EFS shall offer such Financial Products to qualified consumers in the United States Territories of Puerto Rico, Guam and on certain U.S. military bases as further described in Schedule 2.1(a) (Financial Products by Territory) pursuant to the terms and conditions of this Agreement and the Product Schedules.

(b) Account Ownership. Bank shall be the sole owner of the Accounts under the Program. The Parties acknowledge (i) EFS's participation interests as set forth in the Receivables Participation Agreement, and (ii) the EFS Purchase Option.

### 2.2 Financial Products.

(a) Prepaid Products. A description of the Prepaid Products is set forth in Schedule A (Prepaid Products Product Schedule).

(b) Refund Transfer. A description of the Refund Transfer product is set forth in Schedule B (Refund Transfer Product Schedule).

(c) Emerald Advance. A description of Emerald Advance product is set forth in Schedule C (Emerald Advance Product Schedule).

(d) Credit Card Product. A description of the Credit Card Product is set forth in Schedule D (Credit Card Product Schedule).

(e) Deposit Product. A description of the Deposit Products is set forth in Schedule E (Deposit Products Schedule).

(f) New Products. Descriptions of New Products shall be set forth in new product schedules, as may be agreed by the Parties from time to time pursuant to Section 5.6 (New Products).

2.3 Bank Obligations. Subject to the terms and conditions of this Agreement, Bank shall perform the following tasks, and such other tasks as Bank and EFS shall mutually

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agree:

(a) exercise final decision-making authority with respect to whether Account Documentation, Marketing Materials and Servicing Materials comply with Applicable Law, as further described in Section 6.1(c) (Account Documentation, Marketing Materials and Servicing Materials);

(b) be willing and able to offer the Financial Products to the markets described in the Product Schedules in volumes no less than the greater of (i) the historical volumes set forth in the Product Schedules or (ii) the projected volumes for the current Tax Season as reasonably determined by the Parties; subject, however, in each case to compliance with Bank's underwriting policies and standards for each Financial Product, and Bank's overall risk management policies;

(c) subject at all times to its compliance obligations under Applicable Law, fulfill all of Bank's obligations hereunder in accordance with the Operating Procedures and the applicable Product Schedules;

(d) maintain all appropriate books and records reflecting Accountholder Data with respect to the Program in accordance with the Operating Procedures;

(e) establish the Program Eligibility Policy in accordance with Section 2.11 (Program Eligibility Policy), including establishing credit criteria for the Emerald Advance and Credit Card Product;

(f) review and process Financial Product applications in accordance with the Program Eligibility Policy and this Agreement;

(g) open and administer Accounts in connection with the Financial Products it provides to each Applicant whom Bank has approved for issuance of a Financial Product, including extending credit where applicable on Accounts;

(h) jointly prepare and update the Operating Procedures with EFS pursuant to Section 2.12(a) (Servicing Responsibilities);

(i) supervise, monitor and review the offering of Financial Products at Company Locations as set forth in Section 4.4 (Bank Oversight);

(j) design, establish and maintain a detailed compliance program as set forth in Section 4.5 (Bank Compliance Program);

(k) in its reasonable discretion and in consultation with EFS, develop appropriate training and informational support for Company Location personnel in support of the Program;

(l) jointly review with EFS, and, if approved by Bank, sign, the annual Program Marketing Plan for the marketing and promotion of the Program;

(m) review and, if Bank deems appropriate, approve the EFS Audit Plan and

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any changes thereto;

(n) comply with Applicable Law, the Operating Procedures and the Payment Network Rules applicable to Bank's conduct of its activities with respect to the Program; and

(o) in consultation with EFS, use commercially reasonable efforts to maintain and enhance the technical and operational systems required to support the Program in a manner that is competitive in the marketplace for financial products and services that are substantially similar to, or substantially competitive with, the Financial Products in the manner in which they are offered to Prospective Customers, all as determined by Bank in its reasonable discretion.

2.4 EFS Obligations. Subject to the terms and conditions of this Agreement, EFS shall be exclusively responsible for the day-to-day management of the Program and shall perform the following tasks and such other tasks as Bank and EFS shall mutually agree:

(a) subject to the oversight of and final approval by Bank as set forth in Section 6.1(b) (Account Documentation, Marketing Materials and Servicing Materials), develop and implement Account Documentation, Marketing Materials and Servicing Materials, and the Operating Procedures;

(b) develop, and jointly review with Bank, and after approval by Bank in Bank's reasonable discretion, sign, the annual Program Marketing Plan for the marketing and promotion of the Program, and then implement the approved Program Marketing Plan in accordance with Section 6.1(a) (Account Documentation, Marketing Materials and Servicing Materials) and the Operating Procedures;

(c) subject at all times to its compliance obligations under Applicable Law, fulfill all of EFS's obligations hereunder in accordance with the Operating Procedures and the applicable Product Schedules, including distribution of all materials developed pursuant to Section 2.4(a) and Section 2.4(b);

(d) maintain all appropriate books and records reflecting Account data with respect to the Program as set forth in the Product Schedules and in accordance with the Operating Procedures;

(e) provide servicing for the Financial Products and Accounts as set forth in the Product Schedules;

(f) maintain and comply in all material respects with the EFS Audit Plan, which is set forth in Schedule 2.4(f);

(g) comply with Applicable Law, Bank Rules and the Operating Procedures applicable to EFS's conduct of its activities with respect to the Program and as from time to time instructed in writing by Bank, in the exercise its reasonable discretion;

(h) comply with UDAAP for the operation of the Program, as applicable to the Program and/or as from time to time instructed in writing by Bank, in the exercise of its reasonable discretion;

(i) subject to Bank's approval, which approval may be granted or withheld in

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Bank's reasonable discretion, which shall be exercised in a prompt fashion, and to Bank's continuing oversight, develop and provide appropriate training and informational support for Company Location personnel in support of the Program;

(j) in consultation with Bank, use commercially reasonable efforts to maintain and enhance the technical and operational systems and equipment required to facilitate the distribution and offering of customer servicing for the Financial Products through Company Locations in a manner that is competitive in the marketplace for financial products and services that are substantially similar to, or substantially competitive with, the Financial Products in the manner in which they are offered to Prospective Customers, all as determined by EFS in its reasonable discretion;

(k) collect, verify and record all required customer identification information in accordance with the Operating Procedures;

(l) subject to Bank's approval, which approval may be granted or withheld in Bank's reasonable discretion, and Bank's continuing oversight, implement the Program Guidelines to be followed by the Franchisees and the Distributors participating in the Program;

(m) provide Bank with reports of its customer service activities in such frequency and format as mandated by the Operating Procedures, or as Bank may otherwise from time to time designate by written notice in the exercise of its reasonable discretion; and

(n) regularly notify Bank of all consumer or third party complaints received in connection with the Program, and promptly respond to, and resolve, such complaints as instructed by Bank in the exercise of its reasonable discretion. In addition, EFS shall cooperate with Bank in assessing and evaluating the frequency, nature or underlying causes for any consumer complaints, and preventing recurrence thereof.

2.5 Program Economics. The economics and accounting for the Program will be structured on a Product Schedule-by-Product Schedule basis as set forth in each Product Schedule.

2.6 Distributors. EFS and the Distributors will make available the Financial Products offered by Bank to Company Customers as set forth in the Product Schedules. Except as may otherwise be required by Applicable Law, as from time to time determined by Bank in its reasonable discretion, Bank shall make all Financial Products available in Company Locations (including the on-line, digital and DIY channels) owned or operated by the Distributors as provided in the Company Distribution Agreement. The Company Distribution Agreement shall establish the obligations and liabilities of each of Bank, EFS and the Distributors with respect to the other parties thereto. Any responsibilities of EFS with respect to the Distributors are as set forth in the Company Distribution Agreement.

2.7 Franchisees.

(a) Subject to Section 4.4 (Bank Oversight), and except as may otherwise be required by Applicable Law, as from time to time determined by Bank in its reasonable discretion, Bank shall make all Financial Products available to each Franchisee in the Program Territory as provided in the Franchisee Distribution Agreement executed by such Franchisee.

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(b) Franchisees shall not be deemed third-party beneficiaries of this Agreement.

(c) Each Franchisee Distribution Agreement shall establish the obligations and liabilities of each of Bank, EFS and the Franchisee with respect to the other parties thereto. Any responsibilities of EFS with respect to Franchisees are as set forth in the respective Franchisee Distribution Agreements. Notwithstanding the foregoing, except to the extent Bank is otherwise directed by a Regulatory Authority, or Bank's legal counsel determines that such Franchisee's continued distribution of Financial Products or involvement with the Program is not consistent with safe and sound banking practices and thus that immediate termination of such Franchisee or the taking of enforcement action under the Franchisee Distribution Agreement is required, Bank shall provide notice to EFS prior to (i) withdrawing any Financial Products from distribution to any Franchisee, or (ii) taking any enforcement actions against a Franchisee under the Franchisee Distribution Agreement.

2.8 Website Supporting the Program. EFS shall be responsible for the establishment of Company Websites in support of and to service the Program, subject to Bank's approval of content related to the Program or the Financial Products to the extent such content describes the Financial Products or is required by Applicable Law (other than Company Applicable Law), as determined by Bank in its reasonable discretion.

2.9 Promotion of Program; Program Marketing Plan.

(a) EFS shall market and support the Program, including complying with its obligations regarding promotion of the Program as set forth in the then-current Program Marketing Plan. EFS acknowledges that any use or distribution of Marketing Materials that may not be in strict compliance with all legal and regulatory requirements may pose regulatory, legal and reputational risks to Bank. In order to protect against any inadvertent noncompliance with said legal and regulatory requirements, Bank shall develop and make available to EFS by September 1 of each Program Year, pre-approved templates of the Marketing Materials (the "Marketing Templates").

(b) Prior to distributing or using any Marketing Materials, EFS shall either:

(i) Ensure that the Marketing Materials conform with the then-current version of the Marketing Templates; or

(ii) Provide a copy of any Marketing Materials that may not conform with the Marketing Templates to Bank for its review and approval, which approval may be given or withheld in Bank's sole discretion to be exercised in good faith.

(c) Promptly after receipt of any Marketing Materials proposed to be used by EFS, Bank shall give EFS written notice of (i) approval and authorization for implementation of the Marketing Materials as presented, (ii) approval and authorization for implementation of the Marketing Materials as revised by Bank, or (iii) rejection of the Marketing Materials.

(d) Notwithstanding anything to the contrary herein, in no event shall EFS, or any of its Affiliates, Franchisees, Distributors, officers, directors, employees, representatives or

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agents, use or distribute any Marketing Materials prior to meeting the requirements of either subpart (b)(i) or (b)(ii) of this Section 2.9. It is expressly understood that Bank's review and approval of Marketing Materials shall be for Bank's independent purposes, and shall not

(i) constitute an assumption of risk on the part of Bank, (ii) give rise to any claim, action or cause of action by EFS against Bank, or (iii) release EFS from any liability with respect to such Marketing Materials.

(e) Subject to Sections 3.1(a) (Designated Executives) and 3.1(b) (Program Managers), EFS will propose, and Bank will (i) review a marketing plan for the upcoming year for the Program, including a marketing calendar for the next Tax Season, forecast of Program transactional volume, and seasonal check-ins (such annual plan, the "Program Marketing Plan"), and (ii) if Bank so determines in its reasonable discretion, approve the Program Marketing Plan by no later than September 15th of each Program Year.

#### 2.10 Back-Up Account Originator.

(a) Provided that it has given Bank at least thirty (30) days' prior written notice (the "Back-Up Notice") thereof, EFS may contract with another federally insured depository institution (the "Back-Up Account Originator") at any time to make prior arrangements for the fulfillment of certain duties (i) after this Agreement or any Product Schedule is terminated or expires or (ii) in the event Bank is unable to perform its obligations under this Agreement or any of the Product Schedules. The Back-Up Notice shall identify the Back-Up Account Originator. EFS may provide the Back-Up Account Originator with access to the Program agreements and such other information as is reasonably necessary to assume Bank's obligations under this Agreement and any of the Product Schedules, provided that such Back-Up Account Originator agrees to confidentiality, data security and privacy covenants in favor of Bank substantially similar to those set forth in Articles 11 and 12.

(b) Notwithstanding any other provision of this Agreement, during the Term the Back-Up Account Originator and EFS may issue a limited number of Financial Products in one or more pilot programs (each a "Pilot Program") to ensure that the backup system is operational, provided that such Pilot Programs shall not involve substantial promotional efforts, or more than the minimum number of customers reasonably necessary to test the backup system. Moreover, EFS shall take all reasonable steps to ensure that any Pilot Program does not serve to undermine the Program or impugn Bank or its reputation in any manner. In addition, any Pilot Program may be expanded to cover any volume of Financial Products necessary to achieve projected volumes desired by EFS and not agreed to by Bank pursuant to Section 2.3(b)(ii) (Bank Obligations).

2.11 Program Eligibility Policy. Bank shall, in its sole discretion but with such consultation with EFS as Bank reasonably deems appropriate, (a) establish the Program Eligibility Policy for each Financial Product and Account, and (b) provide prior written notice of any material change to the Program Eligibility Policy to EFS.

#### 2.12 Servicing Responsibilities.

(a) The Parties agree to, in good faith, jointly develop and implement joint operating agreements that address the operating policies and procedures applicable to the

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Program (the "Operating Procedures"), provided, however, that in order to ensure full compliance with Applicable Law, Bank shall have a right of final approval with respect to the Operating Procedures. The Parties shall cooperate to review, update and modify the Operating Procedures on an ongoing basis as appropriate. The Parties agree that they shall continue to use such Operating Procedures in substantially the same form throughout the Term unless changes are otherwise agreed in writing by the Parties or are required by Applicable Law as determined by Bank in its reasonable discretion.

(b) Bank shall be responsible for monitoring and updating the Operating Procedures to comply with changes in Applicable Law that relate to Financial Products covered hereunder.

2.13 Service Level Agreements. Except as otherwise provided in a Schedule applicable to any Financial Product, the applicable service level agreements for each of Bank and EFS shall be as described in Schedule F (Service Level Agreements).

2.14 Expenses. Except as expressly set forth in this Agreement or any of the Product Schedules or otherwise agreed by the Parties, each Party shall be responsible for costs associated with its respective obligations under this Agreement.

2.15 Settlement Statements. No later than the fifteenth (15th) day of each month (if a Business Day, or if not, the next Business Day), EFS will provide to Bank one or more monthly settlement statements (each a "Settlement Statement") setting forth:

(a) the total amounts for the month owed to or by EFS, Bank, any participant or other third party pursuant to each Product Schedule and the Receivables Participation Agreement, with line item specificity; and

(b) any other amounts owed to or by EFS, Bank, any participant or other third party, as explicitly provided for herein, in the Receivables Participation Agreement or as otherwise agreed by the Parties in writing, with line item specificity, which amounts may be netted.

Each Settlement Statement shall be prepared and delivered in accordance with the procedures and requirements set forth in the applicable Product Schedule.

2.16 Nevada Office. Bank will (i) maintain its Nevada Branch and will issue and book the Financial Products at the Nevada Branch, (ii) take all reasonable actions at the Nevada Branch necessary for Bank to export Nevada interest rates (and rely upon Nevada usury rates) on the Emerald Advance and other credit products, including the actions specified in the Emerald Advance Product Schedule, and (iii) provide that all Account Documents are subject to and governed by U.S. federal and Nevada law.

2.17 Program Infrastructure. During the Term, EFS shall maintain, operate, or engage in, as the case may be, the following items in support of the Program:

(a) Compliance Management System. EFS will maintain a compliance risk management system, including appropriate and necessary internal controls designed to reasonably ensure that all EFS duties, obligations, and services provided pursuant to the Program, and the actions of any Distributors or Franchisees participating in the Program, will be

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in compliance with Applicable Law, and conform to the standards set forth in the Agreement. The Program will be substantially in its current form, modified as reasonably requested by Bank, to ensure compliance with Applicable Law.

(b) Quality Control. EFS shall maintain such systems and quality controls as may be necessary or as Bank may reasonably request to (i) enable Bank to adequately monitor the operations of the Program, (ii) react to fraud and promptly, when necessary, respond to and resolve consumer complaints and inquiries so that risk is managed and complaints are reasonably addressed and (iii) provide reports summarizing information as Bank may reasonably require.

(c) Documentation Review and Approval. EFS shall ensure that any of Account Documentation, Marketing Materials, Program Eligibility Policy, Program Guidelines, and Program Documents (including any changes thereto) over which it has ownership and responsibility are in compliance with Applicable Law. EFS shall submit such Marketing Materials, Program Guidelines, and Program Documents to Bank for review and approval prior to use, such approval not to be unreasonably withheld.

(d) Distributor Relationships. EFS shall maintain Bank approved Company Distribution Agreements with all Distributors, maintain appropriate records with respect to each and every Distributor performing under the Program, and provide reports to Bank with respect to such Distributors in a form and manner as the Bank may reasonably require.

(e) System Access. EFS shall provide Bank with access to all reports and such other data and information as Bank reasonably requests to facilitate settlement, balance, and reconcile accounts, monitor for fraudulent financial transactions and to comply with Bank Secrecy Act and OFAC obligations. Program Manager shall provide summaries in various forms as reasonably requested by Bank in order to monitor performance of EFS.

#### 2.18 Annual Program Fee.

(a) May 31st Program Fee Payment. On May 31<sup>st</sup> of each year during the Term of this Agreement, EFS will pay to Bank a program fee (the "Program Fee") of \$7.5 million, in addition to fees otherwise due hereunder.

(b) Partial Program Fee Payment Provisions. During the Term of this Agreement with respect to any partial year between June 1<sup>st</sup> of a given year and May 31<sup>st</sup> of the following year:

(i) if termination of this Agreement occurs on or after June 1<sup>st</sup>, but prior to the start of the first full calendar month after the anniversary of the Closing Date, no partial Program Fee will be due; or

(ii) if termination of this Agreement occurs after the start of the first full calendar month after the anniversary of the Closing Date, but prior to the subsequent May 31<sup>st</sup>, then a partial Program Fee will be due. The partial portion of \$7.5 million Program Fee will be an amount equal to \$625,000 multiplied by the number of full calendar months between the anniversary of the Closing Date and the date of termination of this Agreement.

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**ARTICLE 3**  
**PROGRAM SUPPORT**

3.1 Communications; Dispute Resolution.

(a) Designated Executives.

(i) Each Party shall designate one or more of its senior executives to serve as a high level point of contact to facilitate the efficient operation of the Program (each a "Designated Executive"). The initial Designated Executives are set forth in Schedule 3.1(a)(i) (Initial Designated Executives).

(ii) The Designated Executives shall communicate as needed to discuss the Program and address any issues that may arise in connection therewith.

(b) Program Managers.

(i) Each Designated Executive shall appoint a senior officer to facilitate the overall management of the Program under this Agreement (respectively, the "Bank Senior Program Manager" and "EFS Senior Program Manager", and each, a "Senior Program Manager"). The names of the individuals initially designated as the EFS Senior Program Manager and Bank Senior Program Manager are set forth in Schedule 3.1(b)(i) (Initial Senior Program Managers). Each Senior Program Manager shall have sufficient knowledge and experience to effectively and efficiently perform his or her responsibilities. Each Party shall endeavor to provide stability and continuity in the Senior Program Manager positions.

(ii) The Senior Program Managers shall review all changes to terms and conditions of the Financial Products offered by Bank as part of the Program, including Bank pricing and Program Eligibility Policy, and to EFS's manner of offering the Financial Products and administering the Program through the Distributors and Franchisees.

(c) Roles and Responsibilities of Senior Program Managers.

(i) The Senior Program Managers shall have the responsibility to coordinate, handle and make decisions regarding the day-to-day operations for the Program.

(ii) In the event of a situation that either Party determines in good faith to be an "emergency," each of the Senior Program Managers shall have the responsibility to promptly notify the other Senior Program Manager and each shall promptly notify the appropriate officers within its respective organization of such emergency.

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(d) The Parties shall work together in good faith to facilitate the implementation of the Program, conduct the Program in an efficient manner, provide for appropriate advance planning and such other coordination as shall be necessary or appropriate.

### 3.2 Dispute Resolution.

(a) In the event of any dispute, controversy, or claim arising out of or relating to this Agreement or the making, construction, interpretation, performance, breach, termination, enforceability or validity thereof (hereinafter, a "Dispute"), the Party raising such Dispute shall provide written notice to the other Party promptly. The Parties shall cooperate and attempt in good faith to resolve any Dispute promptly by negotiating between Persons who have authority to settle the Dispute and who are at a higher level of management than the Persons with direct responsibility for administration and performance of the provisions or obligations of this Agreement that are the subject of the Dispute. Notwithstanding the foregoing, the failure of a Party to promptly provide notice of a Dispute, does not waive any rights of such Party with respect to such Dispute (except to the extent of harm caused by the failure to give prompt notice).

(b) To the extent that Disputes remain unresolved within seven (7) Business Days of being raised, or such other date as agreed between the Chief Financial Officer of Block Inc. and the Chief Executive Officer of Bank, such Dispute shall immediately be referred to the Chief Financial Officer of Block Inc. and the Chief Executive Officer of Bank, or their respective designees (each, an "Executive Officer"), for their review and resolution.

(c) If and only after Executive Officers are unable to reach an agreement within seven (7) Business Days of such referral, the Parties may pursue their respective remedies or exercise their respective rights pursuant to the Program, this Agreement, any of the Product Schedules, any of the Financial Products, or the agreements and transactions contemplated hereby and thereby, including a court action for appropriate remedies, including damages and injunctive relief.

(d) Except as expressly set forth herein, nothing in this Section 3.2 shall limit a Party's right to give notice of termination or otherwise pursue its right to terminate this Agreement or any Product Schedule or pursue any other rights set forth in this Agreement or relevant Product Schedule.

(e) Notwithstanding anything to the contrary in this Agreement, with respect to any Financial Product being offered during a Program Year or planned for an upcoming Tax Season, if a Dispute arises regarding a particular Financial Product with respect to the (i) terms and conditions of the then-current offering of such Financial Product, including such Financial Product's features, Accountholder terms and conditions, functionality or availability compared to those of its prior offering or (ii) manner in which it is being offered or was most recently offered, then either Party may unilaterally elect to have the Dispute immediately escalated to the Executive Officers for review and resolution.

(f) The foregoing provisions of this Section 3.2 notwithstanding, each of Bank and EFS shall have the right to take any action that it is advised by outside counsel is required by Applicable Law, or refrain from taking any action that it reasonably determines or is advised by counsel is prohibited by Applicable Law, without first complying with the Dispute resolution

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procedures set forth herein.

**ARTICLE 4**  
**DECISION-MAKING AUTHORITY; REGULATORY COORDINATION;**  
**COMPLIANCE OBLIGATIONS; BANK OVERSIGHT;**  
**BANK COMPLIANCE PROGRAM**

4.1 Decision-Making Authority.

(a) Bank Matters. Subject to Applicable Law and the provisions hereunder, Bank shall have decision-making authority with respect to the following matters:

(i) compliance with respect to Applicable Law (other than Company Applicable Law);

(ii) use of Bank Licensed Marks;

(iii) changes to Bank information technology and processing systems that would not be reasonably likely to have a Program Material Adverse Effect;

(iv) compliance with respect to bank-related regulatory matters, including changes required by Applicable Law;

(v) Bank capital expenditures;

(vi) management and retention of Bank personnel;

(vii) establishment of Program Eligibility Policy;

(viii) Financial Product descriptions and Account Documentation required by Applicable Law; (collectively, the "Bank Matters").

(b) EFS Matters. Except to the extent reserved to Bank in Section 4.1(a), subject to Applicable Law and the provisions hereunder, EFS shall have decision-making authority with respect to the following matters:

(i) compliance with respect to Applicable Law;

(ii) use of Company Licensed Marks;

(iii) changes to EFS information technology and processing systems that would not be reasonably likely to have a Program Material Adverse Effect;

(iv) compliance with respect to tax preparation-related matters, including changes required by Applicable Law;

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- (v) EFS capital expenditures;
- (vi) management and retention of EFS personnel;
- (vii) execution of the Program Marketing Plan in Company Locations;
- (viii) marketing design and development of the Program Marketing Plan;
- (ix) distribution of Financial Products through Company Locations; and
- (x) customer service for the Financial Products and Accounts arranged by EFS consistent with the Product Schedules. (collectively, the "EFS Matters").

4.2 Regulatory Coordination. The Parties shall cooperate in (i) analyzing and reacting to pending material Applicable Law changes and discussing regulatory developments affecting the Program, including any of the Financial Products or Accounts established thereunder, and (ii) subject to Applicable Law regarding the confidentiality of Bank supervisory matters, responding to Regulatory Authorities regarding regulatory-related requests to the Parties.

#### 4.3 Compliance Obligations.

(a) Bank shall have final decision making authority with respect to any issues involving compliance of the Program or any aspect thereof with Applicable Law, Bank Rules and Payment Network Rules, including issues arising in connection with disclosure and compliance requirements for Financial Products and Accounts. Subject to the requirements of Section 4.2 (Regulatory Coordination), if Bank, as determined by Bank in its reasonable discretion, determines that certain changes to the Program are necessary solely to comply with Applicable Law and Payment Network Rules, the Parties shall work together in good faith with respect to any such changes prior to their implementation.

(b) Except to the extent that any such matters relate to compliance of the Program with Applicable Law as set forth in Section 4.3(a), EFS shall be solely responsible for decisions regarding compliance with Applicable Law related to EFS and Company operations, including (i) tax preparation and tax-related products and services (other than the Financial Products), and (ii) disclosure, licensing and compliance requirements of EFS and Company related to EFS and Company operations ("Company Applicable Law").

(c) Each Party shall cooperate in a commercially reasonable manner with the other Party in support of and compliance with any Program policies implemented by such Party that are required by Applicable Law.

(d) Each Party shall offer Financial Products and maintain the Accounts in compliance with Applicable Law. In addition to the compliance obligations set forth in this Agreement, any of the Product Schedules or the Program Data Site, EFS shall advise Bank with

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respect to any Applicable Law with which EFS reasonably believes Bank must comply in connection with the Program, and Bank shall advise EFS with respect to any Applicable Law with which Bank reasonably believes EFS must comply in connection with the Program.

4.4 Bank Oversight. The Parties acknowledge and agree that Bank has the right and the duty to supervise, monitor and review the provision of the Financial Products, Accounts and related services offered under the Program, including at Company Locations. Subject to at least three (3) days' advance notice to EFS and Company Locations (other than with respect to Bank's rights to use "mystery shoppers" pursuant to Section 8.1(a) (Bank Audit Rights and Obligations), for which advance notice shall not be required), Bank and its designated thirdparty representatives shall have access rights to Company Locations in order to supervise, monitor, review and audit the activities at such Company Locations to ensure that such activities comply with the Operating Procedures, and Applicable Law. EFS shall, as soon as reasonably practicable, take all actions reasonably necessary to remedy any non-compliance identified pursuant to Bank's supervisory rights under this Section 4.4, including causing such remedial actions to be taken at the applicable Company Locations.

4.5 Bank Compliance Program.

(a) Bank shall design, establish and maintain a detailed compliance program consistent with this Agreement, to ensure adequate monitoring, supervision and control over EFS and the Program activities that EFS performs for Bank and the Financial Products offered and Accounts maintained by Bank. The compliance program shall include, at a minimum, the following features:

(i) The compliance program shall be reviewed by Bank's board of directors and senior management not less frequently than annually.

(ii) Bank shall designate a compliance officer responsible for the development, implementation and management of Bank's compliance program. The compliance officer shall have responsibility for the oversight of EFS's performance of customer servicing activities related to the Program, the Financial Products and Accounts offered by Bank.

(iii) Not less frequently than annually, Bank shall conduct a compliance risk assessment for the Program. Bank and EFS shall cooperate to develop a true and comprehensive depiction of actual risks in the Program.

(iv) Not less frequently than annually, the Bank compliance officer shall review the compliance program to determine if EFS is operating in accordance with Bank's established policies and procedures regarding the activities relating to the Program, the Financial Products and Accounts offered by Bank.

(v) Bank shall conduct an annual internal or external audit review of the compliance program, which shall include a review and update of the training program and training materials.

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(vi) Bank shall require the compliance officer to provide annual written compliance and audit reports to Bank's board of directors. Such reports shall include evidence of appropriate remedial actions taken (or to be taken) to address any identified deficiencies in the compliance program.

(vii) Bank shall develop and maintain a system for tracking and recording consumer complaints regarding the Program in a timely manner. The compliance officer shall provide an annual written report of consumer complaints regarding the Program, and the resolution of such complaints, to Bank's board of directors.

(viii) Bank shall maintain a review process for all Account Documentation, Marketing Materials and Servicing Materials used in the Program.

(ix) Bank shall comply with any other requirements or conditions that a Regulatory Authority deems appropriate for Bank with regard to the Program.

(x) EFS may, with the consent of Bank (such consent not to be unreasonably withheld), implement compliance standards and practices for the Program that supplement, but do not conflict, with those prescribed by Bank.

(xi) EFS may, with the consent of Bank (such consent not to be unreasonably withheld), implement compliance standards and practices for the Program that implement legal stipulations, settlements and contractual agreements with third parties.

**ARTICLE 5**  
**EXCLUSIVITY; NEW PRODUCTS;**  
**CHANGES TO EXISTING PRODUCTS AND PROGRAM**

5.1 Bank's Right to Offer Financial Products to Others. Except as set forth in Section 6.2(b) (Cross Marketing) and Article 12 (Privacy and Data Security), nothing in this Agreement is intended or shall be construed to prohibit or limit Bank's right to offer financial products and services that are similar to the Financial Products, with or through any Person.

5.2 EFS to Offer Only Financial Products of Bank.

(a) At Company Locations, EFS and its Affiliates will offer and distribute only Bank's Financial Products, and will not offer or distribute financial products issued or originated by other insured depository institutions that are substantially similar to the Financial Products, except:

(i) as otherwise provided in this Agreement;

(ii) for financial products issued or originated after the

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termination of this Agreement or, with respect to a particular financial product, after the termination of the Product Schedule for the substantially similar Bank Financial Product;

(iii) EFS and its Affiliates shall have the right to offer a "second look" program with a different set of eligibility criteria for selected Financial Products for which Bank has declined to offer based on those eligibility criteria; and

(iv) any entity that becomes an Affiliate of Company after the date of this Agreement may continue to offer financial products of another insured depository institution that are substantially similar to the Financial Products, if such Affiliate was offering such financial products prior to such Affiliate being acquired by, or otherwise becoming an Affiliate of, Company.

(b) Nothing in this Agreement is intended or shall be construed to prohibit or limit the rights of EFS and its Affiliates to offer or distribute any other financial product or service that is not substantially similar, in all respects, to a Financial Product.

5.3 EFS Right to Suspend Offering of Financial Product. Notwithstanding any other provision of this Agreement, EFS and its Affiliates shall have the right, in their sole discretion, to suspend the offering of one or more Financial Products (a "Suspended Product") in one or more states (or other jurisdictions) without terminating the relevant Product Schedules or triggering a termination right under this Agreement; provided, however, that following any such suspension if EFS elects to resume offering any such Suspended Product during the Term, EFS shall offer such Suspended Product only through Bank.

5.4 Enhancements to Financial Products. Bank and EFS may agree upon enhancements or other changes to the Financial Products offered under the Program. The Parties shall periodically meet to discuss new features or functionalities to existing Financial Products under the Program. After approval by both Parties, the offering of such new features or functionalities to existing Financial Products shall be implemented by a written amendment of the relevant Product Schedule(s).

5.5 Changes to Program During Tax Season. Notwithstanding any other provision of this Agreement or any Product Schedule:

(a) Unless otherwise permitted under this Agreement, any changes proposed for the Program shall require the prior consent of Bank and EFS. Bank shall use commercially reasonable efforts in good faith to delay any changes to Financial Products until the conclusion of the Tax Season. Bank may not require that EFS make changes to or cease offering any Financial Product during a Tax Season, unless Bank has received a specific written directive from its primary federal regulator that changes to, or cessation of the offering of, a Financial Product are required, provided, however, that before requiring EFS to cease offering a Financial Product during the Tax Season, Bank shall make reasonable efforts to work with EFS to make changes to the Financial Product or the distribution of such product to address regulatory concerns.

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(b) If there are any potential material changes to the Program of which Bank is aware or contemplates implementing, Bank shall promptly notify EFS of such potential material changes.

#### 5.6 New Products.

(a) EFS and Bank may agree to offer a new financial product or service by developing, negotiating and executing a plan to offer the new product (a "New Product Offering Plan") and a new product schedule (when so finalized, a "New Product"). Upon execution of the new product schedule and the New Product Offering Plan, the New Product will become a Financial Product and the product schedule will become a Product Schedule, covered by the Program and subject to the terms of this Agreement.

(b) Nothing in this Agreement is intended or shall be construed to require

(i) Bank to offer or distribute any proposed new product developed by EFS; (ii) Bank to offer or distribute through EFS and its Affiliates any proposed new product that Bank develops; (iii) EFS to give Bank a first look or right of first refusal on any proposed new product developed by EFS; or (iv) Bank to give EFS a first look or right of first refusal to distribute or service any proposed new product developed by Bank.

5.7 Staffing Plan. Bank shall develop and implement a Staffing Plan designed to ensure adequate support of the Program, including the compliance obligations associated therewith, which is acceptable to Bank's regulators. Bank shall make each of Bank's employees or independent contractors assigned to assist on matters relating to or in connection with the Program or this Agreement aware of the confidentiality provisions of Section 11.2 (Limits on Use and Disclosure) (unless such contractors are subject to independent duties of confidentiality).

### **ARTICLE 6 ACCOUNT DOCUMENTATION; MARKETING; CROSS MARKETING**

#### 6.1 Account Documentation, Marketing Materials and Servicing Materials.

(a) EFS shall be responsible for implementing the Program Marketing Plan consistent with Company's tax services marketing plan and the terms of this Agreement and will review the Program Marketing Plan, Marketing Materials and Marketing Template with Bank.

(b) EFS shall be responsible for developing, modifying, and implementing the Account Documentation, Marketing Materials, and Servicing Materials, subject to final approval by Bank, including approval with respect to any content (i) required by Applicable Law, or

(ii) containing Bank Licensed Marks, unless use is in a format preapproved by Bank. Material changes to Account Documentation, Marketing Materials, and Servicing Materials by EFS shall require the prior approval of Bank, as soon as practicable and in no event later than five (5) Business Days after notice, and shall be paid for in their entirety by EFS. EFS shall administer Accounts in compliance with Account Documentation, Applicable Law, Bank Rules and Payment Network Rules, and clearly disclose in any cardholder agreement all fees to be paid by Accountholders and/or Applicants. All dormant Accounts will be processed in accordance with

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Applicable Law, including relevant escheat and abandonment statutes.

(c) Bank shall have final decision-making authority with respect to Account Documentation, Marketing Materials, Marketing Templates and Servicing Materials and shall have the right to require changes to those materials as required by Applicable Law or relating to any changes in Bank Licensed Marks. Bank has the right to set, and make changes to, the terms of the Financial Products, including interest rates and fees for the Financial Products. Any material changes to Account Documentation, Marketing Materials, Marketing Templates and Servicing Materials by Bank that (i) are not required by Applicable Law or (ii) do not relate to any changes in Bank Licensed Marks shall: (x) require the prior approval of EFS as soon as practicable and in no event later than five (5) Business Days after notice, such approval not to be unreasonably withheld and (y) be implemented by EFS within thirty (30) days of EFS approval. Notwithstanding Section 6.1(b), any material changes to Account Documentation, Marketing Materials, Marketing Templates and Servicing Materials made by Bank without the concurrence of EFS that (i) are not required by Applicable Law or (ii) which relate to changes in Bank Licensed Marks, shall be paid for in their entirety by Bank. Solely for purposes of the preceding sentence, "required by Applicable Law" means as reasonably determined by Bank upon advice of outside counsel.

## 6.2 Cross Marketing.

(a) Without obligating either Party, EFS and Bank agree to explore ways to cross-market their respective products to the other Party's customers on terms satisfactory to each of the Parties, in their sole discretion, and appropriately documented. Any such marketing shall in all cases be subject to Applicable Law, including Sections 6713 and 7216 of the Internal Revenue Code of 1986 (the "Code") and GLBA, and also subject to the ownership and rights to customer data provisions of this Agreement under Section 12.3 (Collection, Ownership and Use of Program Customer Data).

(b) Except as expressly authorized in this Agreement or otherwise agreed in writing by EFS:

(i) Bank shall not use Applicant Data, Prospect Data, Company Customer Data and/or Accountholder Data to do any of the following: (A) solicit Applicants, Prospective Customers or Program Customers for product or service offerings (including offerings by third parties); provided, however, that use of the same by Bank for fraud and BSA monitoring purposes is permitted hereunder; and provided, further, that to the extent permitted by Law, EFS is committed to work with Bank on analytics and modeling; or (B) use or disclose the names of Applicants, Prospective Customers or Program Customers, or any other information relating to the Accounts or to the Applicants, Prospective Customers or Program Customers; and

(ii) Bank shall not insert any Bank or any third-party's offerings in statements provided to Program Customers or target Company Customers for Bank products and services (other than the Financial Products) or offerings by third parties. For the avoidance of doubt, any Applicant Data, Prospect Data, Company Customer Data and/or

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Accountholder Data that Bank obtains in connection with the Program may only be used for purposes of fulfilling its obligations and exercising its rights under this Agreement and the Program.

(c) EFS may use Program Customer Data, and other information relating to Program Customers, to the fullest extent permitted by Applicable Law and the Privacy Notice.

(d) Notwithstanding the restrictions set forth in Section 6.2(b):

(i) Bank may make solicitations for goods and services to the public in its own name, and may use prospect lists it develops independently of the Program or that are provided by third parties, which may include the names of one (1) or more Program Customers; provided that Bank does not (A) target such solicitations to Program Customers or Company Customers, (B) other than as expressly authorized by this Agreement, use or permit a third-party to use any list of or information regarding Program Customers obtained by Bank pursuant to its activities related to the Program, or (C) refer to or otherwise use the name of Company or EFS in connection with such solicitation; and

(ii) Bank shall not be obligated to redact the names of Program Customers from general marketing lists it develops independently of the Program or acquires from third parties (e.g., subscription lists) that it uses for solicitations.

(iii) Bank shall be permitted to engage in business with any Person who contacts it independently of activities involving the Financial Products.

6.3 Customers of Bank. For all purposes hereof, Accountholders are, and for all intents and purposes shall be deemed to be, customers of Bank, having a direct relationship with Bank. Bank shall be free to contact Accountholders and potential Accountholders regarding matters specifically related to their existing Accounts, without notice to EFS, and at all times in compliance with this Agreement, including Section 6.2(b) (Cross Marketing), Section 6.4 (Cross Marketing of IRA Accounts), Section 6.5 (Cross Marketing of Mortgage Products) and in Article 12 (Privacy and Data Security).

6.4 Cross Marketing of IRAs.

(a) The Company and Bank agree to negotiate in good faith the terms upon which the Parties desire for Bank to offer, promote and market IRA Accounts to Prospective Customers through Company Locations. The Company will not offer any individual retirement accounts of other parties at Company Locations during the first 5 years of the Term of this Agreement. The offering of IRA Accounts to Prospective Customers by Bank shall not be subject to the restrictions set forth in Section 6.2(b).

(b) In addition to the terms set forth herein, any IRA Account Product Schedule shall set forth the respective duties and obligations of Bank, EFS and Company with respect to such IRA Accounts, including, as applicable, features, marketing channels,

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functionality, competitiveness, pricing, economics, fees, and product specific regulatory compliance and indemnification. The Parties agree that the IRA Account Product Schedule shall, among other things, specify that:

(i) Bank will pay a fee of no more than ten dollars (\$10.00) to the Company for each IRA Account opened and funded at Bank by a Prospective Customer (the intent of which is to drive volume, and thus a reasonable portion of such fee will be used by Company to pay field employees);

(ii) the Company will be responsible for, and pay for all costs related to incorporating the IRA Account offering into (A) the DIY offerings, (B) the in-office tax preparation software and customer interview, (C) the cost of training tax professionals with respect to offering Bank's IRA Accounts, and (D) the costs to Company associated with account opening and funding process (including knowing your customer procedures).

(iii) the Company acting in good faith will control time, place and manner of presentation of the IRA Accounts in conformance with the terms of this Section 6.4;

(iv) the Company will facilitate Bank required training of tax professionals on cross-marketing the IRA Account product;

(v) Bank will provide competitive rates and terms on the IRA Account;

(vi) Bank will cap its fees and charges for the IRA Account in an amount to be reasonably determined from time to time by agreement of the Parties;

(vii) Bank and Company shall negotiate in good faith on an IRA marketing plan including social media, placement of retargeting tracking pixels, tracking links, web articles and blogging, an outbound email campaign and banner advertisements on the Company's website; provided, however, any advertising Bofl desires to place on third party websites will be at Bofl's expense;

(viii) Company shall allow placement of Bank's promotional material in Company stores and make such materials available to Franchisee offices; and

(ix) Except for damages arising as a result of the grossly negligent, willful or fraudulent acts of the Company, Bank will fully indemnify the Company with respect to third party claims, including reasonable court costs and legal fees, incurred by the Company with respect to IRA Accounts.

The Parties acknowledge that this Section 6.4 does not contain all the terms that will need to be

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negotiated and remains subject to Section 5.6. However, as stated above, the Parties agree to negotiate in good faith.

(c) The Parties will cooperate to obtain all required regulatory approvals or non-objections to any new IRA Product Schedule agreed upon consistent with the approval conditions associated with the Purchase Agreement.

(d) Nothing in this Section 6.4 is intended or shall be construed to restrict, prohibit or curtail Company (i) from acquiring or being acquired by, any Person that offers, promotes or cross markets IRA Accounts or to limit the ongoing operations or growth of such entity; or (ii) from making general referrals or offering advice in connection with financial planning or similar advisory services.

(e) The Company shall allow placement of Bank's promotional material for IRA Products in Company Locations and make such materials available to Franchisee Locations for the Tax Season starting November 1, 2015. The Parties shall cooperate to allow Bank to offer the IRA Accounts, as contemplated by Section 6.4(b), during the Tax Season starting November 1, 2016. The Company will include Bank IRA Account messaging for reasonable periodic rotation in the Company's Facebook, Twitter and other social media channels, a link to Bank's IRA Accounts on the Company's customer facing webpages and the Company's employee facing intranet site.

(f) For purposes of this Section 6.4, Company Locations only includes Franchisee Locations if the Franchisee has agreed to the offering of IRA Products in such Franchisee Location.

#### 6.5 Cross Marketing of Mortgage Products.

(a) During the Term of this Agreement, to the extent permitted by Law and in a manner reasonably determined by Company after good faith negotiations by Company and Bofl, the Company will permit cross-marketing of Bank's Mortgage Products by:

(i) including Bank mortgage loan messaging for reasonable periodic rotation in the Company's Facebook, Twitter and other social media channels;

(ii) placing a link to Bank's mortgage lending page and rotating banner advertisements on the Company's customer facing webpages and the Company's employee facing intranet site;

(iii) conducting trial outbound email campaigns;

(iv) placing Bank's promotional material in Company stores and making such materials available to franchisee offices;

(v) permitting Bank to attend Company's franchisee annual convention and host an exhibition booth;

(vi) allowing Bank to provide to Company web articles on

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mortgage products for educational purposes and tax concepts;

(vii) in no event shall Bank, with respect to this Section 6.5(a), be obligated to provide any consideration (including any closed loan fee, lead fee, or marketing fee) to Company, any Franchise, or any employee or agent of either in connection with any lead or mortgage transaction sourced through the marketing activities contemplated by this Section 6.5(a). The Company acknowledges that marketing of Mortgage Products pursuant to this Section

6.5

(a) is occurring solely as an accommodation and value add to Company Customers; and

(viii) Bank and Company agree to facilitate periodic executive and operational mortgage marketing program reviews to develop and refine the activities listed in Section 6.5(a)(i)-(vii).

(b) Subject to Section 5.6, the Parties will explore additional means for the Bank to cross-market its Mortgage Products to Company Customers. The Parties will cooperate to obtain all required regulatory approvals or non-objections to any new Mortgage Products Product Schedule agreed upon consistent with the approval conditions associated with the Purchase Agreement.

(c) Except for damages arising as a result of the grossly negligent, willful or fraudulent act of the Company, Bank will fully indemnify the Company and EFS for crossmarketing Bank's Mortgage Products.

## **ARTICLE 7 OUTSOURCING RESTRICTIONS; SERVICE PROVIDERS**

### 7.1 Outsourcing Restrictions.

Neither Party shall, without the written consent of the other Party, outsource any servicing functions relating to the Accounts that would result in Program Customer Data being transmitted outside of the United States; provided, however, EFS shall be permitted to utilize the servicing functions of the service providers located outside the United States as set forth in Schedule 7.1 (List of Internationally Outsourced Service Providers).

### 7.2 Service Providers.

(a) The material third-party service providers for each of Bank and EFS ("Material Bank Service Providers" and "Material EFS Service Providers," respectively) are set forth in Schedule 7.2(a) (Material Third-Party Service Providers). Modification of the engagement by Bank of Material Bank Service Providers or EFS of Material EFS Service Providers, as applicable, for the Program shall be subject to the other Party's prior notice and consultation rights; provided, however, neither Party shall change or add a Material Bank Service Provider or Material EFS Service Provider, as applicable, without prior written notice to and consultation with the other Party.

(b) The use by a Party of Bank Service Providers or EFS Service Providers, as

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applicable, to perform services related to this Program shall not relieve such Party of any of its obligations under this Agreement, and for the avoidance of doubt, such Bank Service Providers or EFS Service Providers, as applicable, shall be held to the same standards of care as would be applicable to such Party if it were to perform the service itself. The Party engaging any Bank Service Providers or EFS Service Providers, as applicable, will be responsible for all payments to such Bank Service Providers or EFS Service Providers, as applicable, and shall be responsible for (i) ensuring the performance or non-performance of such Bank Service Providers or EFS Service Providers, as applicable, as if such performance or nonperformance were that of such Party and (ii) requiring such Bank Service Providers or EFS Service Providers, as applicable, to obtain all necessary permits, licenses, authorizations and approvals of Regulatory Authorities. For the avoidance of doubt, any breach of the provisions of this Agreement by a service provider to a Party shall constitute a breach by such Party as if it had performed the outsourced services itself, and be subject to all provisions of this Agreement applicable to such breach, including the notice and cure provisions set forth in Sections 13.1 (EFS Event of Default), 13.2 (Bank Event of Default) and 14.2(a) (Mutual Termination Rights).

(c) Neither Party shall make material changes to the services provided under agreements with Material Bank Service Providers or Material EFS Service Providers in connection with the Program without prior written notice to and consultation with the other Party other than pricing changes for which Bank or EFS, as applicable, is responsible.

(d) Except as otherwise agreed in writing among Bank, EFS and any thirdparty service provider, each Party shall continue to manage all third-party relationships managed by such Party as of the Effective Date and deemed necessary and appropriate for such Party to perform its obligations pursuant to this Agreement and the Product Schedules. EFS shall continue to be entitled to all incentives and benefits arising from servicing contracts with third parties, including its existing incentive agreement with MasterCard.

## **ARTICLE 8 AUDIT RIGHTS; REPORTING**

### **8.1 Bank Audit Rights and Obligations.**

(a) In addition to the other rights set forth in this Agreement, subject to the confidentiality provisions set forth in Article 11 (Confidentiality), applicable privacy laws and other Applicable Law, the EFS Audit Parties and service providers for which EFS and Bank have agreed to enter into tri-party agreements shall, during normal business hours, in a manner designed to be least disruptive and no more than once per Program Year unless more frequent audits are required by any Regulatory Authority or are necessary to confirm that prior audit exceptions have been rectified: (i) permit Bank, its officers, employees, accountants, lawyers and consultants in such a manner as to minimize unreasonable interference with the EFS Audit Parties' normal business operations, to, by any means reasonably acceptable to Bank, examine and audit operations and audit, inspect, copy and make copies of all of the data, records, files and books of account (including non-financial information) under the control of the EFS Audit Parties if such operations, data, records, files and books of account relate to any obligation of EFS under this Agreement or any of the Product Schedules, including any calculation required to be made pursuant to the terms of this Agreement or the Product Schedules, as applicable, and as required by Applicable Law or Payment Network Rules; and (ii) use commercially reasonable efforts to facilitate Bank's exercise of such right granted in subparagraph (i) of this Section 8.1(a)

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(including a good faith effort to obtain any consents that may be necessary or desirable to avoid a breach of any contractual obligations). In furtherance of and without limiting the foregoing, (x) the EFS Audit Parties shall permit Bank to use "mystery shoppers" at Company Locations to audit the offering of the Financial Products under the Program; (y) the EFS Audit Parties shall permit Bank to examine and audit operations and audit, inspect, copy and make copies of all of the data, records, files and books of account (including non-financial information) at Company Locations if such operations, data records, files and books of account relate to any obligation of EFS under this Agreement or any of the Product Schedules.

(b) To the extent an audit conducted pursuant to Section 8.1(a) reveals any error, deficiency or other failure to perform on the part of EFS, EFS will (i) as soon as reasonably possible following the date on which it becomes aware of such error, deficiency or other failure to perform and, in any event, no later than fifteen (15) Business Days following such date (unless a shorter timeframe is reasonably deemed necessary by Bank because of the critical nature of the error, deficiency or other failure or is required by a Regulatory Authority), deliver to Bank a written corrective plan (an "EFS Corrective Plan") that, if followed, is designed to correct the error, deficiency or other failure to perform, (ii) following the approval of the EFS Corrective Plan by Bank, promptly execute the EFS Corrective Plan and (iii) permit Bank to conduct additional follow-up audits as Bank may deem reasonably necessary for Bank to audit EFS's compliance with this provision, including the correction of EFS's error, deficiency or other failure to perform. The EFS Audit Parties shall use commercially reasonable efforts to deliver any document or instrument necessary for Bank to obtain such information from any Person maintaining records for the EFS Audit Parties. The reasonable cost and expense of any such follow-up audits shall be expenses of EFS.

(c) Except as otherwise required for Bank to be in full compliance with Applicable Law, notwithstanding anything to the contrary contained herein, EFS shall not be required to provide Bank or any other Person with access to information or records to the extent that such access (i) is prohibited by Applicable Law or Payment Network Rules; provided, however, that to the extent that access to information or records is so prohibited, EFS (A) shall notify Bank in writing regarding the Applicable Law or Payment Network Rules which prohibit such access and (B) shall deliver to Bank copies of all requested information or records, redacted as may be necessary to comply with the cited Applicable Law or Payment Network Rules or (ii) would reasonably be expected to cause EFS to be a consumer credit reporting agency as set forth in the Fair Credit Reporting Act.

(d) EFS shall use commercially reasonable efforts to facilitate the maximum level of access by Bank, its officers, employees, accountants, lawyers and consultants in light of constraints under Applicable Law and Payment Network Rules. No action taken by (or on behalf of) Bank pursuant to this Section 8.1 shall diminish or obviate any of the representations, warranties, covenants or agreements of EFS contained herein.

(e) The reasonable out of pocket costs and expenses of annual examinations or audits conducted by (or on behalf of) Bank pursuant to Section 8.1(a) shall be the expenses of Bank (other than costs incurred by EFS in responding to the needs of Bank or such other Person performing the audit on behalf of Bank).

(f) It is expressly understood that Bank's exercise of its audit rights hereunder, or the granting thereof herein, shall be for Bank's independent purposes, and shall not constitute

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an assumption of risk on the part of Bank or release EFS from any liability hereunder or under Applicable Law.

## 8.2 EFS Audit Rights and Obligations.

(a) In addition to the other rights set forth in this Agreement, subject to the confidentiality provisions set forth in Article 11 (Confidentiality), applicable privacy laws and other Applicable Law, Bank shall, during normal business hours, in a manner designed to be least disruptive, and no more than once per Program Year unless more frequent audits are required by any Regulatory Authority or are necessary to confirm that prior audit exceptions have been rectified: (i) permit EFS, its officers, employees, accountants, lawyers and consultants in such a manner as to minimize unreasonable interference with Bank's normal business operations, to, by any means reasonably acceptable to EFS, examine and audit operations and audit, inspect, copy and make copies of all of the data, records, files and books of account (including non-financial information) under the control of Bank if such operations, data, records, files and books of account relate to any obligation of Bank under this Agreement or any of the Product Schedules, including any calculation required to be made pursuant to the terms of this Agreement or the Product Schedules, as applicable, and as required by Applicable Law or Payment Network Rules; and (ii) use commercially reasonable efforts to facilitate EFS's exercise of such right granted in subparagraph (i) of this Section 8.2(a) (including a good faith effort to obtain any consents that may be necessary or desirable to avoid a breach of any contractual obligations). In furtherance of and without limiting the foregoing, Bank shall permit EFS to examine and audit operations and audit, inspect, copy and make copies of all of the data, records, files and books of account (including non-financial information) at Bank if such operations, data records, files and books of account relate to any obligation of Bank under this Agreement or any of the Product Schedules. The Parties acknowledge and agree that that EFS's audit rights do not extend to Bank's regulatory reports of examination, regulatory communications or other documents or materials that Bank is prohibited by Applicable Law from sharing with EFS.

(b) To the extent an audit conducted pursuant to Section 8.2(a) reveals any error, deficiency or other failure to perform on the part of Bank, Bank will (i) as soon as reasonably possible following the date on which it becomes aware of such error, deficiency or other failure to perform and, in any event, no later than fifteen (15) Business Days following such date (unless a shorter timeframe is reasonably deemed necessary by EFS because of the critical nature of the error, deficiency or other failure or is required by a Regulatory Authority), deliver to EFS a written corrective plan that, if followed, is designed to correct the error, deficiency or other failure to perform (a "Bank Corrective Plan"), (ii) following the approval of the Bank Corrective Plan by EFS, promptly execute the Bank Corrective Plan and (iii) permit EFS to conduct additional follow-up audits as EFS may deem reasonably necessary for EFS to audit its compliance with this provision, including the correction of its error, deficiency or other failure to perform. Bank shall use commercially reasonable efforts to deliver any document or instrument necessary for EFS to obtain such information from any Person maintaining records for Bank.

(c) Except as otherwise required for Bank to be in full compliance with Applicable Law, notwithstanding anything to the contrary contained herein, Bank shall not be required to provide EFS or any other Person with access to information or records to the extent that such access (i) is prohibited by Applicable Law or Payment Network Rules; provided, however, that to the extent that access to information or records is so prohibited, Bank (A) shall

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notify EFS in writing regarding the Applicable Law or Payment Network Rules which prohibit such access and (B) shall deliver to EFS copies of all requested information or records, redacted as may be necessary to comply with the cited Applicable Law or Payment Network Rules; or (ii) would reasonably be expected to cause Bank to be a consumer credit reporting agency as set forth in the Fair Credit Reporting Act.

(d) The EFS Audit Parties shall conduct audits in accordance with, and on the schedule required by, the EFS Audit Plan. The EFS Audit Parties shall provide to Bank the portions of such audits relating to the Program and the Financial Products (the "Relevant Audit Portions"). The reasonable cost and expense of the EFS Audit Parties providing the Relevant Audit Portions to Bank shall be at EFS's expense. The EFS Audit Parties shall deliver to Bank

(i) any Relevant Audit Portion relating to the offering of Emerald Advance no later than December 31 of each Program Year relating to pre-season Emerald Advance audit activity and

(ii) any Relevant Audit Portion relating to the offering of the Financial Products, including Emerald Advance, through February 15 of the Tax Season no later than March 31 of each Program Year, and (iii) any Relevant Audit Portion relating to the offering of the Financial Products after February 15 no later than June 30 of each Program Year; provided, however, that if any audit conducted by the EFS Audit Parties pursuant to the first sentence of this Section 8.2(c) reveals any adverse material findings, the EFS Audit Parties must provide to Bank interim reports relating to such adverse material findings within five (5) Business Days of EFS's receipt of such audit.

(e) Bank shall use commercially reasonable efforts to facilitate the maximum level of access by EFS, its officers, employees, accountants, lawyers and consultants in light of constraints under Applicable Law and Payment Network Rules. No action taken by (or on behalf of) EFS pursuant to this Section 8.2 shall diminish or obviate any of the representations, warranties, covenants or agreements of Bank contained herein.

(f) The reasonable cost and expense of annual examinations or audits conducted by (or on behalf of) EFS pursuant to Section 8.2 or the EFS Audit Plan shall be expenses of EFS.

(g) It is expressly understood that EFS's exercise of its audit rights hereunder, or the granting thereof herein, shall be for EFS's independent purposes, and shall not constitute an assumption of risk on the part of EFS or release Bank from any liability hereunder or under Applicable Law.

8.3 Audits by Regulatory Authorities. In addition to access as provided in Sections 8.1 (Bank Audit Rights and Obligations) and 8.2 (EFS Audit Rights and Obligations), each Party, at its own expense, will permit, in accordance with Applicable Law, any Regulatory Authority to visit its facilities related to the Program. Each Party will also permit, in accordance with Applicable Law, any Regulatory Authority to review and obtain copies of the books and records in its possession or under its control relating to the Program. The access granted under this Section 8.3 shall occur during normal business hours with reasonable advance notice unless otherwise required by any such Regulatory Authority and Applicable Law.

8.4 Reporting.

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(a) To the extent permitted by Applicable Law, each Party shall have the right to require the other Party upon ten (10) days' prior written notice or such shorter timeframe as may be required at the request of a Regulatory Authority, to provide reasonably necessary internal and external reports (including all data, electronic or otherwise, forming the basis for such reports) requested in good faith with respect to each of the Financial Products under the respective Product Schedules in a timely manner to it from time to time, including reporting sufficient for each Party to satisfy its reporting compliance obligation under Applicable Law (such as reconciliation reports, fraud reports and complaint reports). The Parties shall provide the reports as set forth in the Program Data Site and as otherwise agreed in writing by the Parties.

(b) EFS shall cause Bank to have direct access to management reports available to EFS from Material EFS Service Providers for the Financial Products. Each of EFS and Bank shall provide to the other Party such additional management reports, including reporting related to fraud losses, suspicious activity and consumer complaints relating to the Program. Upon a Party's reasonable request, the other Party shall also provide any customized reports related to the Program from time to time, to the extent reasonably practicable.

(c) In the event that a Party requests additional reports or information that will require the other Party to incur reasonable additional out-of-pocket costs, the Party preparing the report shall be required to provide such requested reports or information. The requesting Party shall pay the other Party for such additional out-of-pocket costs unless the requesting Party has made such request based on a good faith determination that such additional report or information is required for purposes of satisfying its regulatory obligations.

(d) Each Party will cooperate with the other Party in a commercially reasonable manner to build any necessary system interfaces with respect to each of the Financial Products under the respective Product Schedules, including Program and Financial Product transaction and Account level data.

8.5 SEC Reporting and Public Announcements. The Parties will work in good faith to coordinate public disclosures that reference the Financial Products, the Program or the other Party. The Parties shall mutually agree on the content and timing of press releases and Form 8-Ks announcing the execution of this Agreement.

To the extent permitted by Applicable Law, each Party (the "Notifying Party") shall provide the other Party (the "Notified Party") with advance notice and copies of all relevant portions of the Notifying Party's anticipated regulatory filings and other public disclosures required by U.S. securities laws that reference the Financial Products or the Program, or that mention the Notified Party's name, prior to the public disclosure or filing thereof. The Notified Party shall have the opportunity to review with its counsel and provide comments to the Notifying Party on such disclosures and filings prior to their public disclosure or filings with the regulators. The Notifying Party shall in good faith discuss and consider the Notified Party's comments and consider incorporating such comments into its regulatory filings and other public disclosures required by U.S. securities laws prior to their filing or public disclosure; provided that, notwithstanding anything in this Agreement to the contrary, a Notifying Party shall at all times control and be responsible for the content and timing of its securities law filings and public disclosures and be permitted to make any disclosures that it reasonably believes are required under Applicable Law.

To the extent permitted by Applicable Law and to the extent not already covered by the

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above paragraph, each Party should provide the other Party with advance notice and copies of all relevant portions of any press releases, announcements, similar materials and the planned text of other statements of a public nature that reference the Financial Products or the Program, or that mention the Notified Party's name, prior to the public disclosure or filing thereof. The Notified Party shall have the opportunity to review and provide comments to the Notifying Party on such materials prior to their public disclosure or filing. The Notifying Party shall in good faith discuss and consider the Notified Party's comments and consider incorporating such comments into its communications prior to their public disclosure or filing; provided that, notwithstanding anything in this Agreement to the contrary, a Notifying Party shall at all times control and be responsible for the content and timing of its communications and be permitted to make any such communications.

Nothing contained in this section 8.5 shall prevent either Party from (i) publicly discussing general plans, forecasts or other materials that do not reference Financial Products, the Program or the other Party or (ii) issuing press releases, announcements, similar materials or communications or making other statements consistent with content previously shared with the other Party pursuant to this Section 8.5 or otherwise in public domain (other than as a result of a violation of this Section 8.5 by the Party desiring to make the disclosure).

8.6 OCC 2013-29. The Parties acknowledge that the relationships contemplated hereunder fall within the purview of Risk Management Guidance OCC 2013-29, issued by the OCC on October 30, 2013 (the "Third Party Guidance"). EFS has provided and shall continue to promptly provide to Bank such information regarding itself, its Affiliates, and the EFS Service Providers as Bank may from time to time reasonably request, in order to ensure compliance with Bank's obligations as set forth in the Third Party Guidance.

8.7 OCC Oversight. EFS acknowledges that (i) the performance of activities by external parties for Bank is subject to OCC examination oversight, including access to all work papers, drafts, and other materials; (ii) the OCC treats, as subject to 12 USC 1867(c) and 12 USC 1464(d)(7), situations in which a bank arranges, by contract or otherwise, for the performance of any applicable functions of its operations; and (iii) the OCC has the authority to examine and to regulate the functions or operations performed or provided by third parties.

## **ARTICLE 9 INTELLECTUAL PROPERTY; LICENSE TO USE MARKS; OWNERSHIP RIGHTS**

9.1 Licensing Agreements. On the date hereof, (a) Bank is entering into the Bank Licensing Agreement with certain subsidiaries of Block, Inc. and (b) HRB Innovations is entering into the Block Licensing Agreement with Bank.

9.2 Ownership and Licenses of Intellectual Property.

(a) Ownership of Intellectual Property. Each Party and HRB Innovations, Inc. shall continue to own all of their respective Intellectual Property that existed as of the Effective Date. Each Party and HRB Innovations, Inc. also shall own all right, title and interest in the Intellectual Property each of them develops independently of the other Party or HRB Innovations, Inc., as applicable, during the Term. To the extent a Party (the "Acquiring IP Party") acquires any rights in or to such Intellectual Property of the other Party or HRB Innovations, Inc. (the "IP Owner"), the Acquiring IP Party hereby assigns all such right, title and interest in and to such Intellectual Property back to the IP Owner. Acquiring IP Party shall

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execute any documents in connection with such assignment that IP Owner may reasonably request.

(b) Joint Intellectual Property. All Intellectual Property jointly developed by the Parties in connection with the Program shall be owned by EFS.

## **ARTICLE 10 REPRESENTATIONS, WARRANTIES AND COVENANTS**

10.1 EFS's Representations, Warranties and Covenants.

To induce Bank to establish the Program, EFS makes the following representations, warranties and covenants to Bank, each and all of which shall survive the execution and delivery of this Agreement, and each and all of which shall be deemed to be restated and remade with the same force and effect on each day of the Term, except as otherwise stated.

(a) Corporate Existence. EFS: (i) is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is duly licensed or qualified to do business as a limited liability company and is in good standing in all jurisdictions in which the nature of the activities conducted or proposed to be conducted by it or the character of the assets owned or leased by it makes such licensing or qualification necessary to perform its obligations required hereunder, and (iii) has all necessary licenses, permits, consents or approvals from or by, and has made all necessary notices to, all Regulatory Authorities, to the extent required for EFS's business, and for the performance of its obligations pursuant to this Agreement, except where the failure to have such licenses, permits, consents or approvals would not have a Performance Material Adverse Effect with respect to EFS or a Program Material Adverse Effect.

(b) Capacity; Authorization; Validity. EFS has all necessary corporate power and authority to execute and enter into this Agreement, and perform the obligations required of EFS hereunder and the other documents, instruments and agreements relating to the Program and this Agreement executed by EFS pursuant hereto. The execution and delivery by EFS of this Agreement and all documents, instruments and agreements executed and delivered by EFS pursuant hereto, and the consummation by EFS of the transactions specified herein have been duly and validly authorized and approved by all necessary corporate action of EFS. This Agreement (i) has been duly executed and delivered by EFS, (ii) constitutes the valid and legally binding obligation of EFS, and (iii) is enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, receivership or other laws affecting the rights of creditors generally and by general equity principles including those respecting the availability of specific performance).

(c) Conflicts; Defaults; Etc. The execution, delivery and performance of this Agreement by EFS, its compliance with the terms hereof, and its consummation of the transactions specified herein will not:

(i) conflict with, violate, result in the breach of, constitute an event which would, or with the lapse of time or action by a third-party or both would, result in a default under, or accelerate the performance required by, the terms of any material contract, instrument or agreement to which EFS is a party or by which it is bound, or by which EFS assets are

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bound, except for conflicts, breaches and defaults which would not have a Performance Material Adverse Effect with respect to EFS;

(ii) conflict with or violate the articles of incorporation or bylaws, or any other equivalent organizational documents, of EFS;

(iii) violate any Applicable Law or conflict with, or require any consent or approval under any judgment, order, writ, decree, permit or license, to which EFS is a party or by which it is bound or affected, except to the extent that such violation or the failure to obtain such consent or approval would not have a Performance Material Adverse Effect with respect to EFS;

(iv) require the consent or approval of any other party to any contract, instrument or commitment to which EFS is a party or by which it is bound, except to the extent that the failure to obtain such consent or approval would not have a Performance Material Adverse Effect with respect to EFS; or

(v) require any filing with, notice to, consent or approval of, or any other action to be taken with respect to, any regulatory authority, except to the extent that the failure to obtain such consent or approval would not have a Performance Material Adverse Effect with respect to EFS.

(d) Solvency. EFS is Solvent.

(e) No Default. Neither EFS nor, to the best of its Knowledge, its Affiliates are in default with respect to any contract, agreement, lease, or other instrument to which it is a party or by which it is bound, except for defaults which would not have a Performance Material Adverse Effect with respect to EFS, nor has EFS received any notice of default under any contract, agreement, lease or other instrument which default or notice of default would materially and adversely affect the performance by EFS of its obligations under this Agreement. No EFS Event of Default has occurred and is continuing.

(f) Books and Records. All of EFS's and, to the best of its Knowledge, its Affiliates' records, files and books of account relating to the Program, including records provided to Bank regarding Account activities, are in all material respects complete and correct and are maintained in accordance with Applicable Law.

(g) No Litigation. As of the Effective Date, no action, claim or any litigation, proceeding, arbitration, investigation or controversy is pending against EFS, at law, in equity or otherwise, before any court, board, commission, agency or instrumentality of any federal, state, or local government or of any agency or subdivision thereof or before any arbitrator or panel of arbitrators, to which EFS is a party, which, if adversely determined, would have a Performance Material Adverse Effect with respect to EFS.

(h) Ownership of Trademarks. HRB Innovations, Inc. is the sole legal and beneficial owner of the trademarks and other Intellectual Property licensed to Bank pursuant to

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the Block Licensing Agreement.

(i) No Convicted Individuals. No officer, director, or employee of EFS subject to a restriction under 12 U.S.C. §1829 shall participate in any of EFS's activities provided for by this Agreement.

#### 10.2 Bank's Representations, Warranties and Covenants.

To induce EFS to establish the Program, Bank makes the following representations, warranties and covenants to EFS, each and all of which shall survive the execution and delivery of this Agreement, and each and all of which shall be deemed to be restated and remade with the same force and effect on each day of the Term, except as otherwise stated.

(a) Corporate Existence. Bank (i) is a federal savings bank duly organized and validly existing under the laws of the United States, and (ii) has all necessary licenses, permits, consents or approvals from or by, and has made all necessary notices to, all Regulatory Authorities, to the extent required for Bank's business, and for the performance of its obligations pursuant to this Agreement, except where the failure to have such licenses, permits, consents or approvals would not have a Performance Material Adverse Effect with respect to Bank or a Program Material Adverse Effect.

(b) Capacity; Authorization; Validity. Bank has all necessary corporate power and authority to execute and enter into this Agreement and perform the obligations required of Bank hereunder and the other documents, instruments and agreements relating to the Program and this Agreement executed by Bank pursuant hereto. The execution and delivery by Bank of this Agreement and all documents, instruments and agreements executed and delivered by Bank pursuant hereto, and the consummation by Bank of the transactions specified herein have been duly and validly authorized and approved by all necessary corporate action of Bank. This Agreement (i) has been duly executed and delivered by Bank, (ii) constitutes the valid and legally binding obligation of Bank, and (iii) is enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, receivership or other laws affecting the rights of creditors generally and by general equity principles including those respecting the availability of specific performance).

(c) Conflicts; Defaults; Etc. The execution, delivery and performance of this Agreement by Bank, its compliance with the terms hereof, and its consummation of the transactions specified herein will not:

(i) conflict with, violate, result in the breach of, constitute an event which would, or with the lapse of time or action by a third-party or both would, result in a default under, or accelerate the performance required by, the terms of any material contract, instrument or agreement to which Bank is a party or by which it is bound, or by which Bank assets are bound, except for conflicts, breaches and defaults which would not have a Performance Material Adverse Effect with respect to Bank;

(ii) conflict with or violate the articles of incorporation or bylaws, or any other equivalent organizational documents, of Bank;

(iii) violate any Applicable Law or conflict with, or require

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any consent or approval under any judgment, order, writ, decree, permit or license, to which Bank is a party or by which it is bound or affected, except to the extent that such violation or the failure to obtain such consent or approval would not have a Performance Material Adverse Effect with respect to Bank;

(iv) require the consent or approval of any other party to any contract, instrument or commitment to which Bank is a party or by which it is bound, except to the extent that the failure to obtain such consent or approval would not have a Performance Material Adverse Effect with respect to Bank; or

(v) require any filing with, notice to, consent or approval of, or any other action to be taken with respect to, any regulatory authority, except to the extent that the failure to obtain such consent or approval would not have a Performance Material Adverse Effect with respect to Bank.

(d) Solvency. Bank is Solvent.

(e) No Default. Neither Bank nor, to the best of its Knowledge, its Affiliates are in default with respect to any contract, agreement, lease, or other instrument to which it is a party or by which it is bound, except for defaults which would not have a Performance Material Adverse Effect with respect to Bank, nor has Bank received any notice of default under any contract, agreement, lease or other instrument which default or notice of default would materially and adversely affect the performance by Bank of its obligations under this Agreement. No Bank Event of Default has occurred and is continuing.

(f) Books and Records. All of Bank's and, to the best of its Knowledge, its Affiliates' records, files and books of account relating to the Program, including records provided to EFS regarding Account activities, are in all material respects complete and correct and are maintained in accordance with Applicable Law.

(g) No Litigation. As of the Effective Date, no action, claim or any litigation, proceeding, arbitration, investigation or controversy is pending against Bank, at law, in equity or otherwise, before any court, board, commission, agency or instrumentality of any federal, state, or local government or of any agency or subdivision thereof or before any arbitrator or panel of arbitrators, to which Bank is a party, which, if adversely determined, would have a Performance Material Adverse Effect with respect to Bank.

(h) MasterCard and Visa Membership. Bank will join and/or maintain membership in any Payment Network as required to offer the Financial Products under the Program. Bank also provides, or shall, pursuant to this Agreement and the Purchase Agreement, acquire, one or more BINs to be used exclusively for the Prepaid Products and the Credit Card Product. EFS is responsible for any costs incident to initially enrolling on or transferring a Financial Product to or from any Payment Network.

(i) No Transfer of Accounts. Bank will not assign or transfer any Account to a third party without EFS's prior written consent.

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### 10.3 Mutual Covenants.

(a) Notice of Litigation. To the extent permitted by Applicable Law, each Party shall promptly notify the other Party if it receives written notice of any pending or threatened action, claim or litigation, proceeding, arbitration, investigation or controversy against such Party or its Affiliates, at law, in equity or otherwise, before any court, board, commission, agency or instrumentality of any federal, state, or local government or of any agency or subdivision thereof or before any arbitrator or panel of arbitrators (other than customer complaints in the ordinary course of business), to which such Party is a party, which, if adversely determined, would reasonably be expected to have a Performance Material Adverse Effect on such Party's ability to perform its obligations under this Agreement.

(b) Non-Solicitation. Each Party covenants and agrees that, until twelve (12) months after the Final Wind-Down Date, it will not, directly or indirectly, solicit or employ any employees of the other Party who have direct managerial responsibility for the Program; provided, that: (i) nothing herein shall prohibit a Party from making offers of employment to or hiring persons whose employment with the non-soliciting Party has been terminated by the nonsoliciting Party without cause; and (ii) general advertising or searches regarding the availability of employment opportunities (whether by print, search firm, radio, electronic media, website or otherwise) shall not constitute "solicitation."

(c) Disaster Recovery Plan. Each Party agrees to maintain a disaster recovery plan, which it shall test regularly, but at a minimum one time per calendar year, as well as systems, equipment, facilities and trained personnel, that shall enable it to perform its essential obligations under this Agreement consistent with such Party's disaster recovery plan continuously through a disaster. Either Party may request the other Party to make its disaster recovery plan available for review. Either Party may make changes to its disaster recovery plan from time to time without the other Party's consent; provided that such changes do not materially decrease the level of protection offered by the disaster recovery plan.

## **ARTICLE 11 CONFIDENTIALITY**

### 11.1 Confidential Information.

(a) "Confidential Information" of a Party means (i) information that is provided by or on behalf of such Party to the other Party, its Affiliates or to EFS Service Providers or Bank Service Providers, as applicable, in connection with the Program, or

(ii) information about such Party, its Affiliates, or their respective businesses or employees, that is otherwise obtained by the other Party in connection with the Program, in each case including: (A) information concerning Program Marketing Plans, marketing philosophies, objectives and financial results; (B) information regarding business systems, methods, processes, financing data, programs and products; (C) information unrelated to the Program obtained by the other Party in connection with this Agreement, including by accessing or being present at the business location of the other Party; (D) proprietary technical information, including source and object codes; (E) competitive advantages and disadvantages, technological development, sales volume(s), merchandise mix, business relationships and methods of transacting business, product design,

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product features and functionalities, operational and data processing capabilities, and systems software and hardware and the documentation thereof; (F) other information regarding the business or affairs of the other Party or its Affiliates or the transactions contemplated by this Agreement that such other Party or its Affiliates reasonably considers confidential or proprietary; and (G) any copies, excerpts, summaries, analyses or notes of the foregoing. Subject to any disclosure required by Applicable Law, the Parties agree that the terms of this Agreement and the Product Schedules shall be Confidential Information of both Parties.

(b) The obligations hereunder with respect to Confidential Information shall not apply to any information that is sourced from information that (i) is publicly known without breach of this Agreement, or (ii) either Party or its Affiliates, EFS Service Providers or Bank Service Providers, as applicable, (A) already knows at the time it is disclosed as shown by their written records, (B) receives from a third-party permitted to disclose it without restriction, or (C) develops independently without use of Confidential Information.

#### 11.2 Limits on Use and Disclosure.

(a) Each Party shall comply with, and cause its respective directors, officers, employees, representatives and as applicable, EFS's Affiliates, EFS Service Providers, Bank's Affiliates or Bank Service Providers, to comply with the provisions of this Section 11.2.

(b) If a Party (the "Receiving Party") receives Confidential Information of the other Party (the "Disclosing Party"), the Receiving Party shall not use or disclose Confidential Information of the Disclosing Party except:

(i) to perform its obligations or enforce its rights with respect to the Program or this Agreement;

(ii) as permitted by this Agreement;

(iii) with the prior consent of the Disclosing Party;

(iv) to respond to a valid subpoena, order or request of any Regulatory Authority ("Regulatory Request"), or of any recognized stock exchange;

(v) based on advice of legal counsel, to the extent either Party is required by Applicable Law or valid court or governmental agency order to disclose, in which case the Party receiving such an order must, if permitted by Applicable Law, give prompt notice to the other Party, allowing it to seek a protective order;

(vi) to comply with any Applicable Law, or legal or regulatory process, including the Securities Act of 1933, the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder and related thereto; or

(vii) as otherwise required by Applicable Law.

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(c) A Receiving Party shall limit access to the Disclosing Party's Confidential Information to those employees, consultants and, as applicable, to EFS's Affiliates, EFS Service Providers, Bank's Affiliates or Bank Service Providers, that have a reasonable need to access such Confidential Information in connection with the Program or other purposes permitted by this Agreement and only if that Person has agreed to confidentiality obligations at least as restrictive as those set forth in this Article 11 (Confidentiality) prior to disclosure. The Receiving Party shall remain responsible to the Disclosing Party for acts or omissions of individuals referred to in the preceding sentence that if committed by the Receiving Party would constitute a violation of the Receiving Party's confidential obligations hereunder.

(d) Notwithstanding anything else contained in this Agreement, a Party will not be obligated to take any action with respect to the collection, use or disclosure of information in the Program that such Party believes in good faith would cause, or is reasonably likely to cause, either Party to violate any Applicable Law (including privacy and security laws and the reuse and re-disclosure provisions of GLBA).

11.3 Regulatory Requests. If a Receiving Party receives a Regulatory Request to disclose any Confidential Information of the Disclosing Party, the Receiving Party shall, to the extent permitted by Applicable Law:

(a) notify the Disclosing Party thereof promptly after receipt of such Regulatory Request;

(b) consult with the Disclosing Party with respect to such Regulatory Request; and

(c) if disclosure is required or deemed advisable based on advise of legal counsel of the Receiving Party, at the Disclosing Party's request and expense, reasonably cooperate with the Disclosing Party in any attempt by the Disclosing Party to obtain a protective order or other reliable assurance that confidential treatment will be accorded to the Confidential Information of the Disclosing Party.

11.4 Disposition of Confidential Information. Upon the termination or expiration of this Agreement or a Product Schedule, the Receiving Party shall maintain any retained Confidential Information in accordance with the terms of this Agreement and Applicable Law and shall dispose of any Confidential Information in accordance with the Disclosing Party's reasonable instructions; provided, however, the Receiving Party in possession of tangible property containing the Disclosing Party's Confidential Information may retain one (1) archived copy of such material.

11.5 Unauthorized Use or Disclosure. Each Receiving Party agrees that any unauthorized use or disclosure of Confidential Information of the Disclosing Party may cause immediate and irreparable harm to the Disclosing Party for which damages may not constitute an adequate remedy. In that event, the Receiving Party agrees that injunctive relief may be warranted in addition to any other remedies the Disclosing Party may have at law or in equity all of which shall be cumulative and in addition to any rights and remedies available by contract, law, rule, regulation or order. In addition, the Receiving Party agrees to promptly advise the Disclosing Party in writing of any unauthorized misappropriation, disclosure or use by any Person of the Confidential Information in violation of the Receiving Party's obligations under

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this Agreement which may come to its attention and Receiving Party shall take appropriate steps, at its own expense, as reasonably requested by the Disclosing Party to limit, stop or otherwise remedy such misappropriation, disclosure or use.

## **ARTICLE 12 PRIVACY AND DATA SECURITY**

### 12.1 Privacy.

(a) Subject to each Party's compliance obligations in Section 4.3 (Compliance Obligations), each Party shall comply with Applicable Law relating to the use and disclosure of Program Customer Data and Prospect Data, including the applicable terms and provisions of GLBA and the Code. Without limiting the foregoing, each Party shall implement and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of all Program Customer Data and Prospect Data.

(b) In furtherance of and without limiting the foregoing, the Parties agree to, in good faith, jointly develop and prepare, and comply with, the privacy notice applicable to the Program (the "Privacy Notice").

(c) Each Party shall ensure that any third-party (other than attorneys, accountants and any third-party advisors that are bound by a professional duty of confidentiality to such Party) to whom Program Customer Data or Prospect Data is transferred or made available by or on behalf of such Party signs a written contract with the contracting Party in which such third-party agrees: (i) to restrict its use of Program Customer Data and Prospect Data, as applicable, to the use specified in the agreement between EFS or Bank and the third-party (which use must be in compliance with the Party's permitted uses of the information, including as provided in this Article 12 (Privacy and Data Security)); (ii) to comply with all Applicable Law, the applicable Payment Network Rules and the Privacy Notice; and (iii) to implement and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of all Program Customer Data and Prospect Data, including compliance with the provisions of the Data Security Requirements.

(d) The Parties agree to negotiate in good faith, if necessary in the reasonable business judgment of EFS or Bank, an amendment to (i) the provisions of this Agreement related to the use and disclosure of Program Customer Data and Prospect Data and (ii) any other applicable documents, such as privacy policies and privacy guidelines, for the purpose of aligning the privacy policies and practices of the Parties and assuring continued compliance with Applicable Law.

### 12.2 Data Security.

(a) The Parties agree to, in good faith, jointly develop and prepare, and comply with, the information security and business continuity policies and procedures applicable to the Program as required by Applicable Law (the "Data Security Requirements"). In addition, EFS and Bank will each establish, maintain and implement an information security program, including appropriate administrative, technical and physical safeguards, that is designed to meet the objectives of the Interagency Guidelines Establishing Standards for Safeguarding Information Security Data, including, at a minimum, maintenance of an information security

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program that is designed to: (i) ensure the security and confidentiality of Program Customer Data and Prospect Data, as applicable; (ii) protect against any reasonably anticipated threats or hazards to the security or integrity of Program Customer Data or Prospect Data; (iii) protect against unauthorized access to or use of Program Customer Data or Prospect Data that could result in substantial harm or inconvenience to any Program Customer or Prospective Customer; and (iv) ensure the proper disposal of Program Customer Data and Prospect Data, as applicable. Each Party shall use the same degree of care in protecting Program Customer Data and Prospect Data against unauthorized disclosure as it accords to its own confidential customer information, but in no event less than a reasonable standard of care.

(b) Each of EFS and Bank shall notify the other Party promptly, and in any event within twenty-four (24) hours, following discovery or notification of any actual or suspected Security Breach (as defined below) of the information systems maintained by EFS (including through EFS Service Providers) or Bank (including through Bank Service Providers), respectively, unless such systems do not access, process or store Program Customer Data or Prospect Data. A Party that suffers an actual or suspected Security Breach (the "Affected Party") agrees to take action promptly, at its own expense, to investigate the actual or suspected Security Breach and, if an actual Security Breach is confirmed, to identify and mitigate its effects and to implement reasonable and appropriate measures in response. The Affected Party shall also permit the other Party to conduct or require the Affected Party to engage a qualified third-party to conduct its own investigation of an actual or suspected Security Breach; provided, however, that such investigation may not unreasonably interfere with the investigation being conducted by the Affected Party or the operations of the Affected Party. The Affected Party also will provide the other Party with information reasonably requested by the other Party regarding such Security Breach to assist such other Party in implementing its information security response program and, if applicable, in notifying affected Program Customers and Prospective Customers, as applicable, as well as other third parties as required by Applicable Law. The Affected Party shall pay for the reasonable costs of any such investigation and notification, which notification shall be mutually agreed upon by the Parties (such agreement not to be unreasonably withheld) or other remediation reasonably deemed necessary. "Security Breach" means the unauthorized access to or acquisition of any record containing Program Customer Data or Prospect Data, whether in paper, electronic, or other form, in a manner that renders misuse of the information reasonably possible or that otherwise compromises the security, confidentiality, or integrity of the information; provided, however, that it shall also include any data or information security breach under Applicable Law.

(c) EFS and Bank, respectively, will use reasonable measures designed to properly dispose of all records containing Program Customer Data and Prospect Data, as applicable, whether in paper, electronic, or other form, including adhering to policies and procedures that require the destruction or erasure of electronic media containing such Program Customer Data and Prospect Data, as applicable, so that the information cannot practicably be read or reconstructed.

### 12.3 Collection, Ownership and Use of Program Customer Data.

(a) Ownership of Program Customer Data. The Parties recognize that Program Customer Data is owned by Bank, subject to Article 15 (Rights Upon Termination), and that Program Customers are Company Customers as well as Bank Customers. Accordingly, each Party has certain ownership and use rights in the information relating to such Program

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Customers. The Parties acknowledge that the same or similar information may be included in Company Customer Data, Prospect Data, Bank Customer Data and Program Customer Data and to the extent that there is overlapping information in Company Customer Data, Prospect Data, Bank Customer Data and Program Customer Data, subject to the limitations set forth in this Agreement and Applicable Law: (i) Bank shall retain its ownership and use rights in such Program Customer Data and Bank Customer Data; and (ii) EFS or EFS Affiliates, as applicable, shall retain their respective ownership and use rights in Company Customer Data and Prospect Data.

(b) EFS, its Affiliates and EFS Service Providers shall be entitled to access and may use and disclose all Program Customer Data and Prospect Data in any manner permitted by this Agreement, Applicable Law and the Privacy Notice. For the avoidance of doubt, (i) Company Customer Data obtained by EFS or any EFS Affiliate in connection with the provision of tax preparation related goods and services that are not part of the Program and (ii) Prospect Data, in each case, shall belong exclusively, to the extent permitted by Applicable Law, to EFS or such EFS Affiliate, as applicable.

(c) Notwithstanding any rights they may have to use or disclose Program Customer Data, Prospect Data and Applicant Data under Applicable Law or the Privacy Notice, neither Bank, nor its Affiliates nor Bank Service Providers shall use or disclose Program Customer Data, Prospect Data or Applicant Data for any purpose other than: (i) to perform its obligations or enforce its rights with respect to the Program; (ii) as expressly permitted by this Agreement; (iii) pursuant to a Regulatory Request; (iv) by a Party to a Regulatory Authority as required or requested by such Regulatory Authority; or (v) as otherwise required by Applicable Law.

(d) Each Party shall develop the appropriate tools and resources to allow for efficient access to Program and Financial Product transaction data and Account and Applicant level data, subject to any restrictions under Applicable Law. The operational method for such access shall be set forth in the Program Data Site.

(e) Each of Bank and EFS shall maintain the Privacy Notice to permit the broadest rights allowable under Applicable Law for sharing of Program Customer Data with the other Party and such other Party's Affiliates.

## **ARTICLE 13 EVENTS OF DEFAULT**

### 13.1 EFS Event of Default.

The occurrence of any one (1) or more of the events specified in this Section 13.1 (regardless of the reason therefor) with respect to EFS shall be an "EFS Event of Default."

(a) Failure to Make Payments When Due. EFS fails to make a payment of any material amount due and payable pursuant to this Agreement that is not disputed in good faith and such failure shall remain unremedied for a period of five (5) Business Days after Bank shall have given notice thereof. For purposes of this Section 13.1(a), the term "material amount" shall mean an amount greater than \$100,000.00.

(b) Failure to Settle. Notwithstanding Section 13.1(a), if EFS fails to settle

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any amount that is not disputed in good faith, within three (3) Business Days after the date on which Bank shall have given notice thereof in accordance with Section 2.15 (Settlement Statements).

(c) Breach of EFS's Representations, Warranties and Covenants. (i) Any representation or warranty of EFS in this Agreement or any of the Product Schedules shall fail to be true and correct in any material respect as of the date when made or reaffirmed, or (ii) EFS shall fail to perform its covenants as set forth in this Agreement or any of the Product Schedules, or any other material covenant or other agreement contained in this Agreement or any of the Product Schedules that EFS is required to perform; and, in either case, such failure has a Performance Material Adverse Effect with respect to EFS and the same shall remain uncured for a period of thirty (30) days after Bank provides written notice thereof.

(d) Solvency. EFS (i) shall not be Solvent; (ii) shall admit in writing its inability to pay its debts generally; (iii) shall make a general assignment for the benefit of its creditors; (iv) shall have any proceeding instituted by or against it seeking to adjudicate it as bankrupt or insolvent or seeking liquidation, reorganization or any similar alternative under any law relating to bankruptcy or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver or other similar official for it or for any substantial part of its property, and, in the case of any proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of thirty (30) days, or any of the actions sought in such proceeding (including the entry of an order for relief against, or the appointment of a receiver or other similar official for, it or any substantial part of its property) shall occur; or (v) shall take any corporate action to authorize any of the actions set forth in clause (iii) or (iv) of this Section 13.1(d).

### 13.2 Bank Event of Default.

The occurrence of any one (1) or more of the events specified in this Section 13.2 (regardless of the reason therefor) with respect to Bank shall be a "Bank Event of Default."

(a) Failure to Make Payments when Due. Bank fails to make a payment of any material amount due and payable pursuant to this Agreement that is not disputed in good faith and such failure shall remain unremedied for a period of five (5) Business Days after EFS shall have given notice thereof. For purposes of this Section 13.2(a), the term "material amount" shall mean an amount greater than \$100,000.00.

(b) Failure to Settle. Notwithstanding Section 13.2(a), if Bank fails to settle

(i) any amount that is not disputed in good faith, within three (3) Business Days after the date on which EFS shall have given notice thereof in accordance with Section 2.15 (Settlement Statements), or (ii) any Payment Network transactions.

(c) Breach of Bank's Representations, Warranties and Covenants. (i) Any representation or warranty of Bank in this Agreement or any of the Product Schedules shall fail to be true and correct in any material respect as of the date when made or reaffirmed, or (ii) Bank shall fail to perform its covenants as set forth in this Agreement or any of the Product Schedules, or any other material covenant or other agreement contained in this Agreement that Bank is required to perform including the failure to meet its obligations under any Program Marketing Plans; and, in either case, such failure results in a Performance Material Adverse Effect with

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respect to Bank and the same shall remain uncured for a period of thirty (30) days after EFS provides written notice thereof.

(d) Solvency. Bank (i) shall not be Solvent; (ii) shall admit in writing its inability to pay its debts generally; (iii) shall make a general assignment for the benefit of its creditors; (iv) shall have a receiver appointed (or sought to be appointed) by Bank's primary federal regulator or shall have any proceeding instituted by or against it seeking to adjudicate it as bankrupt or insolvent or seeking liquidation, reorganization or any similar alternative under any law relating to bankruptcy or relief of debtors, or seeking the entry of an order for relief; or (v) shall take any corporate action to authorize any of the actions set forth in clause (iii) or (iv) of this Section 13.2(d).

(e) Undercapitalization. Bank is deemed to be less than adequately capitalized or determined to be in a troubled condition within the meaning of Section 38 of the Federal Deposit Insurance Act by the appropriate federal banking agency having primary supervisory jurisdiction over Bank.

## **ARTICLE 14 TERM AND TERMINATION**

14.1 Term. The term of this Agreement and the Product Schedules shall commence upon the Effective Date and end June 30, 2022, unless earlier terminated as provided in this Agreement (the "Term"). Subject to the provisions of this Article 14 (Term and Termination), the term of all Product Schedules will be co-terminus with the Term. This Agreement will remain in full force and effect to the extent any Product Schedule remains in full force and effect.

### 14.2 Mutual Termination Rights.

(a) Events of Default. Each Party shall have the right to terminate this Agreement or a Product Schedule upon not less than twenty (20) days' prior written notice if any Event of Default with respect to the other Party shall occur and be continuing pursuant to Article 13 (Events of Default).

(b) Force Majeure Event. If a Force Majeure Event with respect to a Party has occurred pursuant to Section 17.8 (Force Majeure) that materially prevents or impedes the other Party's performance hereunder and such Force Majeure Event continues for a period of more than thirty (30) days, the other Party shall have the right to terminate the affected Product Schedule(s) while the Force Majeure Event continues by providing written notice to the Party experiencing the Force Majeure Event, such termination to be effective on the date specified in the notice of termination.

### 14.3 Additional Termination Rights of EFS.

(a) [Reserved]

(b) Durbin Regulatory Event. Bank shall promptly notify EFS once it knows the combined average assets of Bank and its Subsidiaries for a calendar quarter exceeded, or expects that they will exceed, \$10 billion, as of December 31<sup>st</sup> of any year during the Term of

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this Agreement. Once Bank provides notice to EFS pursuant to this Section, the Parties shall negotiate in good faith for 30 days to revise the terms of this Agreement in a manner that is satisfactory to EFS in its sole and absolute discretion. After receipt of such notice and expiration of such 30-day period, EFS may negotiate and reach agreement (provided that such agreement shall not become effective until the actual Durbin Regulatory Event occurs) with other card sponsor banks about becoming the successors under this Agreement upon its termination, without such activity being a breach of this Agreement. If a Durbin Regulatory Event occurs, EFS shall have the right, in its sole discretion, to terminate this entire Agreement, or any of the Product Schedules with respect to Emerald Advance, Emerald Card or Refund Transfer, upon thirty (30) days' prior written notice to Bank.

(c) Changed Circumstances Termination. If Bank unilaterally changes (i) the terms, pricing, conditions, underwriting or other characteristics of, or the Account Documentation, Marketing Materials, Servicing Materials or any other Program documentation or requirements for, any Financial Product, or (ii) any other aspect of the Program or the obligations of EFS under the Program, that (A) individually or collectively have, or are reasonably expected to have, a material adverse effect on the economic benefits that EFS and its Affiliates reasonably expect to derive from the Financial Product based upon the pricing, terms, conditions, underwriting or other characteristics of the Financial Product as in effect on the date of this Agreement, or (B) expose EFS or any of its Affiliates to what EFS, in good faith believes, is a significant increase in the level of legal, regulatory, or litigation risk (and EFS provides thirty (30) days' prior written notice advising Bank's chief executive officer that EFS disagrees with such change and the basis for its disagreement, with particularity, and the change remains in effect after such thirty (30) day period), then notwithstanding anything in this Agreement to the contrary, EFS shall have the right, in its sole discretion, to terminate this entire Agreement, or any one or more of the Product Schedules, upon at least fifteen (15) days' prior written notice to Bank. For purposes of this Section 14.3(c), "material" means \$5,000,000 in consolidated pre-tax net income, or \$15,000,000 in consolidated gross revenue, of Block, Inc. Notwithstanding the foregoing, EFS shall have no termination right with respect to an industry wide change that is clearly necessary to comply with Applicable Law or Payment Network Rules. The Parties acknowledge that the current Program and Financial Products as in effect on the date of this Agreement are in compliance with Applicable Law.

#### 14.4 Cross Termination of Product Schedules.

(a) Subject to the terms contained herein, an individual Product Schedule may be terminated upon the occurrence of a termination event described in Section 14.2 or 14.3 in accordance with this Article 14 (Term and Termination) without causing the termination of any of the other Product Schedules or this Agreement.

(b) If any of the Product Schedules with respect to Emerald Advance, Emerald Card or Refund Transfer is terminated by Bank in accordance with this Article 14, EFS, in its sole discretion, may terminate any or all of the other Product Schedules or this Agreement; provided, however, that EFS shall have the right to exercise the EFS Purchase Option set forth in Section 15.1 (EFS Purchase Options) with respect to the Product Schedules that are terminated.

(c) If any of the Product Schedules with respect to the Emerald Card or Refund Transfer is terminated by EFS in accordance with this Article 14, Bank in its sole discretion, may terminate this Agreement.

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(d) If any of the Product Schedules for Emerald Advance, Emerald Card or Refund Transfer are terminated, then the 5 year exclusive period for marketing IRA Accounts in Section 6.4(a) shall not apply to Company.

## **ARTICLE 15 RIGHTS UPON TERMINATION**

15.1 EFS Purchase Options. When this Agreement expires in accordance with its Term, or if this Agreement or any Product Schedule is terminated early for any reason, then EFS shall have the option (each an "EFS Purchase Option") to purchase, have an Affiliate purchase or to arrange for a federally-insured depository institution selected by EFS to purchase (each of EFS, an EFS Affiliate or a federally-insured depository institution, a "Nominated Purchaser"), all of the Accounts associated with the Program (other than those Accounts relating to individual retirement accounts, which will remain with Bank), or if only a Product Schedule is terminated, the Accounts associated with the related Financial Product, and the Accounts Receivable and related rights, funds, interest and fees ("Purchased Assets") (which, for the avoidance of doubt, shall include all of the related assets of the type and nature of the "Transferred Asset" as defined in Section 2.01 of the Purchase Agreement), free and clear of all liens, claims and encumbrances created by Bank, and to assume the payment and performance obligations and other liabilities arising after the closing date relating to such Purchased Assets (the "Assumed Liabilities") (which, for the avoidance of doubt, shall include all of the related Liabilities of the type and nature of the "Assumed Liabilities" as defined in Section 2.03 of the Purchase Agreement). Such closing date is the "Assumed Accounts Purchase Date." EFS shall notify Bank in writing of a Nominated Purchaser's intent to purchase the Purchased Assets and the Assumed Liabilities (an "Exercise Notice") no later than one hundred twenty (120) days after the Termination Date of this Agreement or of any Product Schedule (the "Purchase Option Exercise Period"). EFS may designate different Nominated Purchasers with respect to different EFS Purchase Options and with respect to different Financial Products, and may designate a substitute or replacement Nominated Purchaser, but each thereof shall be deemed to be the "Nominated Purchaser" as defined in this Section 15.1. If EFS does not provide the Exercise Notice to Bank before the expiration of the Purchase Option Exercise Period, then the EFS Purchase Option under this Section 15.1 shall expire. If EFS determines not to exercise the EFS Purchase Option, then EFS shall provide Bank with a written notice of no interest ("No Interest Notice").

15.2 Evaluation Data. Bank shall cooperate with EFS and the Nominated Purchaser to provide EFS and Nominated Purchaser with access (subject to customary confidentiality agreements) to all Program-related data and information (other than Bank's proprietary work product) reasonably requested by the Nominated Purchaser for the sole purpose of due diligence regarding the purchase of the Accounts, provided that such information is not otherwise reasonably available from EFS or its Affiliates.

15.3 Determination of Purchase Price.

(a) In the event that EFS issues an Exercise Notice, the purchase price for the Purchased Assets and the Assumed Liabilities ("Purchase Price") shall be calculated as the sum of (i) the book value of deposits associated with Emerald Card accounts; (ii) the fair value of Emerald Advance participation interests and receivables; and (iii) the amount of one dollar (\$1.00) for all Emerald Advance, Emerald Card, Refund Transfer, and Credit Card Accounts and

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the other Program assets owned by Bank. Other Program assets will include all of the related assets of the type and nature of the "Transferred Asset" as defined in Section 2.01 of the Purchase Agreement. "Assumed Liabilities" shall include all of the related liabilities of the type and nature of the "Assumed Liabilities" as defined in Section 2.03 of the Purchase Agreement. The Purchase Price shall be determined as of the Assumed Accounts Purchase Date. The fair value of Emerald Advance participation interests shall be calculated in a manner consistent with Schedule 15.3; provided however, that in the event of a dispute in the determination of fair value, the parties shall rely on the determination of an independent accountant firm to be selected by Bank, EFS and Nominated Purchaser, consistent with pricing used in the Purchase Agreement.

(b) In the event that the EFS Purchase Option is validly exercised, Bank and EFS shall, in good faith, use commercially reasonable efforts to consummate the purchase of the Purchased Assets and the assumption of the Assumed Liabilities by Nominated Purchaser in accordance with the terms of this Agreement (including terms of a purchase agreement contemplated under Section 15.4 (Purchase Mechanics) at the Purchase Price). EFS shall notify Nominated Purchaser of EFS's expectation that the Nominated Purchaser shall, in good faith, use commercially reasonable efforts to consummate the purchase of the Purchased Assets and the assumption of the Assumed Liabilities at the Purchase Price.

(c) No Purchase. If a Purchase Option Expiration Date occurs, the Accounts retained by Bank shall be liquidated pursuant to the provisions of Section 15.6 (Wind-down by Bank); provided, however, that nothing in this Section 15.3(c) shall be construed as limiting or relieving the obligation of Bank and EFS to use commercially reasonable efforts to consummate the purchase of the Purchased Assets and the assumption of the Assumed Liabilities after EFS delivers an Exercise Notice. For the avoidance of doubt, as long as EFS uses commercially reasonable efforts to consummate such purchase, EFS shall not be liable for a Nominated Purchaser's failure to purchase the Purchased Assets and assume the Assumed Liabilities, and in no event shall EFS be obligated to purchase the Purchased Assets and assume the Assumed Liabilities for itself.

15.4 Purchase Mechanics. After EFS has delivered an Exercise Notice, Bank, EFS and Nominated Purchaser shall, with reasonable expedition, negotiate in good faith, execute and deliver all necessary agreements, instruments and other documentation customary for a transaction of this kind, including a purchase and sale agreement, which agreements may require each of Bank, EFS and Nominated Purchaser to agree to certain representations, warranties, covenants, indemnities, transition services and other terms and conditions usual and customary for a transaction of this kind. All such agreements shall be in a form reasonably acceptable to the Parties. Bank, EFS and the Nominated Purchaser shall in good faith use commercially reasonable efforts to expeditiously consummate the purchase of the Purchased Assets and the assumption of the Assumed Liabilities as contemplated hereby no later than two hundred seventy (270) days from the date on which EFS has provided an Exercise Notice to Bank. Notwithstanding the foregoing, (a) if the Assumed Accounts Purchase Date falls within the Tax Season, at EFS's option, the Assumed Accounts Purchase Date and the time to consummate the purchase shall extend to a date that is thirty (30) days after the end of the Tax Season, and (b) the Assumed Accounts Purchase Date shall be extended up to one hundred eighty (180) days in the event that any application for Regulatory Authority approval that is required for the Assumed Accounts Purchase Date remains pending.

15.5 Duties After Termination or Expiration.

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(a) Continuation of Rights and Obligations under Agreement. Notwithstanding the occurrence of a Termination Date with respect to this Agreement, the rights and obligations of the Parties under this Agreement (other than the Non-Surviving Obligations) shall continue until the latest of (i) the expiration of the EFS Purchase Option or delivery by EFS of a No Interest Notice; (ii) if EFS has delivered an Exercise Notice, the consummation of the purchase of the Purchased Assets and the assumption of the Assumed Liabilities; or (iii) if EFS has delivered an Exercise Notice, the expiration of the periods set forth in Section 15.4 (Purchase Mechanics) without the consummation of the purchase of the Purchased Assets and the assumption of the Assumed Liabilities. The Parties shall mutually agree on a conversion plan and shall not unreasonably withhold or delay execution of the conversion plan. Bank shall be prepared to participate in the conversion of the Accounts to the purchaser thereof by the conversion date to be specified in the conversion plan (the "Conversion Date"). In addition, notwithstanding anything else to the contrary in this Agreement, upon the occurrence of a Termination Date, the rights and obligations of the Parties under this Agreement (other than the Non-Surviving Obligations) shall continue during the wind down period described in Section 15.6 until the earliest of (i) the Final Wind Down Date; (ii) the completion of the wind down prior to the Final Wind Down Date; (iii) the date that Bank completes the implementation of a plan to replace or substitute one or more Financial Products with similar financial products offered by Bank that are not branded with Company Licensed Marks; or (iv) such other date as may be agreed upon in writing by the Parties and a Nominated Purchaser pursuant to Section 15.4.

(b) ABA Routing Number; BIN; ICA. If EFS delivers an Exercise Notice, the Bank, EFS and Nominated Purchaser shall work together to assign or transfer to the Nominated Purchaser the ABA routing numbers, bank identification numbers ("BIN") or interbank card association numbers ("ICA") range applicable to the Financial Products (to the extent permissible by the Payment Networks and to the extent related to or utilized by the Financial Products) and the account numbers relating to the Financial Products.

(c) Conversion Costs. Each Party shall bear its own costs associated with the sale and conversion of the Purchased Assets and the assumption of the Assumed Liabilities to the initial Nominated Purchaser; provided, however, that (i) EFS shall pay for Bank's reasonable outside legal fees and expenses incurred to negotiate, draft, execute and deliver the purchase agreement and related agreements and regulatory filings contemplated by this Article 15 ("Reasonable and Related Outside Counsel Transaction Expenses"), to the extent such outside legal fees and expenses exceed \$200,000.00, and (ii) if for any reason EFS designates a substitute or replacement Nominated Purchaser or if EFS extends the timeframe beyond the initial 270 day period provided by Section 15.4, then EFS shall pay for all of Bank's Reasonable and Related Outside Counsel Transaction Expenses. Third party costs and expenses, to the extent directly related to the conversion to a Nominated Purchaser pursuant to this Article 15, shall be paid or reimbursed by EFS.

15.6 Wind-Down by Bank. If (i) the Purchase Option Exercise Period expires, (ii) EFS issues a No Interest Notice or (iii) EFS delivers an Exercise Notice, but the periods set forth in Section 15.4 expire without the consummation of the purchase of the Purchased Assets and the assumption of the Assumed Liabilities, then as promptly as reasonably practicable and in any event within one (1) year thereafter (the "Final Wind-Down Date"), Bank shall wind down the remaining Accounts in the Program or relevant Product Schedule in any lawful manner which may be expeditious or economically advantageous to Bank, including the issuance of a

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replacement or a substitute card associated with an Account, as applicable; provided, however, that Bank shall (a) remove all Company Licensed Marks from the Financial Products and related materials as promptly as reasonably practicable and in any event prior to the Final Wind-Down Date; (b) discontinue originating Financial Products with Company Licensed Marks within sixty (60) days after the Termination Date; and (c) not re-brand the Financial Products with a Specified Party, sell the Financial Products or Program Customer Data to a Specified Party or a Specified Party's designee, or otherwise permit the Financial Products or Program Customer Data to benefit a Specified Party.

During the wind down period, the rights and obligations of the Parties under this Agreement will continue as provided in the second paragraph of Section 15.5(a). During the wind down period, Bank and EFS shall act in good faith and shall reasonably cooperate with each other to wind down the Program in a reasonable and efficient manner, with the least disruption to Company Customers and Bank Customers as possible.

15.7 Communication with Accountholders. When this Agreement expires in accordance with its Term, or if this Agreement or any Product Schedule is terminated early for any reason, except as required by Applicable Law or Payment Network Rules, Bank and EFS shall mutually agree upon all communications with Accountholders regarding the termination of this Agreement and the Program or of a Product Schedule. If Bank is required by Applicable Law or Payment Network Rules to communicate with Accountholders, then EFS may review and approve (which approval shall not be unreasonably withheld) such communication prior to its distribution to Accountholders. EFS shall pay for the costs of such communications to Accountholders.

15.8 Applicability. The Parties acknowledge and agree that the provisions of this Article 15 shall be applicable to the termination of one or more Product Schedules, or this entire Agreement, and that there may be more than one exercise of the EFS Purchase Option. The respective rights and obligations of the Parties hereunder shall apply with respect to each exercise of the EFS Purchase Option.

## **ARTICLE 16 INDEMNIFICATION; LIMITATION OF LIABILITY**

16.1 Indemnification of Bank by EFS. Subject to Section 6.4(b)(vii) and Section 6.5(c), EFS agrees to protect, indemnify, defend and hold harmless Bank, its parent, subsidiaries and Affiliates, and its and their respective shareholders, directors, officers, employees, agents, representatives and permitted assigns (collectively, "Bank Indemnified Parties"), from and against any and all Indemnified Losses to the extent such Indemnified Losses arise out of or result from:

(a) any third-party Claim brought against any of the of Bank Indemnified Parties in connection with or in any way related to this Agreement, the Program, a Financial Product or a Transaction, except to the extent that an Indemnified Loss resulted from (i) a Program Change made by Bank (or at the direction of Bank) as to which EFS has delivered a Disputed Program Change Notification to Bank, or (ii) any cross-marketing by Bank Indemnified Parties pursuant to Section 6.2(a) (Cross Marketing);

(b) any negligent, willful, or fraudulent act or omission of the part of EFS, its Affiliates, any Distributor, any Franchisee, or and EFS Service Provider, or any of their

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directors, officers, employees, agents, or representatives, in connection with the Program;

(c) any breach by EFS, its Affiliates, any Distributor or any Franchisee of any representation, warranty, covenant or other provision contained in this Agreement or any other instrument or document delivered by EFS to Bank in connection with the Program; and

(d) the failure of EFS, its Affiliates, any Distributor or any Franchisee to comply with Company Applicable Law or any applicable Payment Network Rule in connection with the Program;

provided, however, that EFS shall have no obligation to indemnify any Bank Indemnified Party under this Section 16.1 (Indemnification of Bank by EFS) against any Indemnified Losses to the extent that such Indemnified Losses result from (x) a grossly negligent, willful, or fraudulent act or omission of any Bank Indemnified Party or (y) any breach by any Bank Indemnified Party of any representation or warranty (other than representations and warranties in Section 10.2(c)(iii)) of this Agreement, or the covenants set forth in Section 2.16 (Nevada Office), Section 6.2(b) (Cross Marketing), Article 11 (Confidentiality) and Article 12 (Privacy and Data Security). For the avoidance of doubt, "gross negligence," as used in this Article 16, includes repeated acts of the same or similar negligence for which Bank has received notice from EFS identifying the existence of the negligence and a reasonable remediable action plan, and Bank has failed to implement such remedial action plan within a reasonable period of time to avoid further Indemnification Losses. In addition, EFS agrees to comply with the last two paragraphs of Section 10.02 of the Purchase Agreement.

16.2 Indemnification of EFS by Bank. Subject to Section 6.4(b)(vii) and Section 6.5(c), Bank agrees to protect, indemnify, defend and hold harmless EFS, its parent, subsidiaries and Affiliates, and its and their respective shareholders, directors, officers, employees, agents, representatives and permitted assigns (collectively, "EFS Indemnified Parties"), from and against any and all Indemnified Losses to the extent such Indemnified Losses arise out of or result from:

(a) any third-party Claim brought against any of the of EFS Indemnified Parties in connection with or in any way related to this Agreement, the Program, a Financial Product or a Transaction only to the extent that the Indemnified Loss resulted from a Program Change made by Bank (or at the direction of Bank) as to which EFS has delivered a Disputed Program Change Notification to Bank;

(b) any grossly negligent, willful or fraudulent act or omission of the part of Bank, its parent, subsidiaries or Affiliates, or any Bank Service Provider, or any of their directors, officers, employees, agents, or representatives, in connection with the Program; and

(c) any breach by Bank, its parent, subsidiaries or Affiliates, or any Bank Service Provider, of any representation or warranty (other than representations and warranties in Section 10.2(c)(iii)) of this Agreement, or the covenants, agreements or undertakings set forth in Section 2.16 (Nevada Office), Section 6.2(b) (Cross Marketing), Article 11 (Confidentiality) and Article 12 (Privacy and Data Security);

provided, however, that Bank shall have no obligation to indemnify any EFS Indemnified Party under this Section 16.2 (Indemnification of EFS by Bank) against any Indemnified Losses to the extent that such Indemnified Losses result from (x) a negligent, willful or fraudulent act or omission of any EFS Indemnified Party or (y) any breach by any EFS Indemnified Party of any

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representation, warranty, covenant or other provision contained in this Agreement, or any other agreement, instrument or documents delivered to Bank in connection with the Program. In addition, Bank agrees to comply with the last two paragraphs of Section 10.02 of the Purchase Agreement.

16.3 Notice. If a Party (the "Indemnified Party") receives notice of any thirdparty claim for which indemnification may be available under this Agreement, the Indemnified Party must promptly notify the other Party (the "Indemnifying Party") in writing of the thirdparty claim, including, if possible, the amount or estimate of the amount of liability arising from it. The Indemnified Party shall use its commercially reasonable efforts to provide notice to the Indemnifying Party no later than fifteen (15) days after receipt by the Indemnified Party in the event a suit or action has commenced, or thirty (30) days under all other circumstances; provided, however, that the failure to give such notice shall not relieve an Indemnifying Party of its obligation to indemnify except to the extent the Indemnifying Party is materially prejudiced by such failure.

16.4 Right to Defend Claims; Coordination of Defense.

(a) Subject to Section 16.5 (Settlement of Claims), the Indemnifying Party shall have the right to defend any such third-party claim at its expense and in the name of the Indemnified Party and shall select the counsel for the defense of such third-party claim as approved by the Indemnified Party, such approval not to be unreasonably withheld, and the Indemnifying Party shall reasonably cooperate with the Indemnified Party in the conduct of the defense against such third-party claim. The Indemnified Party may participate, at its own expense, in such defense and in any settlement discussions directly or through counsel of its choice on a monitoring, non-controlling basis, or at the Indemnifying Party's expense and with full control if the Indemnifying Party does not fulfill its obligations to appoint counsel to defend the Indemnified Party which is reasonably satisfactory to the Indemnified Party within a reasonable time after the Indemnifying Party has received written notice of such third-party claim from the Indemnified Party. The Parties agree to cooperate in good faith to coordinate the defense of any third-party claim that may give rise to indemnification obligations of more than one Indemnifying Party or that may include allegations that are not subject to indemnification.

(b) Notwithstanding the foregoing, the Indemnifying Party shall not have the right to defend any such third-party claim on behalf of the Indemnified Party if: (i) it contests (in whole or in part) its indemnification obligations (but only as to the obligations specific to the Indemnifying Party's obligation to indemnify under this Article 16 in the event a third-party claim gives rise to indemnification obligations of more than one Indemnifying Party); (ii) it fails to employ counsel approved by the Indemnified Party (such approval not to be unreasonably withheld) to assume the defense of such third-party claim or refuses to replace such counsel upon the Indemnified Party's reasonable request, as provided for herein; (iii) the Indemnified Party reasonably determines that there are issues which could raise possible conflicts of interest between the Indemnifying Party and the Indemnified Party or that the Indemnified Party has claims or defenses that are separate from or in addition to the claims or defenses of the Indemnifying Party; or (iv) such third-party claim seeks an injunction, cease and desist order, or other equitable relief against the Indemnified Party. In each such case described in clauses (i) – (iv) above, the Indemnified Party shall have the right to direct the defense of the third-party claim and retain its own counsel, and the Indemnifying Party shall pay the cost of such defense, including reasonable attorneys' fees and expenses. If the Indemnifying Party does not assume

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the defense of any such third-party claim or refuses to replace such counsel upon the Indemnified Party's reasonable request as provided in this Section 16.4(b), the Indemnifying Party shall have the right to participate, at its own expense, in the defense of such third-party claim with counsel deemed satisfactory to it in its sole discretion.

16.5 Settlement of Claims. The Indemnifying Party shall not be liable for any settlement of any such third-party claim effected without its written consent (which consent shall not be unreasonably withheld) but, if settled with such consent or if there is a judgment for the plaintiff, the Indemnifying Party shall indemnify the Indemnified Party from and against any Indemnified Losses by reason of such settlement or judgment to the extent required by Section 16.1 (Indemnification of Bank by EFS) or 16.2 (Indemnification of EFS by Bank), as applicable. If the Indemnifying Party assumes the defense of any such third-party claim, it shall be entitled to settle such third-party claim (a) with the consent of the Indemnified Party (which consent shall not be unreasonably withheld) or, (b) if such settlement provides for an unconditional, irrevocable release of the Indemnified Party in connection with all matters relating to the action or proceeding that have been asserted against such Indemnified Party in connection with such third-party claim by the other parties to such settlement, and such release does not include a statement as to, or otherwise imply an admission of fault, culpability or a failure to act by or on behalf of such Indemnified Party, or can reasonably be expected to result in an adverse action against the Indemnified Party by a Regulatory Authority, without the consent of such Indemnified Party which consent may be granted or withheld in the Indemnified Party's reasonable discretion. The amount paid or payable by an Indemnified Party as a result of the Indemnified Losses shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such third-party claim, except where the Indemnified Party is required to bear such expenses pursuant to this Article 16, which expenses the Indemnifying Party shall pay as and when incurred, at the request of the Indemnified Party, to the extent it is reasonable to believe that the Indemnifying Party will be ultimately obligated to pay such expenses. If any expenses so paid by the Indemnifying Party are subsequently determined to not be required to be borne by the Indemnifying Party under this Article 16, the Indemnified Party that received the benefit of such payment shall promptly refund the amount so paid to the Indemnifying Party.

16.6 Subrogation. The Indemnifying Party shall be subrogated to any counterclaims, claims in recoupment, or similar rights of the Indemnified Party as against any third-party that directly relate to any claim made by such third-party for which the Indemnified Party seeks indemnification under this Article 16, but only to the extent of any amount which the Indemnifying Party is liable to pay in satisfaction or settlement of such third-party claim under this Article 16. The Indemnified Party shall reasonably cooperate with the Indemnifying Party, at the Indemnifying Party's expense, in the assertion by the Indemnifying Party of any such claims against such third-party claimant.

16.7 Indemnification Payments.

(a) An Indemnifying Party shall not be liable in respect of any indemnification obligations under this Agreement until the cumulative aggregate amount of Indemnified Losses exceed \$100,000 ("Indemnification Threshold Amount"); provided, however, that once the Indemnification Threshold Amount has been exceeded, the Indemnified Party shall be entitled to recover the Indemnification Threshold Amount and any additional amounts owed pursuant to

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this Article 16.

(b) Amounts owing under this Article 16 shall be paid promptly upon written demand for indemnification containing in reasonable detail the facts giving rise to such liability.

16.8 Apportionment of Costs. The Parties recognize and acknowledge that third-party claims may be made as part of an action, suit, investigation or proceeding that may give rise to the indemnification obligations of more than one (1) Party as set forth in Section 16.1 (Indemnification of Bank by EFS) and 16.2 (Indemnification of EFS by Bank), or that may include allegations that are not subject to indemnification, and the Parties agree that they shall cooperate in good faith to fairly apportion the Indemnified Losses relating to such third-party claims. Indemnified Losses incurred in defending third-party claims shall be apportioned to the respective Party that has responsibility for each specific third-party claim as set forth in Section

16.1 (Indemnification of Bank by EFS) and 16.2 (Indemnification of EFS by Bank), but only to the extent that those Indemnified Losses directly arise from such third-party claim.

16.9 Limitation of Liability.

(a) In no event shall an Indemnifying Party be liable under this Agreement or any Product Schedule for any indirect, consequential, incidental, special, punitive or exemplary damages or lost profits, to an Indemnified Party, whether in contract, tort (whether in negligence or strict liability) or other legal or equitable theory, regardless of whether such Indemnifying Party knew or should have known of the possibility of such damages.

(b) Notwithstanding Section 16.9(a), an Indemnifying Party may be liable for damages suffered by all Indemnified Parties relating to lost profits or revenue of up to, but not in excess of, \$10,000,000, in the aggregate, for all Claims over the life of the Program, whether in contract, tort (whether in negligence or strict liability) or other legal or equitable theory, regardless of whether such Indemnifying Party knew or should have known of the possibility of such damages.

## **ARTICLE 17 MISCELLANEOUS**

17.1 Assignment. Any assignment by either Party of any of that Party's rights and obligations under this Agreement or any Product Schedule shall require the prior consent of the other Party to this Agreement, which consent shall not be unreasonably withheld.

17.2 Entire Agreement; Amendments. Except as it relates to the Purchase Agreement, this Agreement, together with all Exhibits and Schedules (including all Product Schedules) hereto, which are expressly incorporated by reference herein and made a part hereof, and the other agreements pertaining to the transactions contemplated hereunder and executed and delivered by a Party hereto to the others contemporaneous with the execution and delivery of this Agreement, are the entire agreement of the Parties with respect to the subject matter hereof and thereof, and supersede all other prior understandings and agreements between the Parties with respect to the subject matter hereof and thereof, whether written or oral. It is the intent and agreement of the Parties that this Agreement be strictly interpreted according to its express terms. This Agreement may not be amended except by a written instrument signed by EFS and Bank.

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17.3 No Third-Party Beneficiaries. Except as set forth in Article 16 (Indemnification; Limitation of Liability), nothing in this Agreement is intended or shall be deemed to confer any rights or benefits upon any Person other than EFS and Bank and to make or render any such other Person a third-party beneficiary of this Agreement.

17.4 Non-Waiver of Default. The failure of either Party to insist, in any one or more instances, on the performance of any terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term or condition, and the obligations of the non-performing Party with respect thereto shall continue in full force and effect.

17.5 Severability. If any provision of this Agreement or any Product Schedule is held to be invalid, void or unenforceable, the Parties shall work in good faith to reform such provision and all other provisions shall remain valid and be enforced and construed to the extent permitted by law. The Parties intend all provisions of this Agreement to be enforced to the fullest extent permitted by Applicable Law. Accordingly, should a court of competent jurisdiction determine that the scope of any provision hereof is too broad to be enforced as written, the Parties intend that the court should reform the provision to such narrower scope as it determines to be enforceable.

17.6 Further Assurances. Each Party agrees to execute all such further documents and instruments and to do all such further things as the other Party may reasonably request in order to give effect and to consummate the transactions contemplated hereby, and to provide reasonable access to the other Party and the Regulatory Authority asserting jurisdiction over the other Party to the extent necessary for the other Party to comply with Applicable Law.

17.7 Notices. All notices, demands and other communications hereunder shall be in writing and shall be sent by electronic mail, certified mail return receipt requested, by hand, by facsimile with verbal confirmation of receipt, or by nationally recognized overnight courier service addressed to the Party to whom such notice or other communication is to be given or made at such Party's address as set forth below, or to such other address as such Party may designate in writing to the other Party from time to time in accordance with the provisions hereof as follows:

**If to EFS, to:**

Emerald Financial Services, LLC  
One H&R Block Way  
Kansas City, MO 64105  
Attn: Greg Quarles  
Email: greg.quarles@hrblock.com  
Telephone: 816-854-5709  
Facsimile: 816-854-8052  
Attn: Walter Pirnot  
Email: wpirnot@hrblock.com  
Telephone: 816-854-5757  
Facsimile: 816-802-1065

**with copies to:**

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H&R Block, Inc.  
One H&R Block Way  
Kansas City, Missouri 64105  
Attn: Tom Gerke, Chief Legal Officer  
Email: tom.gerke@hrblock.com  
Telephone: 816-854-6060  
Facsimile: 816-854-8500  
Stinson Leonard Street LLP  
Attn: Mike Lochmann  
1201 Walnut Street, Suite 2900  
Kansas City, Missouri 64106  
Email:  
mike.lochmann@stinsonleonard.com  
Telephone: 816-691-3208  
Facsimile: 816-412-1249

**If to Bank, to:**

Bofl Federal Bank  
4350 La Jolla Village Drive, Suite 140  
San Diego, California 92122  
Attn: Gregory Garrabrants  
Email: ggarrabrants@bofifederalbank.com  
Telephone: 858-350-6203  
Facsimile: 858-764-6561

**with copies to:**

Bofl Federal Bank  
4350 La Jolla Village Drive, Suite 140  
San Diego, California 92122  
Attn: Eshel Bar-Adon  
Email: ebaradon@bofifederalbank.com  
Telephone: 858-764-2905  
Facsimile: 858-764-6561

or to such other Person or address as either Party shall have previously designated to the other by written notice given in the manner set forth in this Section 17.7. Notice shall be deemed to have been given on the day of delivery if (x) sent by certified mail; (y) sent by a nationally recognized overnight courier service; or (z) delivered by hand or via electronic mail. Any notice provided pursuant to this Section 17.7 shall be effective on the day of completion of all delivery requirements.

17.8 Force Majeure.

(a) If the performance by a Party of its respective non-monetary obligations under this Agreement is delayed or prevented (in whole or in part) by acts of God, third-party cyber, IT or network attacks, fire, floods, storms, explosions, accidents, epidemics, war, civil disorder, strikes, terrorism, nuclear or biological disaster, riot or any other similar event or cause not reasonably within such Party's control, whether or not specifically mentioned herein (any such event, a "Force Majeure Event"), such Party shall be excused, discharged and released of

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performance to the extent such performance or obligation is so delayed or prevented by the Force Majeure Event without liability of any kind; provided, however, that (i) the occurrence of a Force Majeure Event shall not excuse a Party from following the procedures set forth in its disaster recovery plan; and (ii) the Parties shall have the termination rights set forth in Section 14.2(c) (Force Majeure Event).

(b) The Party subject to a delay or prevention as contemplated herein shall, as soon as practicable and in all events within three (3) Business Days following the occurrence of a Force Majeure Event, notify the other Party of such Force Majeure Event, which notice shall set forth: (i) the nature of the Force Majeure Event; (ii) its expected effect(s) and duration; (iii) any expected development which may further affect performance hereunder; and (iv) the efforts undertaken or to be undertaken to cure such Force Majeure Event or provide substitute performance; provided, however, that failure of a Party to provide the notice required in this Section 17.8(b) shall not affect the operation of Section 17.8(a) to excuse, discharge and release a Party from performance as provided in such Section.

17.9 Interpretation. Each Party acknowledges that its legal counsel participated in the drafting of this Agreement and that this Agreement has been fully reviewed and negotiated by the Parties and their respective counsel. Accordingly, in interpreting this Agreement, no weight shall be placed upon which Party or its counsel drafted the provision being interpreted.

17.10 Exhibits and Schedules. Unless any provision hereof is specifically excluded or modified in a particular Exhibit or Schedule, including any Product Schedule, each such Exhibit or Schedule, including any Product Schedule, shall be deemed to incorporate therein all the terms and conditions of this Agreement and may contain such additional terms and conditions as the Parties may mutually agree in writing.

17.11 No Agency. Except as expressly provided in this Agreement or mutually agreed in writing by the Parties, nothing contained in this Agreement shall authorize, empower or constitute EFS or Bank as agent of the other in any manner; authorize or empower EFS and Bank to assume or create an obligation or responsibility whatsoever, express or implied, on behalf of or in the name of the other Party; or authorize or empower EFS and Bank to bind the other Party in any manner or make any representation, warranty, covenant, agreement or commitment on behalf of the other Party or permit EFS and Bank to hold itself out as having the authority to do any of the foregoing.

17.12 Relationship of Parties. EFS and Bank hereby acknowledge that it is not their intention to create between themselves a partnership, joint venture, fiduciary or employment or agency relationship for purposes of this Agreement, or for any other purpose whatsoever, and nothing contained in this Agreement shall be construed to constitute Bank and EFS as partners, joint venturers, principal and agent, or employer and employee. Neither Party shall hold itself in a capacity contrary to the terms of this Agreement, and neither Party shall become liable by reason of any representations, acts or omissions of the other contrary to the provisions hereof.

17.13 Governing Law. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by and construed in accordance with the laws of the State of New York without regard to its conflict of

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laws provisions.

17.14 Consent to Jurisdiction. Except as otherwise expressly provided in this Agreement, any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be in the United States District Court for the Eastern District of Missouri, located in the City of St. Louis, or as to those lawsuits to which the Federal Courts of the United States lack subject matter jurisdiction, before a court located in the State of Missouri in the City of St. Louis, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. The parties acknowledge and agree that this Agreement was executed and delivered in the State of Missouri. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. For the purposes of such actions and proceedings, service of process on a Party hereto shall be deemed effective if it is dispatched by United States first class mail to such Party's address provided in Section 17.7 (Notices).

17.15 Waiver of Trial by Jury. EACH PARTY TO THIS AGREEMENT WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

17.16 Cumulative Remedies; Waivers. Except as otherwise expressly provided herein, all remedies provided for in this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available to either Party, whether at law, in equity, or otherwise. No release, discharge or waiver of any provision hereof shall be enforceable against or binding upon either Party unless in writing and executed by a duly authorized officer of each of the Parties. Neither the failure to insist upon strict performance of any of the agreements, terms, covenants or conditions hereof, nor the acceptance of monies due hereunder with knowledge of a breach of this Agreement, shall be deemed a waiver of any rights or remedies that either Party may have or a waiver of any subsequent breach or default in any of such agreements, terms, covenants and conditions.

17.17 Binding Agreement. This Agreement is legally binding on the Parties hereto, and their respective successors and permitted assigns.

17.18 Survival. The following provisions shall survive the expiration or termination of this Agreement: Article 1 (Definitions; Order of Precedence; Rules of Interpretation), Article 8 (Audit Rights; Reporting), Article 9 (Intellectual Property; License to Use Marks; Ownership Rights), Section 10.3(b) (Non-Solicitation), Article 11 (Confidentiality), Article 12 (Privacy and Data Security), Article 15 (Rights Upon Termination), Article 16 (Indemnification; Limitation of Liability), and Article 17 (Miscellaneous), any other provision identified in the survival section of any Product Schedules; and any other provision stated by its term to survive. In addition, any payment obligations of a Party that accrue prior to termination or expiration of this Agreement or a Product Schedule or prior to the Final Wind-Down Date shall survive such termination or expiration.

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17.19 Multiple Counterparts and Facsimile Signatures. This Agreement may be executed in any number of multiple counterparts, all of which shall constitute but one and the same original. Facsimile signatures to this Agreement shall be effective.  
*(signature page follows)*

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IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

EMERALD FINANCIAL SERVICES, LLC

By:

Name:

Title:

Bofl FEDERAL BANK

By:

Name:

Title:

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List of Schedules and Similar Attachments Omitted from Program Management Agreement

Schedule 2.1(a) Financial Products By Territory

Schedule 2.4(f) EFS Audit Plan

Schedule 3.1(a)(i) Initial Designated Executives

Schedule 3.1(b)(i) Initial Senior Program Managers

Schedule 7.1 List of Internationally Outsourced Service Providers

Schedule 7.2(a) Material Third Party Service Providers

Schedule 15.3 Calculation of Fair Value of Emerald Advance Participation Interests

Schedule A Prepaid Products Product Schedule

Schedule B Refund Transfer Product Schedule

Schedule C Emerald Advance Product Schedule

Schedule D Credit Card Product Schedule

Schedule E Deposit Products Schedule

Schedule F Service Level Agreements

Upon request, the registrant agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule or similar attachment to the Program Management Agreement; provided, however, that the registrant may request confidential treatment of omitted items prior to any public disclosure.



## News Release

For Immediate Release: August 5, 2015

### **H&R Block Bank Divestiture Transaction Receives Regulatory Approvals**

- Company expects to close its bank divestiture transaction with BofI Federal Bank (“BofI”) no later than September 30, 2015
- Company expects that shortly after closing, H&R Block will cease to be regulated as a savings and loan holding company
- Net, ongoing financial impact of transaction expected to dilute H&R Block earnings by approximately \$0.08 to \$0.10 per share annually beginning in fiscal year 2016. Additionally, one-time charges of approximately \$0.02 to \$0.03 per share expected to be incurred in fiscal year 2016. All per share amounts are based on current fully diluted shares outstanding

KANSAS CITY, Mo. - H&R Block, Inc. (NYSE: HRB), the world’s largest consumer tax services provider, today announced that H&R Block, H&R Block Bank and BofI have received regulatory approvals from the Office of the Comptroller of the Currency (OCC) and the Board of Governors of the Federal Reserve System (Federal Reserve) to proceed with the purchase and assumption agreement previously announced on April 10, 2014. Under the agreement, H&R Block Bank has agreed to sell certain assets and transfer certain liabilities, including all of its deposit liabilities, to BofI.

“We are very pleased that we were able to obtain approvals from the OCC and the Federal Reserve to proceed with this agreement,” said Bill Cobb, H&R Block’s president and chief executive officer. “Then, promptly after closing, we expect to receive approval from the Federal Reserve to deregister, and cease being regulated, as a savings and loan holding company. This transaction is another positive step in our multiyear efforts to exit noncore businesses and is in the best interests of our company and our shareholders. We’ve selected a great partner in BofI, and I’m confident that together we’ll continue to deliver best-in-class service and tremendous value for our clients.”

At the time of closing of the purchase and assumption transaction, the parties will enter into a program management agreement under which BofI will offer H&R Block-branded financial services products to our customers: Emerald Prepaid MasterCard®, Refund Transfers and Emerald Advance® lines of credit through H&R Block’s retail and digital channels. Material terms of the purchase and assumption agreement and the program management agreement have been agreed upon and were disclosed in Form 8-Ks filed with the Securities and Exchange Commission (SEC) on April 10, 2014 and today. The transaction is expected to close no later than September 30, 2015.

H&R Block expects the ongoing annual net financial impact to be dilutive by approximately \$0.08 to \$0.10 per share beginning in fiscal year 2016. The company also expects to incur one-time charges for transaction and related costs of approximately \$0.02 to \$0.03 per share in fiscal year 2016. All per share amounts are based on current fully diluted shares outstanding.

Additional information regarding this transaction, as well as amendments to the relevant agreements, are included in a Form 8-K filed today with the SEC. In addition to the information contained in the Form 8-K, please note the cautionary language and risks described in the paragraph under “Forward-Looking Statements” set forth below.

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**Conference Call**

Discussion of the planned divestiture of H&R Block Bank and other related matters will occur during a conference call for analysts, institutional investors, and shareholders. The call is scheduled for 10:00 a.m. Eastern time on August 5, 2015. To access the call, please dial the number below approximately 10 minutes prior to the scheduled starting time:

U.S./Canada (888) 895-5260 or International (443) 842-7595  
Conference ID: 94549461

A replay of the call will be available beginning at 12:00 p.m. Eastern time on August 5, 2015, and continuing until September 5, 2015, by dialing (855) 859-2056 (U.S./Canada) or (404) 537-3406 (International). The conference ID is 94549461.

**About H&R Block**

H&R Block, Inc. (NYSE: HRB) is the world's largest consumer tax services provider. More than 680 million tax returns have been prepared worldwide by and through H&R Block since 1955. In fiscal 2015, H&R Block had annual revenues of nearly \$3.1 billion with 24.2 million tax returns prepared worldwide. Tax return preparation services are provided by professional tax preparers in approximately 12,000 company-owned and franchise retail tax offices worldwide, and through H&R Block Tax Software products. H&R Block Bank provides affordable financial services products. For more information, visit the H&R Block Newsroom at <http://newsroom.hrblock.com/>.

**Forward-Looking Statements**

This press release may contain forward-looking statements within the meaning of the securities laws. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variation of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "targets," "would," "will," "should," "could" or "may" or other similar expressions. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. They may include estimates of revenues, income, earnings per share, capital expenditures, dividends, liquidity, capital structure or other financial items, descriptions of management's plans or objectives for future operations, products or services, or descriptions of assumptions underlying any of the above. All forward-looking statements speak only as of the date they are made and reflect the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions, factors, or expectations, new information, data or methods, future events or other changes, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive and regulatory factors, many of which are beyond the company's control and which are described in our Annual Report on Form 10-K for the fiscal year ended April 30, 2015 in the section entitled "Risk Factors," as well as additional factors we may describe from time to time in other filings with the Securities and Exchange Commission. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties. There can be no assurances regarding when or if the contemplated transactions will close or final regulatory steps will be completed, or the final terms and conditions of the various agreements involved with the bank divestiture transaction.

**For Further Information**

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