

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

FORM 10-K

☒ Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended July 31, 2019

OR

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-21180

intuit.

INTUIT INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

77-0034661

(IRS Employer Identification No.)

2700 Coast Avenue, Mountain View, CA 94043

(Address of principal executive offices, including zip code)

(650) 944-6000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	INTU	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

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

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

The aggregate market value of Intuit Inc. outstanding common stock held by non-affiliates of Intuit as of January 31, 2019, the last business day of our most recently completed second fiscal quarter, based on the closing price of \$215.82 reported by the Nasdaq Global Select Market on that date, was \$53.7 billion.

There were 260,073,642 shares of Intuit voting common stock outstanding as of August 23, 2019.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for its Annual Meeting of Stockholders to be held on January 23, 2020 are incorporated by reference in Part III of this Annual Report on Form 10-K.

# INTUIT INC.

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Intuit, the Intuit logo, QuickBooks, TurboTax, Mint, Lacerte, ProSeries, and Intuit ProConnect, among others, are registered trademarks and/or registered service marks of Intuit Inc., or one of its subsidiaries, in the United States and other countries. Other parties' marks are the property of their respective owners.

### *Forward-Looking Statements*

This Annual Report on Form 10-K contains forward-looking statements that involve risks and uncertainties. Please also see the section entitled “*Risk Factors*” in Item 1A of this Report for important information to consider when evaluating these statements. All statements in this report, other than statements that are purely historical, are forward-looking statements. Words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “forecast,” “estimate,” “seek,” and similar expressions also identify forward-looking statements. In this report, forward-looking statements include, without limitation, the following:

- our expectations and beliefs regarding future conduct and growth of the business;
- our beliefs and expectations regarding seasonality, competition and other trends that affect our business;
- our expectation that we will continue to invest significant resources in our product development, marketing and sales capabilities;
- our expectation that we will continue to invest significant management attention and resources in our information technology infrastructure and in our privacy and security capabilities;
- our expectation that we will work with the broader industry and government to protect our customers from fraud;
- our expectation that we will generate significant cash from operations;
- our expectation that total service and other revenue as a percentage of our total revenue will continue to grow;
- our expectations regarding the development of future products, services, business models and technology platforms and our research and development efforts;
- our assumptions underlying our critical accounting policies and estimates, including our judgments and estimates regarding revenue recognition; stock volatility and other assumptions used to estimate the fair value of share-based compensation; the fair value of goodwill; and expected future amortization of acquired intangible assets;
- our intention not to sell our investments and our belief that it is more likely than not that we will not be required to sell them before recovery at par;
- our belief that the investments we hold are not other-than-temporarily impaired;
- our belief that we take prudent measures to mitigate investment related risks;
- our belief that our exposure to currency exchange fluctuation risk will not be significant in the future;
- our assessments and estimates that determine our effective tax rate;
- our belief that our income tax valuation allowance is sufficient;
- our belief that it is not reasonably possible that there will be a significant increase or decrease in our unrecognized tax benefits over the next 12 months;
- our belief that our cash and cash equivalents, investments and cash generated from operations will be sufficient to meet our seasonal working capital needs, capital expenditure requirements, contractual obligations, debt service requirements and other liquidity requirements associated with our operations for at least the next 12 months;
- our expectation that we will return excess cash generated by operations to our stockholders through repurchases of our common stock and the payment of cash dividends, after taking into account our operating and strategic cash needs;
- our plan to continue to provide ongoing enhancements and certain connected services for all future versions of our QuickBooks Desktop software products;
- our judgments and assumptions relating to our loan portfolio;
- our belief that the credit facilities will be available to us should we choose to borrow under them; and
- our assessments and beliefs regarding the future outcome of pending legal proceedings and inquiries by regulatory authorities, the liability, if any, that Intuit may incur as a result of those proceedings and inquiries, and the impact of any potential losses associated with such proceedings or inquiries on our financial statements.

We caution investors that forward-looking statements are only predictions based on our current expectations about future events and are not guarantees of future performance. We encourage you to read carefully all information provided in this report and in our other filings with the Securities and Exchange Commission before deciding to invest in our stock or to maintain or change your investment. These forward-looking statements are based on information as of the filing date of this Annual Report, and we undertake no obligation to revise or update any forward-looking statement for any reason.

## PART I

### ITEM 1 - BUSINESS

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#### *CORPORATE BACKGROUND*

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##### *General*

Intuit helps consumers, small businesses, and the self-employed prosper by delivering financial management and compliance products and services. We also provide specialized tax products to accounting professionals, who are key partners that help us serve small business customers.

Our global products and platforms, including QuickBooks, TurboTax, Mint and Turbo, are designed to help our customers better manage their money, reduce their debt and file their taxes with ease so they can receive the maximum refund they deserve. For those customers who run small businesses, we are focused on helping them get paid faster, pay their employees, access capital, ensure their books are done right and find and keep customers. We serve more than 50 million customers across our product offerings and platforms. We had revenue of \$6.8 billion in our fiscal year which ended July 31, 2019, with approximately 9,400 employees in offices in the United States, Canada, India, the United Kingdom, Israel, Australia, and other locations.

Intuit Inc. was incorporated in California in March 1984. We reincorporated in Delaware and completed our initial public offering in March 1993. Our principal executive offices are located at 2700 Coast Avenue, Mountain View, California, 94043, and our main telephone number is 650-944-6000. When we refer to “we,” “our” or “Intuit” in this Annual Report on Form 10-K, we mean the current Delaware corporation (Intuit Inc.) and its California predecessor, as well as all of our consolidated subsidiaries.

##### *Available Information*

Our corporate website, [www.intuit.com](http://www.intuit.com), provides materials for investors and information relating to Intuit’s corporate governance. The content on any website referred to in this filing is not incorporated by reference into this filing unless expressly noted otherwise.

We file reports required of public companies with the Securities and Exchange Commission (SEC). These include annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other reports, and amendments to these reports. The SEC maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We make available free of charge on the Investor Relations section of our corporate website all of the reports we file with or furnish to the SEC as soon as reasonably practicable after the reports are filed or furnished. Copies of this Annual Report on Form 10-K may also be obtained without charge by contacting Investor Relations, Intuit Inc., P.O. Box 7850, Mountain View, California 94039-7850 or by calling 650-944-6000.

#### *BUSINESS OVERVIEW*

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##### *Intuit’s Mission*

We are a global technology company committed to using our platform and products to power prosperity around the world. Our customers include consumers, small businesses and the self-employed. Working with a broad array of vital partners - accountants, developers, financial institutions, educational institutions, governments and other platform companies - we are dedicated to solving our customers’ most pressing problems and delivering benefits that matter most to them including:

- Personalized experiences that help them save money and enable their businesses to grow and prosper.
- Automated financial tasks and data entry to save them time for what matters most.
- Connections to credible experts, tools and insights to provide them with confidence when making financial or compliance decisions.

We build durable competitive advantage by using the power of artificial intelligence (A.I.) and other advanced technologies to deliver innovative solutions via our trusted open platform that builds connections between customers, partners and products, as described in “*Our Growth Strategy*” below. We consider A.I. to include:

- Machine Learning - Building algorithms which progressively learn from data to automate tasks for our customers.
- Knowledge Engineering - Turning rules, such as IRS regulations, and relationships about data into code to eliminate work and provide tailored experiences.
- Natural Language Processing - Processing, analyzing and understanding human language to create interactions with customers and automate repetitive tasks.



*Our Business Portfolio*

We organize our businesses into three reportable segments:

- Small Business & Self-Employed:** This segment serves small businesses and the self-employed around the world, and the accounting professionals who serve and advise them. Our offerings include QuickBooks financial and business management online services and desktop software, payroll solutions, merchant payment processing solutions, and financing for small businesses.
- Consumer:** This segment serves consumers and includes do-it-yourself and assisted TurboTax income tax preparation products and services sold in the U.S. and Canada. Our Mint and Turbo offerings serve consumers and help them understand and improve their financial lives by offering a view of their financial health.
- Strategic Partner:** This segment serves professional accountants in the U.S. and Canada, who are essential to both small business success and tax preparation and filing. Our professional tax offerings include Lacerte, ProSeries, ProFile, and ProConnect Tax Online.

*Our Growth Strategy*

At Intuit, our strategy starts with customer obsession. We listen to and observe our customers, understand their challenges, and then use advanced technology, including A.I., to develop innovative solutions designed to solve their problems and help them grow and prosper. For more than three decades, our values have inspired us to innovate and reimagine ways to save people time and money, eliminate drudgery and inspire confidence. We have reinvented and disrupted ourselves to better serve our customers, as we continue to transform into an A.I.-driven expert platform company. Our assessment of external trends - the expectation of more personalized experiences, the digitization of services, as well as the growth in the self-employed workforce - reveals significant opportunities to drive future growth. The result is a shift from traditional services and point solutions to interconnected capabilities that work on platforms and increasingly rely on A.I. and data-driven solutions.

As we build those interconnected capabilities that rely on an A.I.-driven expert platform we are focused on three core elements:

- Building an open, trusted platform:** We are creating a technology platform where we and our partners can seamlessly integrate together to solve the most pressing customer problems and deliver awesome experiences. Our open platform allows our customers to use and confidently share their data, with their consent, with us and third-party partners to help improve their financial lives.
- Accelerating the application of A.I.:** We are actively accelerating our application of A.I., which continuously learns from data across the platform, and revolutionizes the experience for our customers. For example, our TurboTax solutions use machine learning to create a customized interview, asking questions uniquely tailored to each individual situation.
- Connecting people with experts:** Across the platform, we are digitizing services by building connections among customers, partners, and experts to inspire confidence in our customers. For example, our TurboTax Live offering seamlessly connects our TurboTax customers with tax experts via a live one-way video. We will continue to develop new means to connect customers with experts so our customers can have confidence that they are making the right decisions about their financial lives, and the personalized experiences they expect.

As part of our strategy, we also develop relationships with key partners that enable us to scale our service to consumers, small businesses and the self-employed globally, including financial institutions, enterprise platforms, educational institutions and accountants. These partnerships allow us to co-create indispensable connections by sharing expertise, product integrations, and new solutions to solve more customer problems.

As the external environment evolves, we continue to innovate and adapt our strategy and anticipate our customers’ needs. For more than 35 years, we have been dedicated to developing innovative financial and compliance products and services that are easy to use and are available where and when customers need them. As a result, our customers actively recommend our products and solutions to others, which is one important way that we measure the success of our strategy.

*PRODUCTS AND SERVICES*

During fiscal 2019 we offered our products and services in the three segments described in “*Business Overview*” above. The following table shows the revenue for each of these segments over the last three fiscal years.

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Small Business & Self-Employed	52%	51%	50%
Consumer	41%	42%	42%
Strategic Partner	7%	7%	8%

Total international net revenue was less than 5% of consolidated total net revenue for fiscal 2019, fiscal 2018, and fiscal 2017.

For financial information about our reportable segments, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” in Item 7 and Note 13 to the financial statements in Item 8 of this Annual Report.

## ***Small Business & Self-Employed***

Our Small Business & Self-Employed segment serves small businesses and the self-employed around the world, and the accounting professionals who serve and advise them. Our offerings include QuickBooks financial and business management online services and desktop software, payroll and payment processing solutions, financial supplies, and financing for small businesses.

***QuickBooks Online Services and Desktop Software.*** Our QuickBooks financial management solutions help small businesses, the self-employed, and accountants solve financial and compliance problems, make more money and reduce unnecessary work, while giving them complete confidence in their actions and decisions. Users can track income and expenses, create and send invoices and estimates, manage and pay bills, and review a variety of financial reports. In fiscal 2019 we introduced QuickBooks Live which enables our customers to obtain live bookkeeping advice from professionals. Our QuickBooks offerings are available either online or as desktop versions. Our online offerings can be accessed on mobile devices.

QuickBooks is built on an open platform, allowing third-party developers to create online and mobile applications that integrate with our offering. A growing number of companies offer applications built for our QuickBooks platform, including PayPal, Shopify, Square, and Bill.com.

In addition to our core QuickBooks offering, we also offer specific solutions for the following customer segments:

- ***Enterprise.*** Our QuickBooks Enterprise and QuickBooks Online Advanced offerings are designed for small businesses with 10 to 100 employees that have more complex needs. QuickBooks Enterprise is available for download or on a disk and can also be provided as a hosted solution. This offering provides industry-specific reports and features for a range of industries, including Contractor, Manufacturing and Wholesale, Nonprofit, and Retail. QuickBooks Online Advanced is an online enterprise solution.
- ***Self-Employed.*** QuickBooks Self-Employed is designed specifically for self-employed customers whose needs are different than small businesses that use QuickBooks. Features include categorizing business and personal transactions, identifying and classifying tax deductible expenses, tracking mileage, calculating estimated quarterly taxes and sending invoices. QuickBooks Self-Employed can be combined with TurboTax to export and pay year-end taxes. QuickBooks Self-Employed is available both online and via a mobile application.
- ***Accountants.*** QuickBooks Online Accountant and QuickBooks Accountant Desktop Plus are available to accounting professionals who use QuickBooks offerings and recommend them to their small business clients. These offerings provide the tools and file-sharing capabilities that accounting professionals need to efficiently complete bookkeeping and financial reporting tasks and to manage their practices. We also offer memberships to the QuickBooks ProAdvisor program, which provides access to QuickBooks Online Accountant, QuickBooks Accountant Desktop Plus, QuickBooks Desktop Enterprise Accountant, QuickBooks Point of Sale Desktop, technical support, training, product certification, marketing tools, and discounts on Intuit products and services purchased on behalf of clients.

***Payroll Solutions.*** We offer two levels of payroll solutions that are sold on a subscription basis and seamlessly integrate with our QuickBooks Online and QuickBooks Desktop offerings. Our self-service payroll offerings include tools that allow our customers to perform payroll processing, direct deposit of employee paychecks, payroll reports, electronic payment of federal and state payroll taxes, and electronic filing of federal and state payroll tax forms. We also have our full-service payroll offerings, which provide comprehensive payroll services to QuickBooks customers who prefer not to perform payroll tasks themselves.

***Payment Processing Solutions.*** Our full range of merchant services for small businesses includes credit card, debit card, and ACH payment services. In addition to transaction processing services, our broad support for our clients includes customer service, merchant and consumer collections, chargeback and retrieval support, and fraud and loss prevention screening. We also offer e-invoicing, which allows small businesses to email invoices directly from QuickBooks with a link that enables customers to instantly pay online or from their mobile device.

***Financial Supplies.*** We offer a range of financial supplies designed for individuals and small businesses that use our QuickBooks offerings. These include standard paper checks and Secure Plus checks with CheckLock fraud protection features, a variety of stationery, tax forms and related supplies.

***Financing for Small Businesses.*** We offer financing options for small businesses to help them get the capital they need to succeed. The financing process provides small businesses the ability to use their QuickBooks data to qualify to borrow capital.

## Consumer

Our TurboTax products and services are designed to enable customers to prepare and file their own federal and state income tax returns quickly and accurately. They are designed to be easy to use, yet sophisticated enough for complex tax returns. These offerings are available either online or as desktop versions. Our online offerings can be accessed on mobile devices.

**Tax Return Preparation Offerings.** For the 2018 tax season, we offered a variety of commercial software products and filing services to meet the different needs of our customers, including those filing simple returns, those who itemize deductions, own investments or rental property, and small business owners. Customers can electronically file their federal and state income tax returns through our electronic filing service. We also offered TurboTax Live for customers seeking to obtain tax advice from professionals, as well as audit defense and audit support services. Our online tax preparation and filing services were offered through the websites of thousands of financial institutions, electronic retailers, and other online merchants. Financial institutions can offer our online tax preparation and filing services to their customers through a link to TurboTax Online. Our TurboTax U.S. and Canada offerings consist of desktop, online, and mobile offerings. In addition to our commercial product offerings, we are a member of the Free File Alliance, a consortium of private sector companies that has entered into an agreement with the federal government to provide free online federal tax preparation and filing services to eligible taxpayers, which the IRS then markets to consumers on an IRS website. See also “*Competition – Consumer Segment*” later in this Item 1 for more information on the Free File Alliance.

**Personal Finance Offerings.** Our consumer platform, including our Mint and Turbo offerings, is aimed at helping customers unlock smart money decisions by connecting them to financial products to help make ends meet. These offerings help customers understand and improve their financial lives by offering a view of their financial health, as well as access to credit scores and monitoring.

## Strategic Partner

Our Strategic Partner segment includes our professional tax offerings and serves professional accountants in the U.S. and Canada, who are essential to both small business success and tax preparation and filing. Our professional tax offerings consist of Lacerte, ProSeries, ProFile and ProConnect Tax Online and enable accountants to accurately and efficiently complete and electronically file a full range of consumer, small business, and commercial federal and state tax returns. Lacerte is designed for full-service year-round accounting firms who handle more complex returns. ProSeries is designed for year-round tax practices handling moderately complex tax returns. ProConnect Tax Online is our cloud-based solution, which is designed for full-service year-round practices who prepare all forms of consumer and small business returns and integrates with our QuickBooks Online offerings. ProFile is our Canadian tax offering, which serves year-round full-service accounting firms for both consumer and business tax returns. We also offer a variety of tax-related services that complement the tax return preparation process including year-round document storage, collaboration services, e-signature, and bank products.

## PRODUCT DEVELOPMENT

The markets for software and related services are characterized by rapid technological change, shifting customer needs and frequent new product introductions and enhancements. Continuous investment is required to innovate and develop new products and services as well as enhance existing offerings to be successful in these markets. Our product development efforts are more important than ever as we pursue our growth strategy.

We develop many of our products and services internally, and we have a number of United States and foreign patents and pending applications that relate to various aspects of our products and technology. We also supplement our internal development efforts by acquiring or licensing products and technology from third parties, and establishing other relationships that enable us to enhance or expand our offerings more rapidly. We expect to expand our third-party technology relationships as we continue to pursue our growth strategy.

While our traditional desktop software products – QuickBooks, TurboTax, Lacerte, and ProSeries – tend to have predictable annual development and product release cycles, as we move to more online offerings and mobile applications, the development cycles are becoming more rapid. In addition, developing consumer and professional tax software and services presents unique challenges because of the demanding development cycle required to accurately incorporate federal and state tax law and tax form changes within a rigid timetable. The development timing for our small business payroll and merchant payment processing services offerings varies with business needs and regulatory requirements, and the length of the development cycle depends on the scope and complexity of each project.

We continue to make substantial investments in research and development, and we expect to focus our future research and development efforts on enhancing existing products and services with financial recommendations, personalization, and ease of use enabled by A.I. and other advanced technologies. We continue to focus on developing new products and services, including new mobile and global offerings, and significant research and development efforts for ongoing projects to update the technology platforms for several of our offerings.

## ***SEASONALITY***

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Our Consumer and Strategic Partner offerings have a significant and distinct seasonal pattern as sales and revenue from our income tax preparation products and services are heavily concentrated in the period from November through April. This seasonal pattern results in higher net revenues during our second and third quarters ending January 31 and April 30, respectively. We expect the seasonality of our Consumer and Strategic Partner businesses to continue to have a significant impact on our quarterly financial results in the future.

## ***MARKETING, SALES AND DISTRIBUTION CHANNELS***

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### ***Markets***

Our primary customers are consumers, small businesses, and the self-employed. We also provide specialized tax and accounting products to professional accountants, who are key partners to help us reach small business customers. The markets in which we compete have always been characterized by rapid technological change, shifting customer needs, and frequent new product introductions and enhancements by competitors. Over the past several years, the widespread usage of mobile devices and the explosion of social media have accelerated the pace of change and revolutionized the way that customers learn about, evaluate, and purchase products and services.

Real-time, personalized online and mobile shopping experiences are the standard. In addition, many customers now begin shopping in one channel and ultimately purchase in another. This has created a need for integrated, multi-channel, shop-and-buy experiences. Market and industry changes quickly make existing products and services obsolete. Our success depends on our ability to respond rapidly to these changes with new business models, updated competitive strategies, new or enhanced products and services, alternative distribution methods, and other changes in the way we do business.

### ***Marketing Programs***

We use a variety of marketing programs to generate direct sales, develop leads, increase general awareness of our product portfolio, and drive sales in retail. These programs include digital marketing such as display and pay-per-click advertising, search engine optimization, and social and affiliate marketing; mobile marketing through online app stores; email marketing; offline marketing such as TV, radio, billboard, magazine and newspaper advertising; retail marketing; public relations; and in product marketing to drive awareness of related products and services. Our campaigns are designed to attract new users, retain existing users, and cross sell additional offerings.

### ***Sales and Distribution Channels***

***Multi-Channel Shop-and-Buy Experiences.*** Our customers use the web and mobile devices to research products and services. Some customers buy and use our products and services entirely online or through their mobile devices. Others research online but make their purchase at a retail location. Because many customers shop across multiple channels, we continue to coordinate our online, offline, and retail presence and promotions to support an integrated, multi-channel, shop-and-buy model. We also focus on cross-selling complementary Intuit and third-party offerings online and in-product.

***Direct Sales Channel.*** We sell many of our products and services directly through our websites and call centers. Direct, online sales are an effective channel for customers who can make purchase decisions based on content provided on our websites, via other online content or word of mouth recommendations. Telesales continues to be an effective channel for serving customers that want live help to select the products and services that are right for their needs. We also have a direct sales force that calls on U.S. and international accounting firms and seeks to increase their awareness, usage, and recommendation of our small business and professional tax solutions.

***Mobile Application Stores.*** We distribute many of our offerings for mobile devices through proprietary online stores that provide applications for specific devices. These include the Apple App Store and Google's Play Store.

***Retail and Other Channels.*** We sell our QuickBooks and TurboTax desktop software as well as payroll services at retail locations across the United States and on retailer websites. In Canada, we also rely on distributors and other third parties who sell products into the retail channel. We sell our products and services through selected alliance partners and accountants who help us reach new customers at the point of need and drive growth and market share by extending our online reach. These partners combine our products and services with value-added marketing, sales, and technical expertise to deliver a complete solution at the local level. As we expand our mobile and global offerings, we expect that strategic partnerships will become increasingly important to our business.

## COMPETITION

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### Overview

We face intense competition in all of our businesses, both domestically and internationally. Competitive interest and expertise in many of the markets we serve have grown markedly over the past few years and we expect this trend to continue. Some of our existing competitors have significantly greater financial, technical and marketing resources than we do. In addition, the competitive landscape can shift rapidly as new companies enter and existing companies expand their businesses to include the markets in which we compete. This is particularly true for online and mobile products and services, where the barriers to entry are lower than they are for desktop software products and services. To attract customers, many online and mobile competitors are offering free or low-priced products which we must take into account in our pricing strategies.

Given the breadth of the products and services that we offer as a global technology company, we compete with the offerings from a variety of companies across a range of industries. Our most obvious competition comes from other companies that currently offer technology solutions similar to ours. In our Small Business & Self-Employed segment, we face competition from a variety of companies that provide products or services to address the problems that we help our customers to solve, including getting paid faster, paying their employees, accessing capital and ensuring their books are done right. Our Consumer segment competes with companies that offer products and services to help customers file their taxes, better manage their money and reduce their debt. We may also face competition from companies with platforms that could be developed to offer competing technology solutions to any of the problems that our customers may face, such as Facebook, Amazon and Google. In addition, for many of our products and services, other competitive alternatives for customers are third-party service providers such as professional accountants and seasonal tax preparation businesses. Manual tools and processes, or general-purpose software, are also important competitive alternatives. In some cases, a competitor in one of our segments may be our partner in another one of our segments. In other cases, a company may compete with us in more than one of our segments.

### Competition Specific to Segments

**Small Business & Self-Employed Segment.** QuickBooks is the leading small business financial management software in the U.S. Small businesses often look to several companies to address their problems. Therefore, our small business products and services face competitive challenges from a variety of companies that provide products or services that address one or more of their problems. We compete to help small businesses get their books right with The Sage Group plc, Xero and FreshBooks, among others, which offer software and associated services as well as online accounting offerings that directly serve small business customers. For small businesses with more complex financial management needs, our competitors include The Sage Group plc's Intacct offering and Microsoft Dynamics. We also compete with free or low-cost online accounting offerings, and free online banking and bill payment services offered by financial institutions and others. In our payroll business we compete directly with Automatic Data Processing, Inc. (ADP), Paychex, Gusto, and many other companies that help small businesses to pay their employees. In our merchant services business we help our customers get paid faster and compete directly with large financial institutions such as Wells Fargo, JP Morgan Chase, and Bank of America and with many payment processors, including First Data Corporation, Elavon, Global Payments, Fidelity National Information Services, PayPal, and Square. Our QuickBooks Capital offering, which helps small businesses to access capital, competes with a range of lending enterprises, including large financial institutions, such as the ones listed above, fintech companies, such as BlueVine and Kabbage, and others.

**Consumer Segment.** In our Consumer segment, we compete to help our customers to file their taxes. Our future growth depends on our ability to attract new customers to the self-preparation tax category and to our assisted offering, TurboTax Live, from tax stores and other tax preparers. In the U.S. private sector we face intense competition from H&R Block, which provides tax preparation services in its stores and a competing software offering. We also face competition from several other large tax preparation service providers, from a myriad of small tax preparers, and from numerous online self-preparation offerings, including Free Tax USA, TaxSlayer, Blucora's TaxAct and Credit Karma. Some of these competitors are offering electronic tax preparation and filing services at no cost to individual taxpayers. In Canada, our TurboTax Canada offerings face competition from H&R Block, SimpleTax, StudioTax, and UFile, among others. These competing offerings subject us to significant price pressure in both the U.S. and Canada.

We also face competitive challenges from government entities that offer publicly funded electronic tax preparation and filing services with no fees to individual taxpayers.

We are a member of the Free File Alliance, a consortium of private sector companies that has entered into an agreement with the federal government. Under this agreement, the member companies provide online federal tax preparation and filing services to eligible users at no cost to the government or individual users separate and apart from the member companies' commercial free offerings, which the IRS then markets to consumers on an IRS website. Approximately 22 states and the District of Columbia have also adopted Free File Alliance public-private agreements while approximately 19 other states offer some form of direct government tax preparation and filing services with no fees to qualified taxpayers. We continue to actively work with others in the private and public sectors to advance the goals of the Free File Alliance policy initiative and to support successful public-private partnerships that reinforce the voluntary compliance tax system. However, future administrative, regulatory, or legislative activity in this area could seek to replace the voluntary compliance tax system with return preparation by government agencies which could harm our Consumer business.

We also compete with numerous personal financial management companies, such as Credit Karma, Nerdwallet and Credit Sesame, and large financial institutions to help our customers better manage their money and reduce their debt.

**Strategic Partner Segment.** In the U.S., Lacerte professional tax offerings face competition from competitively-priced tax and accounting solutions that include integration with non-tax functionality. These include CCH's ProSystems fx Office Suite and Thomson Reuters' CS Professional Suite and GoSystems Tax. Our ProSeries professional tax offerings face competition from CCH's ATX and TaxWise offerings, Drake, and other smaller providers. In Canada, our ProFile professional tax offerings face competition from CCH's Cantax and Taxprep offerings, TaxCycle, and Thomson Reuters' DTMax and UFile Pro offerings. We also face growing competition from online tax and accounting offerings in the U.S. and Canada, which may be marketed more effectively or have lower pricing than our offerings for accounting professionals.

### **Competitive Factors**

We believe the most important competitive factors for our core offerings – QuickBooks, TurboTax, Lacerte, and ProSeries – are ease of use, product features, size of the installed customer base, brand name recognition, value proposition, cost, reliability, security, and product and support quality. Access to distribution channels is also important for our QuickBooks and TurboTax desktop software products. In addition, support from accounting professionals and the ability for customers to upgrade within product families as their businesses grow are significant competitive factors for our QuickBooks products. Productivity is an important competitive factor for the full-service accounting firms to which we market our Lacerte software products. We believe we compete effectively on these factors as our QuickBooks and TurboTax products are the leading products in the U.S. for their respective categories.

For our service offerings such as small business payroll and merchant payment processing, we believe the most important competitive factors are functionality, ease of use, high availability, security, the integration of these products with related software, brand name recognition, effective distribution, quality of support, and cost.

## **CUSTOMER SERVICE AND TECHNICAL SUPPORT**

We provide customer service and technical support by telephone, e-mail, online and video chat, text messaging, online communities, and our customer service and technical support websites. We have full-time and outsourced customer service and technical support staffs. We supplement these staffs with seasonal employees and additional outsourcing during periods of peak call volumes, such as during the tax return filing season or following a major product launch. We outsource to several firms domestically and internationally. Most of our internationally outsourced small business customer service and technical support personnel are currently located in India and the Philippines.

We offer free self-help information through our technical support websites for our QuickBooks, TurboTax and professional tax offerings. Customers can also use our websites to find answers to commonly asked questions and check on the status of orders. Under certain paid support plans, customers can also use our websites to receive product updates electronically. Support alternatives and fees vary by product. We also sponsor online user communities where consumers can share knowledge and product advice with each other.

## **MANUFACTURING AND DISTRIBUTION**

### **Online Products and Services**

Our online offerings include QuickBooks Online, online payroll services, merchant payment processing services, TurboTax Online, ProConnect Tax Online, consumer and professional electronic tax filing services, Mint, and Turbo. We continue to execute on a multi-year plan to transition the systems, networks and databases required to operate these online offerings to public cloud providers, such as Amazon Web Services (AWS). Currently, most of our core online offerings are using AWS. The remaining online offerings are housed in data centers located in geographically diverse locations.

### **Desktop Software and Supplies**

Although an increasing proportion of our desktop software customers choose to electronically download software, many customers continue to choose to purchase these products in the form of physical media. The key processes in manufacturing desktop software are manufacturing compact discs (CDs) and digital video discs (DVDs), printing boxes and related materials, and assembling and shipping the final products.

For retail manufacturing and distribution, we have agreements with Arvato Digital Services, Inc. (Arvato), a division of Bertelsmann AG, under which Arvato provides a majority of the manufacturing volume for our launches of QuickBooks and TurboTax and day-to-day replenishment after product launches, as well as our retail distribution logistics. Arvato also provides most of the manufacturing volume and distribution services for our direct desktop software orders. Arvato has operations in multiple locations that can provide redundancy if necessary. Our model for product delivery for retail launches and replenishment is a hybrid of direct to store deliveries and shipments to central warehouse locations. This allows improved inventory management by our retailers. We also ship products for many of our smaller retail customers through distributors.

Customers typically receive desktop software electronically. However, when physical product is ordered, we typically ship the physical product within a few days of receiving an order and backlog is minimal.

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## ***PRIVACY AND SECURITY OF CUSTOMER AND WORKFORCE INFORMATION AND TRANSACTIONS***

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We are stewards of our customers' data and have designed data stewardship principles to align our organization in collecting, using and protecting such information. As we believe strongly in being good stewards of our customers' data, we operate our program to comply with laws and regulations that regulate our use and protection of customers' personal information, including, for example, laws with respect to financial services and the handling of tax data. We have established guidelines and practices to help ensure that customers and members of our workforce are aware of, and can control, how we use information about them. We also use privacy statements to provide notice to customers of our privacy practices, as well as provide them the opportunity to furnish instructions with respect to use of their personal information. We participate in industry groups whose purpose is to develop or shape industry best practices, and to inform public policy for privacy and security.

We use security safeguards to help protect the systems and the information that customers and members of our workforce give to us from loss, misuse and unauthorized alteration. We use technical, logical and procedural measures, such as multi-factor authentication, which are designed to help detect and prevent fraud and misuse of customer information. Whenever customers transmit sensitive information to us, such as credit card information or tax return data, through one of our websites or products, we follow current industry standards to encrypt the data as it is transmitted to us, and when we store it at rest. We routinely patch our systems with security updates and we work to protect our systems from unauthorized internal or external access using numerous commercially available computer security products as well as internally developed security procedures and practices.

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## ***GOVERNMENT REGULATION***

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Our Consumer and Strategic Partner segments are subject to federal, state and international government requirements, including regulations related to the electronic filing of tax returns, the provision of tax preparer assistance, and the use and disclosure of customer information. In addition, our Small Business & Self-Employed segment offers products and services to small businesses and consumers, such as payroll, payments, and financing, which are also subject to certain regulatory requirements.

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## ***INTELLECTUAL PROPERTY***

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Our success depends on the proprietary technology embodied in our offerings. We protect this proprietary technology by relying on a variety of intellectual property mechanisms, including copyright, patent, trade secret and trademark laws, restrictions on disclosure and other methods. For example, we regularly file applications for patents, copyrights and trademarks and service marks in order to protect intellectual property that we believe is important to our business. We hold a growing patent portfolio that we believe is important to Intuit's overall competitive advantage, although we are not materially dependent on any one patent or particular group of patents in our portfolio at this time. We also have a number of registered trademarks that include Intuit, QuickBooks, Lacerte, TurboTax, QB, ProSeries, ProConnect, and Mint. We have registered these and other trademarks and service marks in the United States and, depending on the relevance of each brand to other markets, in many foreign countries. Most registrations can be renewed perpetually at 10-year intervals. We also license intellectual property from third parties for use in our products.

Although our portfolio of patents is growing, the patents that have been issued to us could be determined to be invalid and may not be enforceable against competitive products in every jurisdiction. In addition, third parties have asserted and may, in the future, assert infringement claims against us and our customers. These claims and any litigation may result in invalidation of our proprietary rights or a finding of infringement along with an assessment of damages. Litigation, even if without merit, could result in substantial costs and diversion of resources and management attention. In addition, third-party licenses may not continue to be available to us on commercially acceptable terms, or at all.

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## ***EMPLOYEES***

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As of July 31, 2019, we had approximately 9,400 employees in offices in the United States, Canada, India, the United Kingdom, Israel, Australia and other locations. We also employed on average approximately 2,000 seasonal and contract employees during the second and third quarters of our fiscal years to support our Consumer segment customers. We refer to our full-time, part-time, seasonal and contract employees collectively as our workforce. We believe our future success and growth will depend on our ability to attract and retain a qualified workforce in all areas of our business. We do not currently have any collective bargaining agreements with our employees, and we believe workforce relations are generally good. Although we have employment-related agreements with a number of key employees, these agreements do not guarantee continued service. We believe we offer competitive compensation and a good working environment. We were named one of

*Fortune* magazine’s “100 Best Companies to Work For” in each of the last eighteen years. However, we face intense competition for qualified workers, and we expect to face continuing challenges in recruiting and retention.



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## ITEM 1A - RISK FACTORS

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Our businesses routinely encounter and address risks, many of which could cause our future results to be materially different than we presently anticipate. Below, we describe certain important risks, categorized solely for ease of reference as strategic, operational, legal and compliance, and financial risks. The manner in which we respond to future developments as well as our competitors' reactions to those developments may affect our future operating results.

### STRATEGIC RISKS

Strategic risks relate to our current and future operating model, business plans and growth strategy, including the risks associated with the following: competitive pressures on our product offerings and business models; our ability to adapt to technological changes and global trends; our reliance on third-party intellectual property and our ability to protect our own intellectual property rights; the value of our brand; and mergers, acquisitions and divestiture activity that may have unanticipated costs and expenses.

#### *We face intense competitive pressures that may harm our operating results.*

We face intense competition in all of our businesses, and we expect competition to remain intense in the future. Our competitors and potential competitors range from large and established entities to emerging start-ups. Our competitors may introduce superior products and services, reduce prices, have greater technical, marketing and other resources, have greater name recognition, have larger installed bases of customers, have well-established relationships with our current and potential customers, advertise aggressively or beat us to market with new products and services. In addition, we may face competition from existing companies, with large established consumer user-bases and broad-based platforms, who may change or expand the focus of their business strategies and marketing to target our customers, including small businesses and tax customers.

We also face competition from companies with a variety of business models, including increased competition from providers of free offerings, particularly in our tax, accounting, and payments businesses. In order to compete, we have also introduced free offerings in several categories, but we may not be able to attract customers as effectively as competitors with different business models. In addition, other providers of free offerings may provide features that we do not offer and customers who have formerly paid for Intuit's products and services may elect to use our competitors' free offerings instead. These competitive factors may diminish our revenue and profitability, and harm our ability to acquire and retain customers.

Our consumer tax business also faces significant potential competition from the public sector, where we face the risk of federal and state taxing authorities proposing revenue raising strategies that involve developing and providing government tax software or other government return preparation systems at public expense. These or similar programs may be introduced or expanded in the future, which may change the voluntary compliance tax system in ways that could cause us to lose customers and revenue. The IRS Free File Program is currently the sole means by which the IRS offers tax software to taxpayers, and as part of the program the IRS has agreed it will not offer a duplicative or competing service. Under this program, the IRS has worked with private industry to provide more than 56 million free returns since 2003, utilizing donated private sector tax software and e-filing services for low and middle income taxpayers at no cost to the government or individual users. However, its continuation depends on a number of factors, including increasing public awareness of and access to the free program, as well as continued government support. The current agreement is scheduled to expire in October 2021. Recently, we have become the subject of certain lawsuits and regulatory inquiries relating to the provision and marketing of the product that we offer under the IRS Free File Program. While we believe that the allegations in these proceedings are without merit, the proceedings may decrease the government's support of such program and increase the likelihood that such program is terminated. If the Free File Program were to be terminated and the IRS were to enter the software development and return preparation space, the federal government would become a publicly funded direct competitor of the U.S. tax services industry and of Intuit. Government funded services that curtail or eliminate the role of taxpayers in preparing their own taxes could potentially have material and adverse revenue implications.

#### *Future revenue growth depends upon our ability to adapt to technological change as well as global trends in the way customers access software offerings and successfully introduce new and enhanced products, services and business models.*

We operate in industries that are characterized by rapidly changing technology, evolving industry standards and frequent new product introductions. We must continue to innovate and develop new products and features to meet changing customer needs and attract and retain talented software developers. We need to continue to develop our skills, tools and capabilities to capitalize on existing and emerging technologies, which requires us to devote significant resources.

Our consumer and professional tax businesses depend significantly on revenue from customers who return each year to use our updated tax preparation and filing software and services. As our existing products mature, encouraging customers to purchase product upgrades becomes more challenging unless new product releases provide features and functionality that have meaningful incremental value. We also provide additional customer benefits by utilizing customer data available to us through our existing offerings. If we are not able to develop and clearly demonstrate the value of new or upgraded products or services to our customers, or effectively utilize our customers' data to provide them with value, our revenues may be harmed. In addition, as we continue to introduce and expand our new business models, including offerings that are free to end

users, our customers may not perceive value in the additional benefits and services we offer beyond our free offering and may choose not to pay for those additional benefits or we may be unsuccessful in increasing customer adoption of these offerings or our risk profile may change, resulting in loss of revenue.

We have devoted significant resources to develop products and services for users of mobile devices, but the versions of our products and services developed for these devices may not be compelling to users. Even if we are able to attract new users through these mobile offerings, the amount of revenue that we derive per user from mobile offerings may be less than the revenue that we have historically derived from users of personal computers. As new devices and new platforms are continually being released, it is difficult to predict the problems we may encounter in developing versions of our products and services for use on mobile devices and we may need to devote significant resources to the creation, support, and maintenance of such offerings. If we are slow to develop products and technologies that are compatible with mobile devices, or if our competitors are able to achieve those results more quickly than us, we will fail to capture a significant share of an increasingly important portion of the market for online services, which could adversely affect our business. Further, legislation or regulatory changes may mandate changes in our products that make them less attractive to users.

In some cases, we may expend a significant amount of resources and management attention on offerings that do not ultimately succeed in their markets. We have encountered difficulty in launching new products and services in the past. If we misjudge customer needs in the future, our new products and services may not succeed and our revenues and earnings may be harmed. We have also invested, and in the future, expect to invest in new business models, geographies, strategies and initiatives. Such endeavors may involve significant risks and uncertainties, including distraction of management from current operations, expenses associated with the initiatives and inadequate return on investments. Because these new initiatives are inherently risky, they may not be successful and may harm our financial condition and operating results.

#### ***We rely on third-party intellectual property in our products and services.***

Many of our products and services include intellectual property of third parties, which we license under agreements that may need to be renewed or renegotiated from time to time. We may not be able to obtain licenses to these third-party technologies or content on reasonable terms, or at all. If we are unable to obtain the rights necessary to use this intellectual property in our products and services, we may not be able to sell the affected offerings, and customers who are currently using the affected product may be disrupted, which may in turn harm our future financial results, damage our brand, and result in customer loss. Also, we and our customers have been and may continue to be subject to infringement claims as a result of the third-party intellectual property incorporated in our offerings. Although we try to mitigate this risk and we may not be ultimately liable for any potential infringement, pending claims require us to use significant resources, require management attention and could result in loss of customers.

Some of our offerings include third-party software that is licensed under so-called “open source” licenses, some of which may include a requirement that, under certain circumstances, we make available, or grant licenses to, any modifications or derivative works we create based upon the open source software. Although we have established internal review and approval processes to mitigate these risks, we may not be sure that all open source software is submitted for approval prior to use in our products. Many of the risks associated with usage of open source may not be eliminated, and may, if not properly addressed, harm our business.

#### ***Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products, services, and brand.***

Our patents, trademarks, trade secrets, copyrights, domain names and other intellectual property rights are important assets for us. We aggressively protect our intellectual property rights by relying on federal, state and common law rights in the U.S. and internationally, as well as a variety of administrative procedures. We also rely on contractual restrictions to protect our proprietary rights in products and services. The efforts that we take to protect our proprietary rights may not always be sufficient or effective. Protecting our intellectual property rights is costly and time consuming and may not be successful in every location. Any significant impairment of our intellectual property rights could harm our business, our brand and our ability to compete.

Policing unauthorized use and copying of our products is difficult, expensive, and time consuming. Current U.S. laws that prohibit copying give us only limited practical protection from software piracy and the laws of many other countries provide very little protection. We frequently encounter unauthorized copies of our software being sold through online marketplaces. Although we continue to evaluate and put in place technology solutions to attempt to lessen the impact of piracy and engage in efforts to educate consumers and public policy leaders on these issues and cooperate with industry groups in their efforts to combat piracy, we expect piracy to be a persistent problem that results in lost revenues and increased expenses.

#### ***Our business depends on our strong reputation and the value of our brands.***

Developing and maintaining awareness of our brands is critical to achieving widespread acceptance of our existing and future products and services and is an important element in attracting new customers. Adverse publicity (whether or not justified) relating to events or activities attributed to us, members of our workforce, agents, third parties we rely on, or our users, may tarnish our reputation and reduce the value of our brands. Our brand value also depends on our ability to provide secure and trustworthy products and services as well as our ability to protect and use our customers’ data in a manner that meets their

expectations. In addition, a security incident which results in unauthorized disclosure of our customers' sensitive data could cause material reputational harm. Damage to our reputation and loss of brand equity may reduce demand for our products and services and thus have an adverse effect on our future financial results, as well as require additional resources to rebuild our reputation and restore the value of the brands and could also reduce our stock price.

***Our acquisition and divestiture activities may disrupt our ongoing business, may involve increased expenses and may present risks not contemplated at the time of the transactions.***

We have acquired and may continue to acquire companies, products, technologies and talent that complement our strategic direction, both in and outside the United States. Acquisitions involve significant risks and uncertainties, including:

- inability to successfully integrate the acquired technology, data assets and operations into our business and maintain uniform standards, controls, policies, and procedures;
- inability to realize synergies expected to result from an acquisition;
- disruption of our ongoing business and distraction of management;
- challenges retaining the key employees, customers, resellers and other business partners of the acquired operation;
- the internal control environment of an acquired entity may not be consistent with our standards or with regulatory requirements, and may require significant time and resources to align or rectify;
- unidentified issues not discovered in our due diligence process, including product or service quality issues, intellectual property issues and legal contingencies;
- failure to successfully further develop an acquired business or technology and any resulting impairment of amounts currently capitalized as intangible assets;
- risks associated with businesses we acquire or invest in, which may differ from or be more significant than the risks our other businesses face; and
- in the case of foreign acquisitions and investments, the impact of particular economic, tax, currency, political, legal and regulatory risks associated with specific countries.

We have divested and may in the future divest certain assets or businesses that no longer fit with our strategic direction or growth targets. Divestitures involve significant risks and uncertainties, including:

- inability to find potential buyers on favorable terms;
- failure to effectively transfer liabilities, contracts, facilities and employees to buyers;
- requirements that we retain or indemnify buyers against certain liabilities and obligations;
- the possibility that we will become subject to third-party claims arising out of such divestiture;
- challenges in identifying and separating the intellectual property and data to be divested from the intellectual property and data that we wish to retain;
- inability to reduce fixed costs previously associated with the divested assets or business;
- challenges in collecting the proceeds from any divestiture;
- disruption of our ongoing business and distraction of management;
- loss of key employees who leave us as a result of a divestiture; and
- if customers or partners of the divested business do not receive the same level of service from the new owners, our other businesses may be adversely affected, to the extent that these customers or partners also purchase other products offered by us or otherwise conduct business with our retained business.

In addition, any acquisition or divestiture that we announce may not be completed if closing conditions are not satisfied. Because acquisitions and divestitures are inherently risky, our transactions may not be successful and may, in some cases, harm our operating results or financial condition. Although we typically fund our acquisitions through cash available from operations, if we were to use debt to fund acquisitions or for other purposes, our interest expense and leverage would increase significantly, and if we were to issue equity securities as consideration in an acquisition, current shareholders' percentage ownership and earnings per share would be diluted.

## **OPERATIONAL RISKS**

Operational risks arise from internal and external events relating to systems, processes and people. Risks that affect the operation of our businesses include the following: potential security incidents; privacy and cybersecurity concerns relating to online offerings; fraudulent activities by third parties; relationships with third parties; competition for and retention of key talent; issues with our product launches; problems with our information technology infrastructure; and risks associated with operating internationally.

***Security incidents, improper access to or disclosure of our data or customers' data, or other cyberattacks on our systems could harm our reputation and adversely affect our business.***

We host, collect, use and retain large amounts of sensitive and personal customer and workforce data, including credit card information, tax return information, bank account numbers, login credentials and passwords, personal and business financial data and transactions data, social security numbers and payroll information, as well as our confidential, nonpublic business information. We use commercially available security technologies and security and business controls to limit access to and use of such sensitive data. Although we expend significant resources to create security protections designed to shield this data against potential theft and security breaches, such measures cannot provide absolute security.

Our technologies, systems, and networks have been subject to, and are likely to continue to be the target of, cyberattacks, computer viruses, worms, social engineering, malicious software programs, insider threats, and other cybersecurity incidents that could result in the unauthorized release, gathering, monitoring, use, loss or destruction of sensitive and personal data of our customers and members of our workforce, or Intuit's sensitive business data or cause temporary or sustained unavailability of our software and systems. These types of attacks can be made by individuals, groups of hackers, and sophisticated organizations including state-sponsored organizations or nation-states themselves. Customers who fail to update their systems, continue to run software that we no longer support or that fail to install security patches on a timely basis create vulnerabilities and make it more difficult for us to detect and prevent these kinds of attacks. We are increasingly incorporating open source software into our products. There may be vulnerabilities in open source software that make it susceptible to cyberattacks. In addition, because the techniques used to obtain unauthorized access to sensitive information change frequently, and are becoming more sophisticated and are often not able to be detected until after a successful attack, we may be unable to anticipate these techniques or implement adequate preventive measures. Although this is an industry-wide problem that affects software and hardware across platforms, it may increasingly affect our offerings because cyber-criminals tend to focus their efforts on well-known offerings that are popular among customers and hold sensitive information and we expect them to continue to do so.

Further, the security measures that we implement may not be able to prevent unauthorized access to our products and our customers' account data. Third parties may fraudulently induce members of our workforce, customers, or users by social engineering means, such as email phishing, to disclose sensitive information in order to gain access to our systems. It is also possible that unauthorized access to or disclosure of customer data may occur due to inadequate use of security controls by our customers or members of our workforce. Accounts created with weak or recycled passwords could allow cyberattackers to gain access to customer data. Unauthorized persons could gain access to customer accounts if customers do not maintain effective access controls of their systems and software.

Criminals may also use stolen identity information obtained outside of our systems to gain unauthorized access to our customers' data. We have experienced such instances in the past and as the accessibility of stolen identity information increases, generally, we may experience further instances of unauthorized access to our systems through the use of stolen identity information of our customers or members of our workforce in the future. Further, our customers may choose to use the same user ID and password across multiple products and services unrelated to our products. Such customers' login credentials may be stolen from products offered by third-party service providers unrelated to us and the stolen identity information may be used by a malicious third party to access our products, which could result in disclosure of confidential information.

Our efforts to protect data may also be unsuccessful due to software bugs (whether open source or proprietary code), break-ins, workforce member error or other threats that evolve.

Further, because we have created an ecosystem where customers can have one identity across multiple Intuit products, a security incident may give access to increased amounts of customer data. This may result in disclosure of confidential information, loss of customer confidence in our products, possible litigation, material harm to our reputation and financial condition, disruption of our or our customers' business operations and a decline in our stock price. From time to time, we detect, or receive notices from customers or public or private agencies that they have detected, actual or perceived vulnerabilities in our servers, our software or third-party software components that are distributed with our products or fraudulent activity by unauthorized persons utilizing our products with stolen customer identity information. The existence of such vulnerabilities or fraudulent activity, even if they do not result in a security breach, may undermine customer confidence as well as the confidence of government agencies that regulate our offerings. Such perceived vulnerabilities could also seriously harm our business by tarnishing our reputation and brand and/or limiting the adoption of our products and services and could cause our stock price to decline.

***A cybersecurity incident affecting the third parties we rely on could expose us or our customers to a risk of loss or misuse of confidential information and significantly damage our reputation.***

We depend on a number of third parties, including vendors, developers and partners who are critical to our business. We or our customers may grant access to customer data to these third parties to help deliver customer benefits, or to host certain of our and our customers' sensitive and personal data. In addition, we share sensitive, nonpublic business information (including, for example, materials relating to financial, business and legal strategies) with other vendors in the ordinary course of business.

While we conduct background checks of our workforce, conduct reviews of partners, developers and vendors and use commercially available technologies to limit access to systems and data, it is possible that one or more of these individuals or third parties may misrepresent their intended use of data or may circumvent our controls, resulting in accidental or intentional

disclosure or misuse of our customers' or employees' data. Further, while we conduct due diligence on these third parties with respect to their security and business controls, we may not have the ability to effectively monitor or oversee the implementation of these control measures. Individuals or third parties may be able to circumvent these security and business controls and/or exploit vulnerabilities that may exist in these controls, resulting in the disclosure or misuse of sensitive business and personal customer or employee information and data.

A security incident involving third parties whom we rely on may have serious negative consequences for our businesses, including disclosure of sensitive customer or employee data, or confidential or competitively sensitive information regarding our business, including intellectual property and other proprietary data; make our products more vulnerable to fraudulent activity; cause temporary or sustained unavailability of our software and systems; result in possible litigation, fines, penalties and damages; result in loss of customer confidence; cause material harm to our reputation and brands; lead to further regulation and oversight by federal or state agencies; cause adverse financial condition; and result in a reduced stock price.

***Concerns about the current privacy and cybersecurity environment, generally, could deter current and potential customers from adopting our products and services and damage our reputation.***

The continued occurrence of cyberattacks and data breaches on governments, businesses and consumers in general indicates that we operate in an external environment where cyberattacks and data breaches are becoming increasingly common. If the global cybersecurity environment worsens, and there are increased instances of security breaches of third-party offerings where consumers' data and sensitive information is compromised, consumers may be less willing to use online offerings, particularly offerings like ours in which customers often share sensitive financial data. In addition, the increased availability of data obtained as a result of breaches of third-party offerings could make our own products more vulnerable to fraudulent activity. Even if our products are not affected directly by such incidents, any such incident could damage our reputation and deter current and potential customers from adopting our products and services or lead customers to cease using online and connected software products to transact financial business altogether.

***If we are unable to effectively combat the increasing amount and sophistication of fraudulent activities by third parties using our offerings, we may suffer losses, which may be substantial, and lose the confidence of our customers and government agencies and our revenues and earnings may be harmed.***

The online tax preparation, payroll administration and online payments industries have been experiencing an increasing amount of fraudulent activities by third parties, and those fraudulent activities are becoming increasingly sophisticated. Although we do not believe that any of this activity is uniquely targeted at our products or business, this type of fraudulent activity may adversely impact our tax, payroll, and payments businesses. In addition to any losses that may result from such fraud, which may be substantial, a loss of confidence by our customers or by governmental agencies in our ability to prevent fraudulent activity that is perpetrated through our offerings may seriously harm our business and damage our brand. If we cannot adequately combat such fraudulent activity that is perpetrated through our tax offerings, governmental authorities may refuse to allow us to continue to offer such services, which could include federal or state tax authorities refusing to allow us to process our customers' tax returns electronically, resulting in a significant adverse impact on our earnings and revenue. As fraudulent activities become more pervasive and increasingly sophisticated, and fraud detection and prevention measures must become correspondingly more complex to combat them across the various industries in which we operate, we may implement risk control mechanisms that could make it more difficult for legitimate customers to obtain and use our products, which could result in lost revenue and negatively impact our earnings.

***If we fail to process transactions effectively or fail to adequately protect against disputed or potential fraudulent activities, our business may be harmed.***

Our operations process a significant volume and dollar value of transactions on a daily basis, especially in our payroll and payments businesses. Despite our efforts to ensure that effective processing systems and controls are in place to handle transactions appropriately, it is possible that we may make errors or that funds may be misappropriated due to fraud. The likelihood of any such error or misappropriation may increase as we accelerate the speed at which we process transactions. The systems supporting our business are comprised of multiple technology platforms that are sometimes difficult to scale. If we are unable to effectively manage our systems and processes, or if there is an error in our products, we may be unable to process customer data in an accurate, reliable and timely manner, which may harm our reputation, the willingness of customers to use our products, and our financial results. In our payments processing service business, if merchants for whom we process payment transactions are unable to pay refunds due to their customers in connection with disputed or fraudulent merchant transactions, we may be required to pay those amounts and our payments may exceed the amount of the customer reserves we have established to make such payments.

***Business interruption or failure of our information technology and communication systems may impair the availability of our products and services, which may damage our reputation and harm our future financial results.***

Our reputation and ability to attract, retain and serve our customers is dependent upon the reliable performance of our products and our underlying technical infrastructure. As we continue to grow our online services, we become more dependent on the continuing operation and availability of our information technology and communications systems and those of our

external service providers, including, for example, third-party Internet-based or cloud computing services. We do not have redundancy for all of our systems, and our disaster recovery planning may not account for all eventualities. We have designed a significant portion of our software and computer systems to utilize data processing and storage capabilities provided by public cloud providers, such as Amazon Web Services. If any public cloud service that we use is unavailable to us for any reason, our customers may not be able to access certain of our cloud products or features, which could significantly impact our operations, business, and financial results.

Failure of our systems or those of our third-party service providers, may result in interruptions in our service and loss of data or processing capabilities, all of which may cause a loss in customers, refunds of product fees, material harm to our reputation and operating results.

Our tax businesses must effectively handle extremely heavy customer demand during critical peak periods from January until April of each year. We face significant risks in maintaining adequate service levels during these peak periods when we derive a substantial portion of our overall revenue from the tax businesses. Any interruptions in our online tax preparation or electronic filing service at any time during the tax season, particularly during a peak period, could result in significantly decreased revenue, lost customers, unexpected refunds of customer charges, negative publicity and increased operating costs, any of which could significantly harm our business, financial condition and results of operations.

We rely on internal systems and external systems maintained by manufacturers, distributors and other service providers to take and fulfill customer orders, handle customer service requests and host certain online activities. Any interruption or failure of our internal or external systems may prevent us or our service providers from accepting and fulfilling customer orders or cause company and customer data to be unintentionally disclosed. Our continuing efforts to upgrade and expand our network security and other information systems as well as our high-availability capabilities may be costly, and problems with the design or implementation of system enhancements may harm our business and our results of operations.

Our business operations, data centers, information technology and communications systems are vulnerable to damage or interruption from natural disasters, human error, malicious attacks, fire, power loss, telecommunications failures, computer viruses, computer denial of service attacks, terrorist attacks and other events beyond our control. In addition, our corporate headquarters and other critical business operations are located near major seismic faults. In the event of a major natural or man-made disaster, our insurance coverage may not completely compensate us for our losses and our future financial results may be materially harmed.

***We regularly invest resources to update and improve our internal information technology systems and software platforms. Should our investments not succeed, or if delays or other issues with new or existing internal technology systems and software platforms disrupt our operations, our business could be harmed.***

We rely on our network and data center infrastructure and internal technology systems for many of our development, marketing, operational, support, sales, accounting and financial reporting activities. We are continually investing resources to update and improve these systems and environments in order to meet existing needs, as well as the growing and changing requirements of our business and customers. If we experience prolonged delays or unforeseen difficulties in updating and upgrading our systems and architecture, we may experience outages and may not be able to deliver certain offerings and develop new offerings and enhancements that we need to remain competitive. Such improvements and upgrades are often complex, costly and time consuming. In addition, such improvements can be challenging to integrate with our existing technology systems, or may uncover problems with our existing technology systems. Unsuccessful implementation of hardware or software updates and improvements could result in outages, disruption in our business operations, loss of revenue or damage to our reputation.

***If we are unable to develop, manage and maintain critical third-party business relationships, our business may be adversely affected.***

Our growth is increasingly dependent on the strength of our business relationships and our ability to continue to develop, manage and maintain new and existing relationships with third-party partners. We rely on various third-party partners, including software and service providers, suppliers, vendors, manufacturers, distributors, accountants, contractors, financial institutions, core processors, licensing partners and development partners, among others, in many areas of our business in order to deliver our offerings and operate our business. We also rely on third parties to support the operation of our business by maintaining our physical facilities, equipment, power systems and infrastructure. In certain instances, these third-party relationships are sole source or limited source relationships and can be difficult to replace or substitute depending on the level of integration of the third party's products or services into, or with, our offerings and/or the general availability of such third party's products and services. In addition, there may be few or no alternative third-party providers or vendors in the market. Further, there can be no assurance that we will be able to adequately retain third-party contractors engaged to help us operate our business. The failure of third parties to provide acceptable and high quality products, services and technologies or to update their products, services and technologies may result in a disruption to our business operations and our customers, which may reduce our revenues and profits, cause us to lose customers and damage our reputation. Alternative arrangements and services may not be available to us on commercially reasonable terms or at all, or we may experience business interruptions upon a transition to an alternative partner.

Although we have strict standards for our suppliers and business partners to comply with the law and company policies regarding workplace and employment practices, data use and security, environmental compliance, intellectual property licensing and other applicable regulatory and compliance requirements, we cannot control their day-to-day practices. If any of them violate laws or implement practices regarded as unethical, we could experience supply chain disruptions, canceled orders, terminations of or damage to key relationships, and damage to our reputation.

In particular, we have relationships with banks, credit unions and other financial institutions that support certain critical services we offer to our customers. If macroeconomic conditions or other factors cause any of these institutions to fail, consolidate, stop providing certain services or institute cost-cutting efforts, our business and financial results may suffer and we may be unable to offer those services to our customers.

We increasingly utilize the distribution platforms of third parties like Apple's App Store and Google's Play Store for the distribution of certain of our product offerings. Although we benefit from the strong brand recognition and large user base of these distribution platforms to attract new customers, the platform owners have wide discretion to change the pricing structure, terms of service and other policies with respect to us and other developers. Any adverse changes by these third parties could adversely affect our financial results.

***Because competition for our key employees is intense, we may not be able to attract, retain and develop the highly skilled employees we need to support our planned growth.***

Much of our future success depends on the continued service and availability of skilled personnel, including members of our executive team, and those in technical and other key positions. Experienced personnel in the software, mobile technologies, data science, data security, and software as a service industries are in high demand and competition for their talents is intense, especially in California and India, where the majority of our employees are located. Also, as we strive to continue to adapt to technological change and introduce new and enhanced products and business models, we must be able to secure, maintain and develop the right quality and quantity of engaged and committed talent. The incentives we have available to attract, retain, and motivate employees provided by our equity awards may become less effective, and if we were to issue significant equity to attract additional employees, the ownership of our existing stockholders would be diluted. Although we strive to be an employer of choice, we may not be able to continue to successfully attract, retain and develop key personnel, which may cause our business to suffer.

***If we experience significant product accuracy or quality problems or delays in product launches, it may harm our revenue, earnings and reputation.***

All of our tax products and many of our non-tax products have rigid development timetables that increase the risk of errors in our products and the risk of launch delays. Our tax preparation software product development cycle is particularly challenging due to the need to incorporate unpredictable and potentially late tax law and tax form changes each year and because our customers expect high levels of accuracy and a timely launch of these products to prepare and file their taxes by the tax filing deadline. Due to the complexity of our products and the condensed development cycles under which we operate, our products may contain errors that could unexpectedly interfere with the operation of the software or result in incorrect calculations. The complexity of the tax laws on which our products are based may also make it difficult for us to consistently deliver offerings that contain the features, functionality and level of accuracy that our customers expect. When we encounter problems we may be required to modify our code, work with state tax administrators to communicate with affected customers, assist customers with amendments, distribute patches to customers who have already purchased the product and recall or repackage existing product inventory in our distribution channels. If we encounter development challenges or discover errors in our products either late in our development cycle or after release it may cause us to delay our product launch date or suspend product availability until such issues can be fixed. Any major defects, launch delays or product suspensions may lead to loss of customers and revenue, negative publicity, customer and employee dissatisfaction, reduced retailer shelf space and promotions, and increased operating expenses, such as inventory replacement costs, legal fees or other payments, including those resulting from our accuracy guarantee in our tax preparation products. For example, an error in our tax products could cause a compliance error for taxpayers, including the over or underpayment of their federal or state tax liability. While our accuracy guarantee commits us to reimburse penalties and interest paid by customers due solely to calculation errors in our tax preparation products, such errors may result in additional burdens on third parties that we may need to address or that may cause us to suspend the availability of our products until such errors are addressed. This could also affect our reputation, the willingness of customers to use our products, and our financial results. Further, as we develop our platform to connect people to experts, such as connecting TurboTax customers with tax experts through our TurboTax Live offering, or connecting QuickBooks customers with bookkeepers through our QuickBooks Live offering, we face the risk that these experts may provide advice that is erroneous, ineffective or otherwise unsuitable. Any such deficiency in the advice given by these experts may cause harm to our customers, a loss of customer confidence in our offerings or harm to our reputation or financial results.

***Our international operations are subject to increased risks which may harm our business, operating results, and financial condition.***

In addition to uncertainty about our ability to generate revenues from our foreign operations and expand into international markets, there are risks inherent in doing business internationally, including:



- different or more restrictive privacy, data protection, data localization, and other laws that could require us to make changes to our products, services and operations, such as mandating that certain types of data collected in a particular country be stored and/or processed within that country;
- difficulties in developing, staffing, and simultaneously managing a large number of varying foreign operations as a result of distance, language, and cultural differences;
- stringent local labor laws and regulations;
- credit risk and higher levels of payment fraud;
- profit repatriation restrictions, and foreign currency exchange restrictions;
- geopolitical events, including natural disasters, acts of war and terrorism;
- import or export regulations;
- compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and laws and regulations of other jurisdictions prohibiting corrupt payments to government officials and other third parties;
- antitrust and competition regulations;
- potentially adverse tax developments;
- economic uncertainties relating to European sovereign and other debt;
- trade barriers and changes in trade regulations;
- political or social unrest, economic instability, repression, or human rights issues; and
- risks related to other government regulation or required compliance with local laws.

Violations of the rapidly evolving and complex foreign and U.S. laws and regulations that apply to our international operations may result in fines, criminal actions or sanctions against us, our officers or our employees, prohibitions on the conduct of our business and damage to our reputation. Although we have implemented policies and procedures designed to promote compliance with these laws, there can be no assurance that our employees, contractors or agents will not violate our policies. These risks inherent in our international operations and expansion increase our costs of doing business internationally and may result in harm to our business, operating results, and financial condition.

## LEGAL AND COMPLIANCE RISKS

Legal and compliance risks arise from change in the government and regulatory environment, including complex and evolving regulations relating privacy and data security; potential litigation; regulatory inquiries and intellectual property infringement claims.

### *Increased government regulation of our businesses, or changes to existing regulations, may harm our operating results.*

The Company is subject to federal, state, local and international laws and regulations that affect the Company's activities, including, without limitation, areas of labor, advertising, tax, financial services, data privacy and security, electronic funds transfer, money transmission, lending, digital content, consumer protection, real estate, billing, e-commerce, promotions, quality of services, intellectual property ownership and infringement, import and export requirements, anti-corruption, foreign exchange controls and cash repatriation restrictions, anti-competition, environmental, health and safety, and other regulated activities. There have been significant new regulations and heightened focus by the government on many of these areas, as well as in areas such as insurance and privacy. As we expand our products and services and revise our business models, both domestically and internationally, we may become subject to additional government regulation or increased regulatory scrutiny. Further, regulators (both in the U.S. and in other jurisdictions in which we operate) may adopt new laws or regulations, change existing regulations, or their interpretation of existing laws or regulations may differ from ours.

The tax preparation industry continues to receive heightened attention from federal and state governments. New legislation, regulation, public policy considerations, changes in the cybersecurity environment, litigation by the government or private entities, changes to or new interpretations of existing laws may result in greater oversight of the tax preparation industry, restrict the types of products and services that we can offer or the prices we can charge, or otherwise cause us to change the way we operate our tax businesses or offer our tax products and services. We may not be able to respond quickly to such regulatory, legislative and other developments, and these changes may in turn increase our cost of doing business and limit our revenue opportunities. In addition, if our practices are not consistent with new interpretations of existing laws, we may become subject to lawsuits, penalties, and other liabilities that did not previously apply. We are also required to comply with a variety of state revenue agency standards in order to successfully operate our tax preparation and electronic filing services.

Changes in state-imposed requirements by one or more of the states, including the required use of specific technologies or technology standards, may significantly increase the costs of providing those services to our customers and may prevent us from delivering a quality product to our customers in a timely manner.



***Complex and evolving U.S. and international laws and regulation regarding privacy and data protection could result in claims, changes to our business practices, penalties, increased cost of operations or otherwise harm our business.***

Regulations related to the provision of online services is evolving as federal, state and foreign governments continue to adopt new, or modify existing laws and regulations addressing data privacy and the collection, processing, storage, transfer and use of data. This includes, for example, the EU's new regulation, the General Data Protection Regulation (GDPR) and the new California Consumer Protection Act (CCPA), which will become effective on January 1, 2020. In our efforts to meet the GDPR, CCPA and other data privacy regulations, we have made and continue to make certain operational changes to our products and business practices. If we are unable to engineer products that meet these evolving requirements or help our customers meet their obligations under these or other new data regulations, we might experience reduced demand for our offerings. Further, penalties for non-compliance with these laws may be significant.

In addition, there are global privacy treaties and frameworks that have created compliance uncertainty and increased complexity. For example, the European Commission and the Swiss Government approved the EU-U.S. and Swiss-U.S. Privacy Shield frameworks, respectively, that provide a mechanism for companies to legally transfer personal data from the EU and Switzerland to the U.S. However, these frameworks as well as other personal data transfer mechanisms face a number of legal challenges, both by regulators and private parties. A change in these transfer mechanisms could cause us to incur costs or require us to change our business practices in a manner adverse to our business.

Other governmental authorities throughout the U.S. and around the world are considering similar types of legislative and regulatory proposals concerning data protection. Each of these privacy, security and data protection laws and regulations could impose significant limitations, require changes to our business, require notification to customers or workers of a security breach, restrict our use or storage of personal information, or cause changes in customer purchasing behavior which may make our business more costly, less efficient or impossible to conduct, and may require us to modify our current or future products or services, which may make customers less likely to purchase our products and may harm our future financial results. Additionally, any actual or alleged noncompliance with these laws and regulations could result in negative publicity and subject us to investigations, claims or other remedies, including demands that we modify or cease existing business practices, and expose us to significant fines, penalties and other damages. We have incurred, and may continue to incur, significant expenses to comply with existing privacy and security standards and protocols imposed by law, regulation, industry standards or contractual obligations.

***We are frequently a party to litigation and regulatory inquiries which could result in an unfavorable outcome and have an adverse effect on our business, financial condition, results of operation and cash flows.***

We are subject to various legal proceedings (including class action lawsuits), claims and regulatory inquiries that have arisen out of the ordinary conduct of our business and are not yet resolved and additional claims and inquiries may arise in the future. The number and significance of these claims and inquiries may increase as our businesses evolve. Any proceedings, claims or inquiries initiated by or against us, whether successful or not, may be time consuming; result in costly litigation, damage awards, consent decrees, injunctive relief or increased costs of business; require us to change our business practices or products; require significant amounts of management time; result in diversion of significant operations resources; or otherwise harm our business and future financial results. For further information about specific litigation, see Item 3, "Legal Proceedings".

***Third parties claiming that we infringe their proprietary rights may cause us to incur significant legal expenses and prevent us from selling our products.***

We may become increasingly subject to infringement claims, including patent, copyright, trade secret, and trademark infringement claims. Litigation may be necessary to determine the validity and scope of the intellectual property rights of others. We have received a number of allegations of intellectual property infringement claims in the past and expect to receive more claims in the future based on allegations that our offerings infringe upon the intellectual property held by third parties. Some of these claims are the subject of pending litigation against us and against some of our customers. These claims may involve patent holding companies or other adverse intellectual property owners who have no relevant product revenues of their own, and against whom our own intellectual property may provide little or no deterrence. The ultimate outcome of any allegation is uncertain and, regardless of outcome, any such claim, with or without merit, may be time consuming to defend, result in costly litigation, divert management's time and attention from our business, require us to stop selling, delay shipping or redesign our products, or require us to pay monetary damages for royalty or licensing fees, or to satisfy indemnification obligations that we have with some of our customers. Our failure to obtain necessary license or other rights, or litigation arising out of intellectual property claims may harm our business.

***We are subject to risks associated with information disseminated through our services.***

The laws relating to the liability of online services companies for information such as online content disseminated through their services are subject to frequent challenges. In spite of settled law in the U.S., claims are made against online services companies by parties who disagree with the content. Where our online content is accessed on the internet outside of the U.S., challenges may be brought under foreign laws which do not provide the same protections for online services companies as in the U.S. These challenges in either U.S. or foreign jurisdictions may give rise to legal claims alleging defamation, libel, invasion

of privacy, negligence, copyright or trademark infringement, or other theories based on the nature and content of the materials disseminated through the services. Certain of our services include content generated by users of our online services. Although this content is not generated by us, claims of defamation or other injury may be made against us for that content. Any costs incurred as a result of this potential liability may harm our business.

## FINANCIAL RISKS

Financial risks relate to our ability to meet financial obligations and mitigate exposure to financial impacts to our businesses or our offerings. Financial risks arise from the following: seasonality; excessive subscription cancellations and product returns; unanticipated changes in income tax rates; adverse global macro-economic conditions; credit risks; fluctuations in our net income; indebtedness; and the fluctuation of our stock price.

### *Our tax business is highly seasonal and our quarterly results could fluctuate significantly.*

Our tax offerings have significant seasonal patterns. Revenue from income tax preparation products and services is heavily concentrated during November through April. This seasonality has caused significant fluctuations in our quarterly financial results. Our financial results may also fluctuate from quarter to quarter and year to year due to a variety of factors, including factors that may affect the timing of revenue recognition. These include changes to our offerings that result in the inclusion or exclusion of ongoing services; changes in product pricing strategies or product sales mix; the timing of the availability of federal and state tax forms from taxing agencies and the ability of those agencies to receive electronic tax return submissions; changes in customer behavior; and the timing of our discontinuation of support for older product offerings. Other factors that may affect our quarterly or annual financial results include the timing of acquisitions, divestitures, and goodwill and acquired intangible asset impairment charges. Any fluctuations in our operating results may adversely affect our stock price.

### *If actual customer refunds for our offerings exceed the amount we have reserved our future financial results may be harmed.*

Like many software companies we refund customers for product returns and subscription cancellations. We establish reserves against revenue in our financial statements based on estimated customer refunds. We closely monitor this refund activity in an effort to maintain adequate reserves. In the past, customer refunds have not differed significantly from these reserves. However, if we experience actual customer refunds that significantly exceed the amount we have reserved, it may result in lower net revenue.

### *Unanticipated changes in our income tax rates or other indirect tax may affect our future financial results.*

Our future effective income tax rates may be favorably or unfavorably affected by unanticipated changes in the valuation of our deferred tax assets and liabilities, by changes in our stock price, or by changes in tax laws or their interpretation. Foreign governments may enact tax laws that could result in further changes to global taxation and materially affect our financial position and results of operations. In addition, we are subject to the continuous examination of our income tax returns by the Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. These continuous examinations may result in unforeseen tax-related liabilities, which may harm our future financial results.

An increasing number of states and foreign jurisdictions have adopted laws or administrative practices, that impose new taxes on all or a portion of gross revenue or other similar amounts or impose additional obligations to collect transaction taxes such as sales, consumption, value added, or similar taxes. We may not have sufficient lead time to build systems and processes to collect these taxes properly, or at all. Failure to comply with such laws or administrative practices, or a successful assertion by such states or foreign jurisdictions requiring us to collect taxes where we do not, could result in tax liabilities, including for past sales, as well as penalties and interest.

### *Adverse global economic conditions could harm our business and financial condition.*

Adverse macroeconomic developments could negatively affect our business and financial condition. Adverse global economic events have caused, and could, in the future, cause disruptions and volatility in global financial markets and increased rates of default and bankruptcy, and could impact consumer and small business spending. While we have historically performed well in economic downturns, there is no guarantee that we would continue to perform well in future adverse macroeconomic conditions. In particular, because the majority of our revenue is derived from sales within the U.S., economic conditions in the U.S. have an even greater impact on us than companies with a more diverse international presence. Challenging economic times could cause potential new customers not to purchase or to delay purchasing our products and services, and could cause our existing customers to discontinue purchasing or delay upgrades of our existing products and services, thereby negatively impacting our revenues and future financial results. Decreased consumer spending levels could also reduce credit and debit card transaction processing volumes causing reductions in our payments revenue. Poor economic conditions and high unemployment have caused, and could in the future cause, a significant decrease in the number of tax returns filed, which may have a significant effect on the number of tax returns we prepare and file. In addition, weakness in the end-user consumer and small business markets could negatively affect the cash flow of our distributors and resellers who could, in turn, delay paying

their obligations to us, which could increase our credit risk exposure and cause delays in our recognition of revenue or future sales to these customers. Any of these events could harm our business and our future financial results.

***We provide capital to small businesses, which exposes us to certain risk, and may cause us material financial or reputational harm.***

We provide capital to qualified small businesses, which exposes us to the risk of our borrowers' inability to repay such loans. We have also entered into credit arrangements with financial institutions to obtain the capital we provide under this offering. Any termination or interruption in the financial institutions' ability to lend to us could interrupt our ability to provide capital to qualified small businesses. Further, our credit decisioning, pricing, loss forecasting and scoring models used to evaluate loan applications may contain errors or may not adequately assess creditworthiness of our borrowers, or may be otherwise ineffective, resulting in incorrect approvals or denials of loans. It is also possible that loan applicants could provide false or incorrect information. While we have not incurred any material losses to date, if any of the foregoing events were to occur, our reputation and relationships with borrowers, and our financial results, could be harmed.

***Amortization of acquired intangible assets and impairment charges may cause significant fluctuation in our net income.***

Our acquisitions have resulted in significant expenses, including amortization and impairment of acquired technology and other acquired intangible assets, and impairment of goodwill. Total costs and expenses in these categories were \$26 million in fiscal 2019; \$21 million in fiscal 2018; and \$14 million in fiscal 2017. Although under current accounting rules goodwill is not amortized, we may incur impairment charges related to the goodwill already recorded and to goodwill arising out of future acquisitions. We test the impairment of goodwill annually in our fourth fiscal quarter or more frequently if indicators of impairment arise. The timing of the formal annual test may result in charges to our statement of operations in our fourth fiscal quarter that may not have been reasonably foreseen in prior periods. At July 31, 2019, we had \$1.7 billion in goodwill and \$54 million in net acquired intangible assets on our consolidated balance sheet, both of which may be subject to impairment charges in the future. New acquisitions, and any impairment of the value of acquired intangible assets, may have a significant negative impact on our future financial results.

***We have incurred indebtedness and may incur other debt in the future, which may adversely affect our financial condition and future financial results.***

As of July 31, 2019, we had an aggregate of \$436 million of indebtedness outstanding under our credit facilities. We may incur additional debt in the future.

This debt may adversely affect our financial condition and future financial results by, among other things:

- increasing our vulnerability to downturns in our business, to competitive pressures and to adverse economic and industry conditions;
- requiring the dedication of a portion of our expected cash from operations to service our indebtedness, thereby reducing the amount of expected cash flow available for other purposes, including capital expenditures and acquisitions; and
- limiting our flexibility in planning for, or reacting to, changes in our businesses and our industries.

Our current unsecured and secured revolving credit facilities impose restrictions on us, including restrictions on our ability to create liens on our assets and the ability of our subsidiaries to incur indebtedness, and require us to maintain compliance with specified financial ratios. Our ability to comply with these ratios may be affected by events beyond our control. In addition, our short- and long-term debt includes covenants that may adversely affect our ability to incur certain liens or engage in certain types of sale and leaseback transactions. If we breach any of the covenants under our short- and long-term debt or our unsecured revolving credit facility and do not obtain a waiver from the lenders, then, subject to applicable cure periods, any outstanding indebtedness may be declared immediately due and payable.

In addition, changes by any rating agency to our credit rating may negatively impact the value and liquidity of both our debt and equity securities. If our credit ratings are downgraded or other negative action is taken, the interest rate payable by us under our unsecured revolving credit facility or our secured term loan may increase. In addition, any downgrades in our credit ratings may affect our ability to obtain additional financing in the future and may affect the terms of any such financing.

***We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long-term stockholder value.***

We have a stock repurchase program under which we are authorized to repurchase our common stock. The repurchase programs do not have an expiration date and we are not obligated to repurchase a specified number or dollar value of shares. Our repurchase programs may be suspended or terminated at any time and, even if fully implemented, may not enhance long-term stockholder value. Also, the amount, timing, and execution of our stock repurchase programs may fluctuate based on our priorities for the use of cash for other purposes and because of changes in cash flows, tax laws, and the market price of our common stock.

***Our stock price may be volatile and your investment could lose value.***

Our stock price is subject to changes in recommendations or earnings estimates by financial analysts, changes in investors' or analysts' valuation measures for our stock, our credit ratings and market trends unrelated to our performance. Furthermore, speculation in the press or investment community about our strategic position, financial condition, results of operations, business or security of our products, can cause changes in our stock price. These factors, as well as general economic and political conditions and the timing of announcements in the public market regarding new products, product enhancements or technological advances by our competitors or us, and any announcements by us of acquisitions, major transactions, or management changes may adversely affect our stock price. Further, any changes in the amounts or frequency of share repurchases or dividends may also adversely affect our stock price. A significant drop in our stock price could expose us to the risk of securities class actions lawsuits, which may result in substantial costs and divert management's attention and resources, which may adversely affect our business.

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**ITEM 1B - UNRESOLVED STAFF COMMENTS**

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None.

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**ITEM 2 - PROPERTIES**

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Our principal locations, their purposes, and the expiration dates for the leases on facilities at those locations as of July 31, 2019 are shown in the table below. We have renewal options on many of our leases.

Location	Purpose	Approximate Square Feet	Principal Lease Expiration Dates
Mountain View, California	Corporate headquarters and principal offices for Small Business & Self-Employed segment	487,000	2024 - 2026
Mountain View, California	Corporate headquarters and principal offices for Small Business & Self-Employed segment	225,000	Owned
San Diego, California	Principal offices for Consumer segment	466,000	Owned
Bangalore, India	Principal offices for Intuit India	434,000	2020 - 2022
Plano, Texas	Principal offices for Strategic Partner segment and data center	166,000	2026

We also lease or own facilities in a number of domestic locations and lease facilities internationally in Canada, the United Kingdom, Australia, Israel, and several other locations. We believe our facilities are suitable and adequate for our current and near-term needs, and that we will be able to locate additional facilities as needed. See Note 8 to the financial statements in Item 8 of this Annual Report for more information about our lease commitments.

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**ITEM 3 - LEGAL PROCEEDINGS**

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In fiscal 2015 Intuit was contacted by certain state and federal regulatory authorities in connection with inquiries regarding an increase during the 2015 tax season in attempts by criminals using stolen identity information to file fraudulent tax returns and claim refunds. Intuit provided information in response to those inquiries and now believes those inquiries are resolved. A consolidated putative class action lawsuit was filed by individuals who claim to have suffered damages in connection with the 2015 events. On May 23, 2018, the parties reached a settlement in principle of this matter. The settlement was granted final approval and the matter was dismissed with prejudice by the court on May 15, 2019. The terms of the settlement are not material to our consolidated financial statements.

Beginning in May 2019, various lawsuits were filed and certain regulatory inquiries were commenced in connection with our provision and marketing of free online tax preparation programs. We believe that the allegations contained within these lawsuits are without merit. We intend to vigorously defend against the lawsuits and cooperate in the investigations.

Intuit is subject to certain routine legal proceedings, including class action lawsuits, as well as demands, claims, government inquiries and threatened litigation, that arise in the normal course of our business, including assertions that we may be infringing patents or other intellectual property rights of others. Our failure to obtain necessary license or other rights, or litigation arising out of intellectual property claims could adversely affect our business. We currently believe that, in addition to any amounts accrued, the amount of potential losses, if any, for any pending claims of any type (either alone or combined) will not have a material impact on our consolidated financial statements. The ultimate outcome of any litigation is uncertain and,

regardless of outcome, litigation can have an adverse impact on Intuit because of defense costs, negative publicity, diversion of management resources and other factors.

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**ITEM 4 - MINE SAFETY DISCLOSURES**

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None.

**PART II****ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES***Market Information for Common Stock*

Intuit's common stock is quoted on the Nasdaq Global Select Market under the symbol "INTU."

*Stockholders*

As of August 23, 2019 we had approximately 415 record holders and approximately 340,000 beneficial holders of our common stock.

*Dividends*

We declared cash dividends that totaled \$1.88 per share of outstanding common stock or \$500 million during fiscal 2019 and \$1.56 per share of outstanding common stock or \$407 million during fiscal 2018. In August 2019 our Board of Directors declared a quarterly cash dividend of \$0.53 per share of outstanding common stock payable on October 18, 2019 to stockholders of record at the close of business on October 10, 2019. We currently expect to continue to pay comparable cash dividends on a quarterly basis in the future; however, future declarations of dividends and the establishment of future record dates and payment dates are subject to the final determination of our Board of Directors.

*Recent Sales of Unregistered Securities*

None.

*Purchases of Equity Securities by the Issuer and Affiliated Purchasers*

Stock repurchase activity during the three months ended July 31, 2019 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans
May 1, 2019 through May 31, 2019	195,800	\$246.14	195,800	\$2,788,110,001
June 1, 2019 through June 30, 2019	178,000	\$257.01	178,000	\$2,742,361,439
July 1, 2019 through July 31, 2019	195,800	\$276.96	195,800	\$2,688,133,406
Total	<u>569,600</u>	<u>\$260.13</u>	<u>569,600</u>	

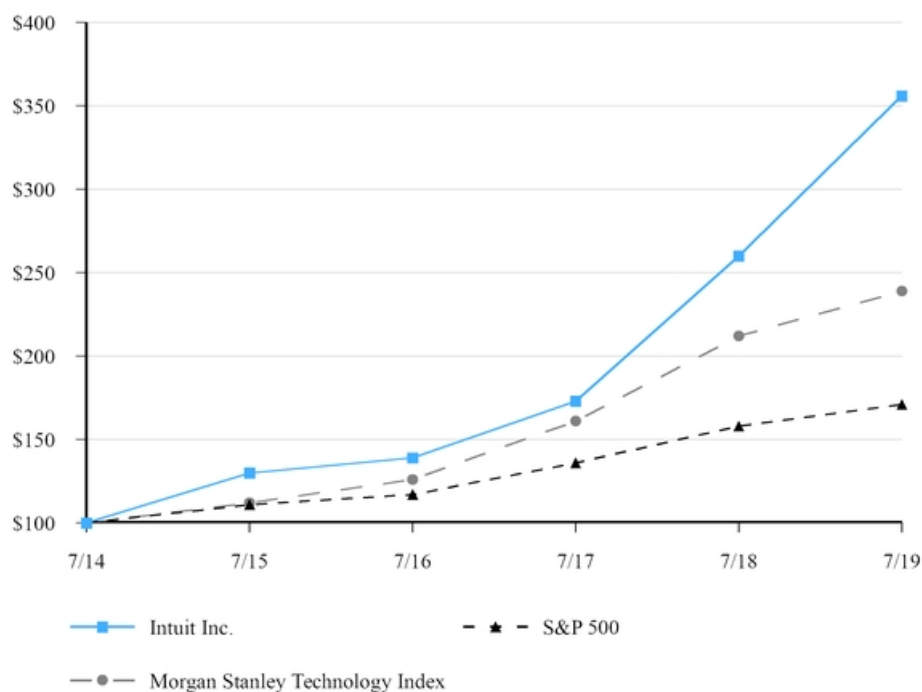
**Note:** All of the shares purchased during the three months ended July 31, 2019 were purchased under a plan we announced on August 19, 2016 pursuant to which we are authorized to repurchase up to \$2 billion of our common stock. On August 21, 2018, our Board approved a new stock repurchase program under which we are authorized to repurchase up to an additional \$2 billion of our common stock. At July 31, 2019, authorization from our Board of Directors to expend up to \$2.7 billion remained available under these plans.

## Company Stock Price Performance

The graph below compares the cumulative total stockholder return on Intuit common stock for the last five full fiscal years with the cumulative total returns on the S&P 500 Index and the Morgan Stanley Technology Index for the same period. The graph assumes that \$100 was invested in Intuit common stock and in each of the other indices on July 31, 2014 and that all dividends were reinvested. The comparisons in the graph below are based on historical data – with Intuit common stock prices based on the closing price on the dates indicated – and are not intended to forecast the possible future performance of Intuit’s common stock.

### COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\*

Among Intuit Inc., the S&P 500 Index,  
and Morgan Stanley Technology Index



\*\$100 invested on 07/31/14 in stock or index, including reinvestments of dividends.  
Fiscal year ending July 31.

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	July 31, 2014	July 31, 2015	July 31, 2016	July 31, 2017	July 31, 2018	July 31, 2019
<b>Intuit Inc.</b>	\$ 100.00	\$ 130.43	\$ 138.51	\$ 173.22	\$ 260.23	\$ 356.17
<b>S&amp;P 500</b>	\$ 100.00	\$ 111.21	\$ 117.45	\$ 136.29	\$ 158.43	\$ 171.08
<b>Morgan Stanley Technology Index</b>	\$ 100.00	\$ 112.47	\$ 125.98	\$ 161.01	\$ 212.39	\$ 238.62

## ITEM 6 - SELECTED FINANCIAL DATA

The following tables show Intuit's selected financial information for the past five fiscal years. The comparability of the information is affected by a variety of factors, including acquisitions and divestitures of businesses, issuance and repayment of debt, share-based compensation expense, amortization of acquired technology and other acquired intangible assets, repurchases of common stock under our stock repurchase programs, and the payment of cash dividends.

The consolidated statement of operations data for fiscal 2019, 2018 and 2017, and the consolidated balance sheet data as of July 31, 2019, 2018 and 2017 reflect the full retrospective application of ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." See Note 1 in Item 8 of this Annual Report for more information. The consolidated statement of operations data for fiscal 2016 and 2015 and the consolidated balance sheet data as of July 31, 2016 and 2015 do not reflect the adoption of ASU 2014-09 and continue to be reported under the standards in effect for those periods.

In fiscal 2019, fiscal 2018, and fiscal 2015 we acquired several companies and we have included the results of operations for each of them in our consolidated results of operations from their respective dates of acquisition.

In fiscal 2016 we completed the sales of our Demandforce, QuickBase, and Quicken businesses. We accounted for all of these businesses as discontinued operations and have therefore included their results on our consolidated statements of operations for fiscal 2016 and fiscal 2015 to reflect them as such. Our consolidated balance sheet for fiscal 2015 reflects Demandforce, QuickBase, and Quicken as discontinued operations.

To better understand the information in these tables, investors should read "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this Annual Report, and the financial statements and related notes in Item 8 of this Annual Report.

### Consolidated Statement of Operations Data

(In millions, except per share amounts)

	Fiscal				
	2019	2018	2017	2016	2015
Total net revenue	\$ 6,784	\$ 6,025	\$ 5,196	\$ 4,694	\$ 4,192
Total costs and expenses	4,930	4,465	3,778	3,452	3,454
Operating income from continuing operations	1,854	1,560	1,418	1,242	738
Total share-based compensation expense included in total costs and expenses	401	382	326	278	242
Net income from continuing operations	1,557	1,329	985	806	413
Net income (loss) from discontinued operations	—	—	—	173	(48)
Net income	1,557	1,329	985	979	365
<b>Net income per common share:</b>					
Basic net income per share from continuing operations	\$ 5.99	\$ 5.18	\$ 3.83	\$ 3.08	\$ 1.47
Basic net income (loss) per share from discontinued operations	—	—	—	0.65	(0.17)
Basic net income per share	\$ 5.99	\$ 5.18	\$ 3.83	\$ 3.73	\$ 1.30
Diluted net income per share from continuing operations	\$ 5.89	\$ 5.09	\$ 3.78	\$ 3.04	\$ 1.45
Diluted net income (loss) per share from discontinued operations	—	—	—	0.65	(0.17)
Diluted net income per share	\$ 5.89	\$ 5.09	\$ 3.78	\$ 3.69	\$ 1.28
Dividends declared per common share	\$ 1.88	\$ 1.56	\$ 1.36	\$ 1.20	\$ 1.00



**Consolidated Balance Sheet Data**

<i>(In millions)</i>	At July 31,				
	2019	2018	2017	2016	2015
Cash, cash equivalents and investments	\$ 2,740	\$ 1,716	\$ 777	\$ 1,080	\$ 1,697
Working capital (deficit)	1,628	679	(205)	(637)	816
Total assets	6,283	5,134	3,977	4,250	4,968
Short-term debt	50	50	50	512	—
Long-term debt	386	388	438	488	500
Long-term deferred income tax liabilities	37	68	78	7	50
Other long-term obligations <sup>(1)</sup>	145	119	124	343	274
Total stockholders' equity	3,749	2,816	1,699	1,161	2,332

(1) Upon adoption of ASU 2014-09, other long-term obligations includes long-term deferred revenue. The balances as of July 31, 2016 and 2015 conform to this presentation, but as noted above do not reflect the adoption of ASU 2014-09.

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## ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide readers of our consolidated financial statements with the perspectives of management. This should allow the readers of this report to obtain a comprehensive understanding of our businesses, strategies, current trends, and future prospects. Our MD&A includes the following sections:

- **Executive Overview:** High level discussion of our operating results and some of the trends that affect our business.
- **Critical Accounting Policies and Estimates:** Policies and estimates that we believe are important to understanding the assumptions and judgments underlying our financial statements.
- **Results of Operations:** A more detailed discussion of our revenue and expenses.
- **Liquidity and Capital Resources:** Discussion of key aspects of our consolidated statements of cash flows, changes in our consolidated balance sheets, and our financial commitments.

You should note that this MD&A contains forward-looking statements that involve risks and uncertainties. Please see the section entitled "*Forward-Looking Statements*" immediately preceding Part I for important information to consider when evaluating such statements.

You should read this MD&A in conjunction with the financial statements and related notes in Item 8 of this Annual Report.

Effective August 1, 2018, we adopted the requirements of Accounting Standards Update (ASU) 2014-09, "*Revenue from Contracts with Customers (Topic 606)*" and ASU 2016-18, "*Statement of Cash Flows (Topic 230): Restricted Cash*." All prior period amounts have been restated to comply with these standards. See Note 1 in Item 8 of this Annual Report for more information.

In fiscal 2018 and fiscal 2019 we acquired several companies including TSheets.com LLC, Exactor, Inc., and Applatix, Inc. We have included their results of operations in our consolidated results of operations from their respective dates of acquisition. See Note 6 in Item 8 of this Annual Report for more information.

### EXECUTIVE OVERVIEW

This overview provides a high level discussion of our operating results and some of the trends that affect our business. We believe that an understanding of these trends is important in order to understand our financial results for fiscal 2019 as well as our future prospects. This summary is not intended to be exhaustive, nor is it a substitute for the detailed discussion and analysis provided elsewhere in this Annual Report on Form 10-K.

#### Industry Trends and Seasonality

##### Industry Trends

A.I. is transforming multiple industries, including financial technology. Disruptive start-ups, emerging ecosystems and mega-platforms are harnessing new technology to create personalized experiences, deliver data-driven insights and increase speed of service. These shifts are creating a more dynamic and highly competitive environment where customer expectations are shifting around the world as more services become digitized and the array of choices continues to increase.

##### Seasonality

Our Consumer and Strategic Partner offerings have a significant and distinct seasonal pattern as sales and revenue from our income tax preparation products and services are heavily concentrated in the period from November through April. This seasonal pattern results in higher net revenues during our second and third quarters ending January 31 and April 30, respectively. We expect the seasonality of our Consumer and Strategic Partner businesses to continue to have a significant impact on our quarterly financial results in the future.

## Key Challenges and Risks

Our growth strategy depends upon our ability to initiate and embrace disruptive technology trends, to enter new markets, and to drive broad adoption of the products and services we develop and market. Our future growth also increasingly depends on the strength of our third-party business relationships and our ability to continue to develop, maintain, and strengthen new and existing relationships. To remain competitive and continue to grow, we are investing significant resources in our product development, marketing, and sales capabilities, and we expect to continue to do so in the future.

As we offer more online services, the ongoing operation and availability of our platforms and systems and those of our external service providers is becoming increasingly important. Because we help customers manage their financial lives, we face risks associated with the hosting, collection, use, and retention of personal customer information and data. We are investing significant management attention and resources in our information technology infrastructure and in our privacy and security capabilities, and we expect to continue to do so in the future.

For our consumer and professional tax offerings, we have implemented additional security measures and are continuing to work with state and federal governments to share information regarding suspicious filings. We continue to invest in security measures and to work with the broader industry and government to protect our customers against this type of fraud.

For a complete discussion of the most significant risks and uncertainties affecting our business, please see “*Forward-Looking Statements*” immediately preceding Part I and “*Risk Factors*” in Item 1A of Part I of this Report.

## Overview of Financial Results

The most important financial indicators that we use to assess our business are revenue growth for the company as a whole and for each reportable segment; operating income growth for the company as a whole ; earnings per share; and cash flow from operations. We also track certain non-financial drivers of revenue growth and, when material, identify them in the applicable discussions of segment results below. These non-financial drivers include, for example, customer growth and retention for all of our businesses. Service offerings are a significant part of our business. Our total service and other revenue was \$5.2 billion or 76% of our total revenue in fiscal 2019 and we expect our total service and other revenue to continue to grow in the future.

Key highlights for fiscal 2019 include the following:

Revenue of

**\$6.8 B**

up 13% from fiscal 2018

Small Business & Self-Employed revenue of

**\$3.5 B**

up 15% from fiscal 2018

Consumer revenue of

**\$2.8 B**

up 11% from fiscal 2018

Operating income of

**\$1.9 B**

up 19% from fiscal 2018

Net income of

**\$1.6 B**

up 17% from fiscal 2018

Diluted net income per share of

**\$5.89**

up 16% from fiscal 2018

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing our consolidated financial statements in accordance with U.S. generally accepted accounting principles (GAAP), we are required to make estimates, assumptions, and judgments that can have a significant impact on our net revenue, operating income or loss and net income or loss, as well as on the value of certain assets and liabilities on our consolidated balance sheets. We believe that the estimates, assumptions, and judgments involved in the following accounting policies have the greatest potential impact on our consolidated financial statements, so we consider these to be our critical accounting policies:

- Revenue Recognition
- Business Combinations
- Goodwill, Acquired Intangible Assets, and Other Long-Lived Assets – Impairment Assessments
- Accounting for Share-Based Compensation Plans
- Legal Contingencies
- Accounting for Income Taxes – Estimates of Deferred Taxes, Valuation Allowances, and Uncertain Tax Positions

Our senior management has reviewed the development and selection of these critical accounting policies and their disclosure in this Annual Report on Form 10-K with the Audit and Risk Committee of our Board of Directors.

### *Revenue Recognition*

We derive our revenue primarily from the sale of packaged desktop software products, desktop software subscriptions, and online services such as tax, accounting, payroll, and merchant payment processing. Our contracts with customers often include promises to transfer multiple products and services. In determining how revenue should be recognized, a five-step process is used, which requires judgment and estimates within the revenue recognition process. The primary judgments include identifying the performance obligations in the contract and determining whether the performance obligations are distinct. If any of these judgments were to change it could cause a material increase or decrease in the amount of revenue we report in a particular period. For additional information, see “*Revenue Recognition*” in Note 1 to the financial statements in Item 8 of this Annual Report.

### *Business Combinations*

As described in “*Description of Business and Summary of Significant Accounting Policies – Business Combinations*,” in Note 1 to the financial statements in Item 8 of this Annual Report, under the acquisition method of accounting we generally recognize the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in an acquiree at their fair values as of the date of acquisition. We measure goodwill as the excess of consideration transferred, which we also measure at fair value, over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. The acquisition method of accounting requires us to exercise judgment and make significant estimates and assumptions regarding the fair values of the elements of a business combination as of the date of acquisition, including the fair values of identifiable intangible assets, deferred tax asset valuation allowances, liabilities related to uncertain tax positions, and contingencies. This method also requires us to refine these estimates over a one-year measurement period to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. If we are required to retroactively adjust provisional amounts that we have recorded for the fair values of assets and liabilities in connection with acquisitions, these adjustments could materially decrease our operating income and net income and result in lower asset values on our consolidated balance sheet.

Significant estimates and assumptions that we must make in estimating the fair value of acquired technology, customer lists, and other identifiable intangible assets include future cash flows that we expect to generate from the acquired assets. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could record impairment charges. In addition, we have estimated the economic lives of certain acquired assets and these lives are used to calculate depreciation and amortization expense. If our estimates of the economic lives change, depreciation or amortization expenses could be accelerated or slowed.

### *Goodwill, Acquired Intangible Assets and Other Long-Lived Assets – Impairment Assessments*

We estimate the fair value of acquired intangible assets and other long-lived assets that have finite useful lives whenever an event or change in circumstances indicates that the carrying value of the asset may not be recoverable. We test for potential impairment of goodwill and other intangible assets that have indefinite useful lives annually in our fourth fiscal quarter or whenever indicators of impairment arise. The timing of the annual test may result in charges to our consolidated statement of operations in our fourth fiscal quarter that could not have been reasonably foreseen in prior periods.

As described in “*Description of Business and Summary of Significant Accounting Policies – Goodwill, Acquired Intangible Assets and Other Long-Lived Assets*,” in Note 1 to the financial statements in Item 8 of this Annual Report, in order to estimate the fair value of goodwill we use a weighted combination of a discounted cash flow model (known as the income

approach) and comparisons to publicly traded companies engaged in similar businesses (known as the market approach). The income approach requires us to use a number of assumptions, including market factors specific to the business, the amount and timing of estimated future cash flows to be generated by the business over an extended period of time, long-term growth rates for the business, and a rate of return that considers the relative risk of achieving the cash flows and the time value of money. We evaluate cash flows at the reporting unit level. Although the assumptions we use in our discounted cash flow model are consistent with the assumptions we use to generate our internal strategic plans and forecasts, significant judgment is required to estimate the amount and timing of future cash flows from each reporting unit and the relative risk of achieving those cash flows. When using the market approach, we make judgments about the comparability of publicly traded companies engaged in similar businesses. We base our judgments on factors such as size, growth rates, profitability, risk, and return on investment. We also make judgments when adjusting market multiples of revenue, operating income, and earnings for these companies to reflect their relative similarity to our own businesses. See Note 5 to the financial statements in Item 8 of this Annual Report for a summary of goodwill by reportable segment.

We estimate the recoverability of acquired intangible assets and other long-lived assets that have finite useful lives by comparing the carrying amount of the asset to the future undiscounted cash flows that we expect the asset to generate. In order to estimate the fair value of those assets, we estimate the present value of future cash flows from those assets. The key assumptions that we use in our discounted cash flow model are the amount and timing of estimated future cash flows to be generated by the asset over an extended period of time and a rate of return that considers the relative risk of achieving the cash flows and the time value of money. Significant judgment is required to estimate the amount and timing of future cash flows and the relative risk of achieving those cash flows. We also make judgments about the remaining useful lives of acquired intangible assets and other long-lived assets that have finite lives. See Note 5 to the financial statements in Item 8 of this Annual Report for a summary of cost, accumulated amortization and weighted average life in years for our acquired intangible assets.

Assumptions and estimates about future values and remaining useful lives are complex and often subjective. They can be affected by a variety of factors, including external factors such as industry and economic trends, and internal factors such as changes in our business strategy and our internal forecasts. For example, if our future operating results do not meet current forecasts or if we experience a sustained decline in our market capitalization that is determined to be indicative of a reduction in fair value of one or more of our reporting units, we may be required to record future impairment charges for goodwill and acquired intangible assets. Impairment charges could materially decrease our future net income and result in lower asset values on our consolidated balance sheet.

During the fourth quarters of fiscal 2019, fiscal 2018, and fiscal 2017 we performed our annual goodwill impairment tests. Using the methodology described in “*Description of Business and Summary of Significant Accounting Policies – Goodwill, Acquired Intangible Assets and Other Long-Lived Assets*,” in Note 1 to the financial statements in Item 8 of this Annual Report, we determined that the estimated fair values of all of our reporting units exceeded their carrying values and that they were not impaired. In addition, during this analysis we concluded that the estimated fair values of all of our reporting units substantially exceeded their carrying values.

#### *Accounting for Share-Based Compensation Plans*

Restricted stock units (RSUs) granted typically vest based on continued service. We value these time-based RSUs at the date of grant using the intrinsic value method. We amortize the fair value of time-based RSUs on a straight-line basis over the service period. Certain RSUs granted to senior management vest based on the achievement of pre-established performance or market goals. We estimate the fair value of performance-based RSUs at the date of grant using the intrinsic value method and the probability that the specified performance criteria will be met. Each quarter we update our assessment of the probability that the specified performance criteria will be achieved and adjust our estimate of the fair value of the performance-based RSUs if necessary. We amortize the fair values of performance-based RSUs over the requisite service period for each separately vesting tranche of the award. We estimate the fair value of market-based RSUs at the date of grant using a Monte Carlo valuation methodology and amortize those fair values over the requisite service period for each separately vesting tranche of the award. The Monte Carlo methodology that we use to estimate the fair value of market-based RSUs at the date of grant incorporates into the valuation the possibility that the market condition may not be satisfied. Provided that the requisite service is rendered, the total fair value of the market-based RSUs at the date of grant must be recognized as compensation expense even if the market condition is not achieved. However, the number of shares that ultimately vest can vary significantly with the performance of the specified market criteria. All of the RSUs we grant have dividend rights that are subject to the same vesting requirements as the underlying equity awards, so we do not adjust the intrinsic (market) value of our RSUs for dividends.

We use a lattice binomial model and the assumptions described in Note 10 to the financial statements in Item 8 of this Annual Report to estimate the fair value of stock options granted. We estimate the expected term of options granted based on implied exercise patterns using a binomial model. We estimate the volatility of our common stock at the date of grant based on the implied volatility of publicly traded one-year and two-year options on our common stock. Our decision to use implied volatility is based upon the availability of actively traded options on our common stock and our assessment that implied volatility is more representative of future stock price trends than historical volatility. We base the risk-free interest rate that we use in our option valuation model on the implied yield in effect at the time of option grant on constant maturity U.S. Treasury issues with equivalent remaining terms. We use an annualized expected dividend yield in our option valuation model. We adjust share-based compensation expense for actual forfeitures as they occur. We amortize the fair value of options on a

straight-line basis over the requisite service periods of the awards, which are generally the vesting periods. We may elect to use different assumptions under our option valuation model in the future, which could materially affect our net income or loss and net income or loss per share. See Note 10 to the financial statements in Item 8 of this Annual Report for more information.

### *Legal Contingencies*

We are subject to certain legal proceedings, as well as demands, claims and threatened litigation that arise in the normal course of our business. We review the status of each significant matter quarterly and assess our potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, we record a liability and an expense for the estimated loss. If we determine that a loss is possible and the range of the loss can be reasonably determined, then we disclose the range of the possible loss. Significant judgment is required in the determination of whether a potential loss is probable, reasonably possible, or remote as well as in the determination of whether a potential exposure is reasonably estimable. Our accruals are based on the best information available at the time. As additional information becomes available, we reassess the potential liability related to our pending claims and litigation and may revise our estimates. Potential legal liabilities and the revision of estimates of potential legal liabilities could have a material impact on our financial position and results of operations. See Note 12 to the financial statements in Item 8 of this Annual Report for more information.

### *Accounting for Income Taxes – Estimates of Deferred Taxes, Valuation Allowances, and Uncertain Tax Positions*

We estimate our income taxes based on the various jurisdictions where we conduct business. Significant judgment is required in determining our worldwide income tax provision. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax rules and the potential for future adjustment of our uncertain tax positions by the United States Internal Revenue Service or other taxing jurisdictions. We estimate our current tax liability and assess temporary differences that result from differing treatments of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which we show on our consolidated balance sheet. We must then assess the likelihood that our deferred tax assets will be realized. To the extent we believe that realization is not likely, we establish a valuation allowance. When we establish a valuation allowance or increase this allowance in an accounting period, we record a corresponding tax expense in our consolidated statement of operations.

We record a valuation allowance to reflect uncertainties about whether we will be able to utilize our deferred tax assets before they expire. We assess the need for an adjustment to the valuation allowance on a quarterly basis. The assessment is based on our estimates of future sources of taxable income in the jurisdictions in which we operate and the periods over which our deferred tax assets will be realizable. While we have considered future taxable income in assessing the need for a valuation allowance for the periods presented, we could in the future be required to increase the valuation allowance to take into account additional deferred tax assets that we may be unable to realize. An increase in the valuation allowance could have an adverse impact on our income tax provision and net income in the period in which we record the change.

We recognize and measure benefits for uncertain tax positions using a two-step approach. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained upon audit, including resolution of any related appeals or litigation processes. For tax positions that are more likely than not of being sustained upon audit, the second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. Significant judgment is required to evaluate uncertain tax positions. We evaluate our uncertain tax positions on a quarterly basis. Our evaluations are based upon a number of factors, including changes in facts or circumstances, changes in tax law, correspondence with tax authorities during the course of audits and effective settlement of audit issues. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in our income tax expense in the period in which we make the change, which could have a material impact on our effective tax rate and operating results. See Note 9 to the financial statements in Item 8 of this Annual Report for more information.

## RESULTS OF OPERATIONS

### Financial Overview

(Dollars in millions, except per share amounts)

	Fiscal 2019	Fiscal 2018	Fiscal 2017	2019-2018 % Change	2018-2017 % Change
Total net revenue	\$6,784	\$6,025	\$5,196	13%	16%
Operating income	1,854	1,560	1,418	19%	10%
Net income	1,557	1,329	985	17%	35%
Diluted net income per share	\$5.89	\$5.09	\$3.78	16%	35%

#### Fiscal 2019 Compared with Fiscal 2018

Total net revenue increased \$759 million or 13% in fiscal 2019 compared with fiscal 2018. Our Small Business & Self-Employed segment revenue increased 15% due to growth in the Online Ecosystem. Our Consumer segment revenue increased 11% due to a shift in mix to our higher end product offerings, growth in TurboTax federal units, and a higher average revenue per customer. See “*Segment Results*” later in this Item 7 for more information.

Operating income increased \$294 million or 19% in fiscal 2019 compared with fiscal 2018. The increase was due to the higher revenue described above partially offset by higher costs for advertising, marketing, staffing, and outside services. Additionally, in fiscal 2018, we recorded a \$79 million loss related to the sale of our data center in Quincy, Washington. See “*Operating Expenses*” later in this Item 7 for more information.

Net income increased \$228 million or 17% in fiscal 2019 compared with fiscal 2018 due to the increase in operating income described above, partially offset by a higher effective tax rate in fiscal 2019. Net income for fiscal 2018 includes tax benefits related to the reorganization of a subsidiary and the re-measurement of our net deferred tax liability balances as a result of the enactment of the Tax Cuts and Jobs Act (2017 Tax Act). See Note 9 to the financial statements in Item 8 of this Annual Report for more information. Diluted net income per share increased 16% to \$5.89 as a result of the increase in net income noted above.

#### Fiscal 2018 Compared with Fiscal 2017

Total net revenue increased \$829 million or 16% in fiscal 2018 compared with fiscal 2017. Revenue in our Small Business & Self-Employed segment increased 19% primarily due to growth in the Online Ecosystem driven by customer acquisition. Our Consumer segment revenue increased 15% due to a higher average revenue per customer, growth in TurboTax federal units, and a shift in mix to our higher end product offerings. See “*Segment Results*” later in this Item 7 for more information.

Operating income increased \$142 million or 10% in fiscal 2018 compared with fiscal 2017 due to the increase in revenue described above partially offset by higher costs for staffing, advertising, marketing, outside services, and share-based compensation. We also recorded a \$79 million loss related to the sale of our data center in Quincy, Washington in the 2018 period. See “*Operating Expenses*” later in this Item 7 for more information.

Net income increased \$344 million or 35% in fiscal 2018 compared with fiscal 2017 due to the increase in operating income described above and a lower effective tax rate in the fiscal 2018 period. Net income for fiscal 2018 includes tax benefits related to the reorganization of a subsidiary and the re-measurement of our net deferred tax liability balances as a result of the 2017 Tax Act. Additionally, the U.S. statutory federal corporate tax rate decreased from 35% to 21% under the 2017 Tax Act. The change resulted in a blended lower U.S. statutory federal rate of 26.9% for fiscal 2018. See “*Non-Operating Income and Expenses - Income Taxes*” later in this Item 7 for more information. Diluted net income per share for fiscal 2018 increased 35% to \$5.09, in line with the increase in net income.

### Segment Results

The information below is organized in accordance with our three reportable segments. All of our segments operate and sell to customers primarily in the United States. International total net revenue was less than 5% of consolidated total net revenue for all periods presented.

Segment operating income is segment net revenue less segment cost of revenue and operating expenses. Segment expenses do not include certain costs, such as corporate selling and marketing, product development, general and administrative expenses and share-based compensation expenses, which are not allocated to specific segments. These unallocated costs totaled \$1.73 billion in fiscal 2019, \$1.62 billion in fiscal 2018, and \$1.32 billion in fiscal 2017. Unallocated costs increased in fiscal 2019 compared with fiscal 2018 and in fiscal 2018 compared with fiscal 2017 due to increased corporate product development, selling and marketing, and general and administrative expenses in support of the growth of our businesses and

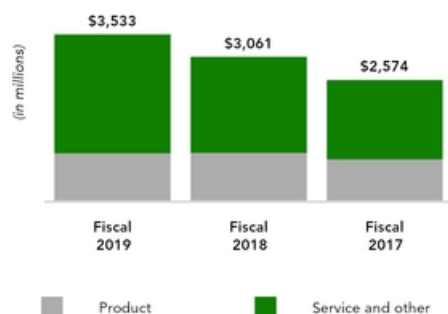
higher share-based compensation expenses. Segment expenses also do not include amortization of acquired technology and amortization of other acquired intangible assets which totaled \$26 million in fiscal 2019, \$21 million in fiscal 2018, and \$14 million in fiscal 2017. See Note 13 to the financial statements in Item 8 of this Annual Report for reconciliations of total segment operating income to consolidated operating income for each fiscal year presented.



## Small Business & Self-Employed



Total Small Business & Self-Employed Segment Revenue



Small Business & Self-Employed segment revenue includes both Online Ecosystem and Desktop Ecosystem revenue.

Our Online Ecosystem includes revenue from QuickBooks Online, QuickBooks Online Advanced and QuickBooks Self-Employed financial and business management offerings; small business payroll services, including QuickBooks Online Payroll, Intuit Online Payroll, Intuit Full Service Payroll; merchant payment processing services for small businesses who use online offerings; and financing for small businesses.

Our Desktop Ecosystem includes revenue from our QuickBooks Desktop packaged software products (Desktop Pro, Desktop for Mac, Desktop Premier, and QuickBooks Point of Sale); QuickBooks Desktop software subscriptions (QuickBooks Desktop Pro Plus, QuickBooks Desktop Premier Plus, and QuickBooks Enterprise, and ProAdvisor Program memberships for the accounting professionals who serve small businesses); desktop payroll products (QuickBooks Basic Payroll, QuickBooks Assisted Payroll and QuickBooks Enhanced Payroll); merchant payment processing services for small businesses who use desktop offerings; and financial supplies.

Segment product revenue is derived from revenue related to software license and version protection for our QuickBooks Desktop products and subscriptions, license and related updates for our desktop payroll products and financial supplies, which are all part of our Desktop Ecosystem. Segment service and other revenue is derived from our Online Ecosystem revenue; and Desktop Ecosystem revenue related to support and connected services for our QuickBooks Desktop and desktop payroll products and subscriptions and merchant payment processing services.

(Dollars in millions)

	Fiscal 2019	Fiscal 2018	Fiscal 2017	2019-2018 % Change	2018-2017 % Change
Product revenue	\$ 1,036	\$ 1,038	\$ 908		
Service and other revenue	2,497	2,023	1,666		
Total segment revenue	<u>\$ 3,533</u>	<u>\$ 3,061</u>	<u>\$ 2,574</u>	15%	19%
% of total revenue	52%	51%	50%		
Segment operating income	<u>\$ 1,549</u>	<u>\$ 1,326</u>	<u>\$ 1,111</u>	17%	19%
% of related revenue	44%	43%	43%		

#### Fiscal 2019 Compared with Fiscal 2018

Revenue for our Small Business & Self-Employed segment increased \$472 million or 15% in fiscal 2019 compared with fiscal 2018. The increase was primarily due to growth in Online Ecosystem revenue.

##### *Online Ecosystem*

Online Ecosystem revenue increased \$457 million or 38% in fiscal 2019 compared with fiscal 2018. QuickBooks Online Accounting revenue increased 41% in fiscal 2019 compared with fiscal 2018 due to an increase in QuickBooks Online subscribers and average revenue per customer. At July 31, 2019 QuickBooks Online subscribers were 4.5 million, up 32% compared to July 31, 2018. Online Services revenue increased 34% primarily due to customer growth in online payroll and payments and an increase in revenue from other online services.

##### *Desktop Ecosystem*

Desktop Ecosystem revenue increased \$15 million or 1% in fiscal 2019 compared with fiscal 2018, primarily due to an increase in license revenue for our QuickBooks Enterprise offering and an increase in revenue from our payroll and payments offerings as a result of customer growth during the period. This increase was partially offset by a decrease in revenue from the delivery of version protection for our QuickBooks Enterprise customers.

Small Business & Self-Employed segment operating income increased \$223 million or 17% in fiscal 2019 compared with fiscal 2018 due to the higher revenue described above which was partially offset by higher expenses for advertising, marketing, and staffing.

#### Fiscal 2018 Compared with Fiscal 2017

Revenue for our Small Business & Self-Employed segment increased \$487 million or 19% in fiscal 2018 compared with fiscal 2017. The increase was primarily due to growth in Online Ecosystem revenue.

##### *Online Ecosystem*

Online Ecosystem revenue increased \$348 million or 41% in fiscal 2018 compared with fiscal 2017. QuickBooks Online Accounting revenue increased 41% in fiscal 2019 compared with fiscal 2018 due to an increase in QuickBooks Online subscribers. At July 31, 2018 QuickBooks Online subscribers were 3.4 million, up 43% compared to July 31, 2017. Online Services revenue increased 25% due to customer growth in online payroll and payments.

##### *Desktop Ecosystem*

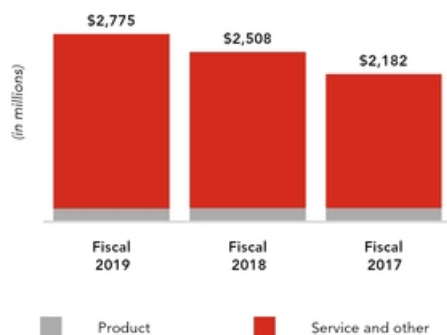
Desktop Ecosystem revenue increased \$139 million or 8% in fiscal 2018 compared with fiscal 2017, primarily due to an increase in revenue related to our QuickBooks Enterprise offering driven by growth in our QuickBooks Enterprise subscribers, an increase in average revenue per customer, as well as a change in our QuickBooks Enterprise offering that occurred when customers renewed their subscriptions during fiscal 2018. This increase was partially off-set by a decrease in revenue from our QuickBooks Desktop units as unit sales declined 15%.

Small Business & Self-Employed segment operating income increased \$215 million or 19% in fiscal 2018 compared with fiscal 2017 due to the higher revenue described above which was partially offset by higher expenses for staffing, advertising, and marketing.

## Consumer



Total Consumer Segment Revenue



Consumer segment product revenue is derived primarily from TurboTax desktop tax return preparation software and related form updates.

Consumer segment service and other revenue is derived primarily from TurboTax Online and TurboTax Live offerings, electronic tax filing services and connected services, and also from our Mint and Turbo offerings.

(Dollars in millions)

	Fiscal 2019	Fiscal 2018	Fiscal 2017	2019-2018 % Change	2018-2017 % Change
Product revenue	\$ 201	\$ 210	\$ 207		
Service and other revenue	2,574	2,298	1,975		
Total segment revenue	<u>\$ 2,775</u>	<u>\$ 2,508</u>	<u>\$ 2,182</u>	11%	15%
% of total revenue	41%	42%	42%		
Segment operating income	<u>\$ 1,742</u>	<u>\$ 1,587</u>	<u>\$ 1,376</u>	10%	15%
% of related revenue	63%	63%	63%		

### Fiscal 2019 Compared with Fiscal 2018

Revenue for our Consumer segment increased \$267 million or 11% in fiscal 2019 compared with fiscal 2018 due to a shift in mix to our higher priced product offerings including TurboTax Live, a 5% growth in TurboTax federal units, and a higher average revenue per customer.

Consumer segment operating income increased \$155 million or 10% in fiscal 2019 compared with fiscal 2018 due to the higher revenue described above, which was partially offset by higher expenses for advertising, marketing, and staffing.

### Fiscal 2018 Compared with Fiscal 2017

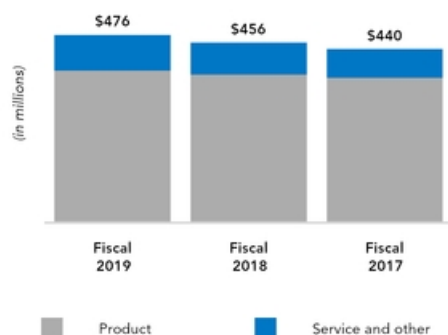
Revenue for our Consumer segment increased \$326 million or 15% in fiscal 2018 compared with fiscal 2017 due to a higher average revenue per customer, a 4% growth in TurboTax federal units, and a shift in mix to our higher end product offerings.

Consumer segment operating income increased \$211 million or 15% in fiscal 2018 compared with fiscal 2017 due to the higher revenue described above which was partially offset by higher expenses for advertising, marketing, and staffing.

## Strategic Partner



Total Strategic Partner Segment Revenue



Strategic Partner segment product revenue is derived primarily from Lacerte, ProSeries, and ProFile desktop tax preparation software products and related form updates.

Strategic Partner segment service and other revenue is derived primarily from ProConnect Tax Online tax products, electronic tax filing service, connected services, and bank products.

(Dollars in millions)

	Fiscal 2019	Fiscal 2018	Fiscal 2017	2019-2018 % Change	2018-2017 % Change
Product revenue	\$ 386	\$ 376	\$ 368		
Service and other revenue	90	80	72		
Total segment revenue	\$ 476	\$ 456	\$ 440	4%	4%
% of total revenue	7%	7%	8%		
Segment operating income	\$ 318	\$ 284	\$ 266	12%	7%
% of related revenue	67%	62%	60%		

### Fiscal 2019 Compared with Fiscal 2018

Revenue for our Strategic Partner segment increased \$20 million or 4% in fiscal 2019 compared with fiscal 2018 primarily due to a higher average revenue per customer.

Strategic Partner segment operating income increased \$34 million or 12% in fiscal 2019 compared with fiscal 2018 primarily due to the higher revenue described above and lower staffing expenses.

### Fiscal 2018 Compared with Fiscal 2017

Revenue for our Strategic Partner segment increased \$16 million or 4% in fiscal 2018 compared with fiscal 2017 primarily due to a higher average revenue per customer.

Strategic Partner segment operating income increased \$18 million or 7% in fiscal 2018 compared with fiscal 2017 primarily due to the higher revenue described above and relatively stable spending.

## Cost of Revenue

<i>(Dollars in millions)</i>	Fiscal 2019	% of Related Revenue	Fiscal 2018	% of Related Revenue	Fiscal 2017	% of Related Revenue
Cost of product revenue	\$ 77	5%	\$ 82	5%	\$ 89	6%
Cost of service and other revenue	1,070	21%	881	20%	709	19%
Amortization of acquired technology	20	n/a	15	n/a	12	n/a
Total cost of revenue	<u>\$ 1,167</u>	<u>17%</u>	<u>\$ 978</u>	<u>16%</u>	<u>\$ 810</u>	<u>16%</u>

Our cost of revenue has three components: (1) cost of product revenue, which includes the direct costs of manufacturing and shipping or electronically downloading our desktop software products; (2) cost of service and other revenue, which includes the direct costs associated with our online and service offerings, such as data center and customer support costs as well as the costs for the tax and bookkeeping professionals that support our TurboTax Live and QuickBooks Live offerings; and (3) amortization of acquired technology, which represents the cost of amortizing developed technologies that we have obtained through acquisitions over their useful lives.

Cost of product revenue as a percentage of product revenue was relatively consistent across all periods presented. We expense costs of product revenue as they are incurred for delivered software and we do not defer any of these costs when product revenue is deferred.

Cost of service and other revenue as a percentage of service and other revenue was relatively consistent across all periods presented.

## Operating Expenses

<i>(Dollars in millions)</i>	Fiscal 2019	% of Total Net Revenue	Fiscal 2018	% of Total Net Revenue	Fiscal 2017	% of Total Net Revenue
Selling and marketing	\$ 1,927	28%	\$ 1,631	27%	\$ 1,415	27%
Research and development	1,233	18%	1,186	20%	998	19%
General and administrative	597	9%	664	11%	553	11%
Amortization of other acquired intangible assets	6	—%	6	—%	2	—%
Total operating expenses	<u>\$ 3,763</u>	<u>55%</u>	<u>\$ 3,487</u>	<u>58%</u>	<u>\$ 2,968</u>	<u>57%</u>

### Fiscal 2019 Compared with Fiscal 2018

Total operating expenses as a percentage of total net revenue decreased in fiscal 2019 compared to fiscal 2018. Total net revenue increased \$759 million or 13% and total operating expenses increased \$276 million or 8%. The increase in operating expenses was primarily driven by \$195 million for higher advertising and marketing expenses, \$94 million for higher staffing expenses due to higher headcount, and \$54 million for outside services. General and administrative expenses in the fiscal 2018 period include a \$79 million loss related to the sale of our data center in Quincy, Washington.

### Fiscal 2018 Compared with Fiscal 2017

Total operating expenses as a percentage of total net revenue increased slightly in fiscal 2018 compared to fiscal 2017. Total net revenue increased \$829 million or 16% and total operating expenses increased \$519 million or 17%. The increase in operating expenses was primarily driven by \$193 million for higher staffing expenses due to higher headcount, \$127 million for higher advertising and marketing expenses, and \$49 million for outside services. General and administrative expenses in the fiscal 2018 period include a \$79 million loss related to the sale of our data center in Quincy, Washington.

## Non-Operating Income and Expenses

### Interest Expense

Interest expense of \$15 million in fiscal 2019 consisted primarily of interest on our unsecured term loan and secured revolving credit facility. Interest expense of \$20 million in fiscal 2018 consisted primarily of interest on our unsecured term loan and unsecured revolving credit facility. Interest expense of \$31 million in fiscal 2017 consisted primarily of interest on our senior notes, unsecured term loan, and unsecured revolving credit facility. See Note 7 and Note 8 to the financial statements in Item 8 of this Annual Report for more information.

## Interest and Other Income, Net

(In millions)	Fiscal 2019	Fiscal 2018	Fiscal 2017
Interest income <sup>(1)</sup>	\$ 46	\$ 18	\$ 8
Net gain on executive deferred compensation plan assets <sup>(2)</sup>	3	7	7
Other	(7)	1	(12)
Total interest and other income, net	<u>\$ 42</u>	<u>\$ 26</u>	<u>\$ 3</u>

(1) Interest income increased in fiscal 2019 compared to fiscal 2018 due to higher average invested balances and higher average interest rates. Interest income increased in fiscal 2018 compared to fiscal 2017 due to higher average invested balances and higher average interest rates.

(2) In accordance with authoritative guidance, we record gains and losses associated with executive deferred compensation plan assets in interest and other income and gains and losses associated with the related liabilities in operating expenses. The total amounts recorded in operating expenses for each period are approximately equal to the total amounts recorded in interest and other income in those periods.

## Income Taxes

### Effective Tax Rate

Our effective tax rates for fiscal 2018 and 2017 have been restated to reflect the full retrospective application of ASU 2014-09, “Revenue from Contracts with Customers (Topic 606).” See Note 1 and Note 9 to the financial statement in Item 8 of this Annual Report for more information.

The 2017 Tax Act was enacted on December 22, 2017 and reduced the U.S. statutory federal corporate tax rate from 35% to 21%. The effective date of the tax rate change was January 1, 2018. The change resulted in a blended lower U.S. statutory federal rate of 26.9% for fiscal year 2018. In fiscal 2019, we fully benefited from the enacted lower tax rate of 21%.

We recorded a provisional benefit of \$29 million for fiscal 2018 related to the re-measurement of certain deferred tax balances as the result of the 2017 Tax Act. In the second quarter of fiscal 2019, we completed our accounting for the income tax effects of the 2017 Tax Act, and there have been no material adjustments during the fiscal 2019 period.

Our effective tax rates for fiscal 2019, fiscal 2018, and fiscal 2017 were approximately 17%, 15%, and 29%. Excluding the tax benefits related to share-based compensation our effective tax rate for fiscal 2019 was approximately 24%. This differed from the federal statutory rate of 21% primarily due to state income taxes and non-deductible share-based compensation, which were partially offset by the benefit we received from the federal research and experimentation credit. Excluding the tax benefits related to share-based compensation, the reorganization of a subsidiary, and the benefit related to the re-measurement of certain deferred tax balances, our effective tax rate for fiscal 2018 was approximately 26% and did not differ significantly from the federal statutory rate of 26.9%. Excluding the tax benefits related to share-based compensation our effective tax rate for fiscal 2017 was approximately 34% and did not differ significantly from the federal statutory rate of 35%. See Note 9 to the financial statements in Item 8 of this Annual Report for more information about our effective tax rates.

At July 31, 2019, we had net deferred tax liabilities of \$36 million which included a valuation allowance of \$107 million for loss and tax credit carryforwards related to state research and experimentation tax credits, foreign losses, and state operating and capital losses. See “Critical Accounting Policies and Estimates” earlier in this Item 7 and Note 9 to the financial statements in Item 8 of this Annual Report for more information.

## LIQUIDITY AND CAPITAL RESOURCES

### Overview

At July 31, 2019, our cash, cash equivalents and investments totaled \$2.7 billion, an increase of \$1.0 billion from July 31, 2018 due to the factors described in “*Statements of Cash Flows*” below. Our primary sources of liquidity have been cash from operations, which includes the collection of accounts receivable for products and services, and borrowings under our credit facilities. Our primary uses of cash have been for research and development programs, selling and marketing activities, repurchases of our common stock under our stock repurchase programs, the payment of cash dividends, debt service costs and debt repayment, acquisitions of businesses, and capital projects. As discussed in “*Executive Overview – Industry Trends and Seasonality*” earlier in this Item 7, our business is subject to significant seasonality. The balance of our cash, cash equivalents and investments generally fluctuates with that seasonal pattern. We believe the seasonality of our business is likely to continue in the future.

The following table summarizes selected measures of our liquidity and capital resources at the dates indicated:

<i>(Dollars in millions)</i>	July 31, 2019	July 31, 2018	\$ Change	% Change
Cash, cash equivalents and investments	\$ 2,740	\$ 1,716	\$ 1,024	60 %
Long-term investments	13	13	—	— %
Short-term debt	50	50	—	— %
Long-term debt	386	388	(2)	(1)%
Working capital	1,628	679	949	140 %
Ratio of current assets to current liabilities	1.8 : 1	1.4 : 1		

We have historically generated significant cash from operations and we expect to continue to do so during fiscal 2020. Our cash, cash equivalents, and investments totaled \$2.7 billion at July 31, 2019, none of those funds were restricted, and approximately 90% of those funds were located in the U.S. Our unsecured revolving credit facility is available to us for general corporate purposes, including future acquisitions and share repurchases. At July 31, 2019, no amounts were outstanding under the unsecured revolving credit facility. Our secured revolving credit facility is available to fund a portion of our loans to qualified small businesses. At July 31, 2019, \$48 million was outstanding under the secured revolving credit facility. See Note 7 to the financial statements in Item 8 of this Annual Report for more information.

We evaluate, on an ongoing basis, the merits of acquiring technology or businesses, or establishing strategic relationships with and investing in other companies. Our strong liquidity profile enables us to quickly respond to these kinds of opportunities. Based on past performance and current expectations, we believe that our cash and cash equivalents, investments, and cash generated from operations will be sufficient to meet anticipated seasonal working capital needs, capital expenditure requirements, contractual obligations, commitments, debt service requirements, and other liquidity requirements associated with our operations for at least the next 12 months. We expect to return excess cash generated by operations to our stockholders through repurchases of our common stock and payment of cash dividends, after taking into account our operating and strategic cash needs.

### Statements of Cash Flows

The following table summarizes selected items from our consolidated statements of cash flows for fiscal 2019, fiscal 2018, and fiscal 2017. Effective August 1, 2018, we adopted the requirements of Accounting Standards Update (ASU) 2016-18, “*Statement of Cash Flows (Topic 230): Restricted Cash*.” The amounts below have been restated to comply with this new standard. See the financial statements in Item 8 of this Annual Report for complete consolidated statements of cash flows for those periods.

<i>(Dollars in millions)</i>	Fiscal 2019	Fiscal 2018	Fiscal 2017
Net cash provided by (used in):			
Operating activities	\$ 2,324	\$ 2,112	\$ 1,599
Investing activities	(566)	(537)	(17)
Financing activities	(1,034)	(634)	(1,632)
Effect of exchange rates on cash, cash equivalents, restricted cash, and restricted cash equivalents	(3)	(11)	9
Net increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	<u>\$ 721</u>	<u>\$ 930</u>	<u>\$ (41)</u>

During fiscal 2019 we generated \$2.3 billion in cash from operations. We also received \$48 million from borrowings under our secured revolving credit facility and \$33 million from the issuance of common stock under employee stock plans. During the same period we used \$556 million for the repurchase of shares of our common stock under our stock repurchase programs, \$501 million for the payment of cash dividends, \$155 million for capital expenditures, \$64 million for the acquisition of a business net of cash acquired, \$49 million for net originations of term loans, and \$50 million for the repayment of debt.

During fiscal 2018 we generated \$2.1 billion in cash from operations. We also received \$800 million from borrowings under our unsecured revolving credit facility, and \$96 million from the issuance of common stock under employee stock plans. During the same period we used \$850 million for the repayment of debt and amounts outstanding under our unsecured revolving credit facility, \$407 million for the payment of cash dividends, \$272 million for the repurchase of shares of our common stock under our stock repurchase programs, \$363 million for the acquisitions of businesses net of cash acquired, and \$124 million for capital expenditures.

During fiscal 2017 we generated \$1.6 billion in cash from operations. We also received \$190 million in cash from net sales of investments, \$150 million from borrowings under our unsecured revolving credit facility, and \$73 million from the net issuance of common stock under employee stock plans. During the same period we used \$662 million in cash for the repayment of debt and amounts outstanding under our unsecured revolving credit facility, \$839 million for the repurchase of shares of our common stock under our stock repurchase programs, \$353 million for the payment of cash dividends, and \$230 million for capital expenditures.

### ***Stock Repurchase Programs and Dividends on Common Stock***

As described in Note 10 to the financial statements in Item 8 of this Annual Report, during fiscal 2019, fiscal 2018, and fiscal 2017 we continued to repurchase shares of our common stock under a series of repurchase programs that our Board of Directors has authorized. At July 31, 2019, we had authorization from our Board of Directors to expend up to an additional \$2.7 billion for stock repurchases.

We have continued to pay quarterly cash dividends on shares of our outstanding common stock. During fiscal 2019 we declared cash dividends that totaled \$1.88 per share of outstanding common stock or approximately \$500 million. In August 2019 our Board of Directors declared a quarterly cash dividend of \$0.53 per share of outstanding common stock payable on October 18, 2019 to stockholders of records at the close of business on October 10, 2019. We currently expect to continue paying comparable cash dividends on a quarterly basis; however, future declarations of dividends and the establishment of future record dates and payment dates are subject to the final determination of our Board of Directors.

### ***Business Combinations***

During fiscal 2018 we acquired all of the outstanding equity interests of TSheets.com LLC, Exactor, Inc., and Applatix, Inc. for total combined cash and other consideration of approximately \$412 million. The \$412 million included approximately \$27 million for the fair value of equity awards and other cash consideration that is being charged to expense over the future service period of up to three years. These three businesses became part of our Small Business & Self-Employed segment and provide additional features to our QuickBooks offerings such as automated time tracking and scheduling and the calculation and filing of sales and use taxes. We have included their results of operations in our consolidated results of operations from the dates of acquisition. Their results of operations for all periods presented and periods prior to the dates of acquisition were not material when compared with our consolidated results of operations. See Note 6 to the financial statements in Item 8 of this Annual Report for more information.

### ***Credit Facilities***

#### ***Unsecured Revolving Credit Facility and Term Loan***

On May 2, 2019 we entered into an amended and restated credit agreement with certain institutional lenders for a credit facility with an aggregate principal amount of \$1.4 billion, including a \$400 million unsecured term loan that matures on February 1, 2021 and a \$1 billion unsecured revolving credit facility that matures on May 2, 2024. This agreement amended and restated our prior unsecured revolving credit facility dated February 1, 2016.

Under the amended and restated credit agreement we may, subject to certain customary conditions, on one or more occasions increase commitments under the unsecured revolving credit facility in an amount not to exceed \$250 million in the aggregate and may extend the maturity date up to two times. Advances under the unsecured revolving credit facility accrue interest at rates that are equal to, at our election, either Bank of America's alternate base rate plus a margin that ranges from 0.0% to 0.1% or the London Interbank Offered Rate (LIBOR) plus a margin that ranges from 0.69% to 1.1%. Actual margins under either election will be based on our senior debt credit ratings. At July 31, 2019, no amounts were outstanding under the unsecured revolving credit facility. We monitor counterparty risk associated with the institutional lenders that are providing the credit facility. We currently believe that the credit facility will be available to us should we choose to borrow under it.



On May 2, 2019 \$400 million was outstanding on the term loan under the amended and restated credit agreement. Under this agreement we may, subject to certain customary conditions, on one or more occasions increase commitments under the term loan in an amount not to exceed \$400 million in the aggregate. The term loan accrues interest at rates that are equal to, at our election, either Bank of America's alternate base rate plus a margin that ranges from 0.0% to 0.125% or LIBOR plus a margin that ranges from 0.625% to 1.125%. Actual margins under either election will be based on our senior debt credit ratings. The term loan is subject to quarterly principal payments of \$12.5 million, with the balance payable on February 1, 2021. At July 31, 2019, \$388 million was outstanding under the term loan.

The amended and restated credit agreement includes customary affirmative and negative covenants, including financial covenants that require us to maintain a ratio of total debt to annual earnings before interest, taxes, depreciation and amortization (EBITDA) of not greater than 3.25 to 1.00 as of any date and a ratio of annual EBITDA to annual interest expense of not less than 3.00 to 1.00 as of the last day of each fiscal quarter. As of July 31, 2019 we were compliant with all required covenants.

#### *Secured Revolving Credit Facility*

On February 19, 2019 a subsidiary of Intuit entered into a \$300 million secured revolving credit facility with a lender. The revolving credit facility is secured by cash and receivables of the subsidiary and is non-recourse to Intuit Inc. Advances under this secured revolving credit facility are used to fund a portion of our loans to qualified small businesses. The secured revolving credit facility is available for use for a term of two years and accrues interest at LIBOR plus 2.39%. Unused portions of the credit facility accrue interest at a rate of 0.5%. Outstanding advances mature on August 19, 2021 and payments made prior to February 19, 2020 are subject to a 1% prepayment fee. The agreement includes certain affirmative and negative covenants, including financial covenants that require the subsidiary to maintain specified financial ratios. As of July 31, 2019 we were compliant with all required covenants. At July 31, 2019, \$48 million was outstanding under this facility, with a weighted-average interest rate of 7.75%, which includes the unused facility fee. The outstanding balance is secured by cash and receivables of the subsidiary totaling \$89 million.

#### *Cash Held by Foreign Subsidiaries*

Our cash, cash equivalents and investments totaled \$2.7 billion at July 31, 2019. Approximately 10% of those funds were held by our foreign subsidiaries and subject to repatriation tax considerations. These foreign funds were located primarily in Canada and India. As a result of the 2017 Tax Act we do not expect to pay incremental U.S. taxes on repatriation. We have recorded income tax expense for Canada and India withholding and distribution taxes on earnings that are not permanently reinvested. In the event that funds from foreign operations are repatriated to the United States, we would pay withholding or distribution taxes at that time.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

At July 31, 2019, we did not have any significant off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K.

## CONTRACTUAL OBLIGATIONS

The following table summarizes our known contractual obligations to make future payments at July 31, 2019:

	Payments Due by Period				
	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
<i>(In millions)</i>					
Amounts due under executive deferred compensation plan	\$ 108	\$ —	\$ —	\$ —	\$ 108
Unsecured term loan	50	338	—	—	388
Secured revolving credit facility	—	48	—	—	48
Interest and fees due on debt	16	11	2	—	29
Operating leases <sup>(1)</sup>	68	116	101	67	352
Purchase obligations <sup>(2)</sup>	302	74	—	—	376
Total contractual obligations <sup>(3)</sup>	<u>\$ 544</u>	<u>\$ 587</u>	<u>\$ 103</u>	<u>\$ 67</u>	<u>\$ 1,301</u>

- (1) Includes operating leases for facilities and equipment. Amounts do not include \$57 million of future sublease income. We had no significant capital leases at July 31, 2019. See Note 8 to the financial statements in Item 8 of this Annual Report for more information.
- (2) Represents agreements to purchase products and services that are enforceable, legally binding and specify terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the payments.
- (3) Other long-term obligations on our consolidated balance sheet at July 31, 2019 included long-term income tax liabilities of \$89 million which related primarily to unrecognized tax benefits. We have not included this amount in the table above because we cannot make a reasonably reliable estimate regarding the timing of settlements with taxing authorities, if any.

## RECENT ACCOUNTING PRONOUNCEMENTS

For a description of recent accounting pronouncements and the potential impact of these pronouncements on our consolidated financial statements, see Note 1 to the financial statements in Item 8 of this Annual Report.

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## ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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### *Investment Portfolio and Interest Rate Risk*

We actively monitor market conditions and developments specific to the securities in which we invest. We believe that we take a conservative approach to investing our funds in that we invest only in highly-rated securities and diversify our portfolio of investments. While we believe we take prudent measures to mitigate investment-related risks, such risks cannot be fully eliminated because of market circumstances that are outside our control.

Our investments consist of instruments that meet quality standards that are consistent with our investment policy. This policy specifies that, except for direct obligations of the United States government, securities issued by agencies of the United States government, and money market funds, we diversify our investments by limiting our holdings with any individual issuer. We do not hold derivative financial instruments or European sovereign debt in our portfolio of investments. See Note 2 and Note 3 to the financial statements in Item 8 of this Annual Report for a summary of the amortized cost and fair value of our investments by type of issue.

Our cash equivalents and investments are subject to market risk due to changes in interest rates. Interest rate movements affect the interest income we earn on cash equivalents and investments and the value of those investments. At July 31, 2019, our cash equivalents and investments totaled \$2.5 billion and had a weighted average pre-tax yield of 2.57%. Total interest income for fiscal 2019 was \$46 million. If the Federal Reserve Target Rate had increased by 25 basis points from the level of July 31, 2019, the value of our investments at that date would have decreased by approximately \$2 million. If the Federal Reserve Target Rate had increased by 100 basis points from the level of July 31, 2019, the value of our investments at that date would have decreased by approximately \$8 million.

We are also exposed to the impact of changes in interest rates as they affect our \$1 billion unsecured revolving credit facility, \$400 million unsecured term loan, and \$300 million secured revolving credit facility. Advances under the unsecured revolving credit facility accrue interest at rates that are equal to Bank of America's alternate base rate plus a margin that ranges from 0.0% to 0.1% or the London InterBank Offered Rate (LIBOR) plus a margin that ranges from 0.69% to 1.1%. The term loan accrues interest at rates that are equal to, at our election, either Bank of America's alternate base rate plus a margin that ranges from 0.0% to 0.125% or LIBOR plus a margin that ranges from 0.625% to 1.125%. Actual margins under all of these elections are based on our senior debt credit ratings. Advances under the secured revolving credit facility accrue interest at a rate of LIBOR plus 2.39%. Consequently, our interest expense fluctuates with changes in the general level of these interest rates. At July 31, 2019 no amounts were outstanding under the unsecured revolving credit facility, \$388 million was outstanding under the term loan, and \$48 million was outstanding under the secured revolving credit facility. See Note 7 and Note 8 to the financial statements in Item 8 of this Annual Report for more information.

### *Impact of Foreign Currency Rate Changes*

The functional currencies of our international operating subsidiaries are generally the local currencies. We translate the assets and liabilities of our foreign subsidiaries at the exchange rates in effect on the balance sheet date. We translate their revenue, costs and expenses at the average rates of exchange in effect during the period. We include translation gains and losses in the stockholders' equity section of our consolidated balance sheets. We include net gains and losses resulting from foreign exchange transactions in interest and other income in our consolidated statements of operations.

Since we translate foreign currencies (primarily Canadian dollars, Indian rupees, and British pounds) into U.S. dollars for financial reporting purposes, currency fluctuations can have an impact on our financial results. The historical impact of currency fluctuations on our financial results has generally been immaterial. We believe that our exposure to currency exchange fluctuation risk is not significant because our global subsidiaries invoice customers and satisfy their financial obligations almost exclusively in their local currencies. We believe the impact of currency fluctuations will continue to not be significant in the foreseeable future due to the reasons cited above. As of July 31, 2019, we did not engage in foreign currency hedging activities.

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## ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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### 1. INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

The following financial statements are filed as part of this Report:

	<b>Page</b>
<a href="#">Reports of Independent Registered Public Accounting Firm</a>	<a href="#">49</a>
<a href="#">Consolidated Statements of Operations for each of the three years in the period ended July 31, 2019</a>	<a href="#">52</a>
<a href="#">Consolidated Statements of Comprehensive Income for each of the three years in the period ended July 31, 2019</a>	<a href="#">53</a>
<a href="#">Consolidated Balance Sheets as of July 31, 2019 and 2018</a>	<a href="#">54</a>
<a href="#">Consolidated Statements of Stockholders' Equity for each of the three years in the period ended July 31, 2019</a>	<a href="#">55</a>
<a href="#">Consolidated Statements of Cash Flows for each of the three years in the period ended July 31, 2019</a>	<a href="#">56</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">58</a>

### 2. INDEX TO FINANCIAL STATEMENT SCHEDULES

The following financial statement schedule is filed as part of this Report and should be read in conjunction with the Consolidated Financial Statements:

<b>Schedule</b>	<b>Page</b>
<a href="#">II</a> <a href="#">Valuation and Qualifying Accounts</a>	<a href="#">90</a>

All other schedules not listed above have been omitted because they are inapplicable or are not required.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders and the Board of Directors of Intuit Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Intuit Inc. (the Company) as of July 31, 2019 and 2018, and the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended July 31, 2019, and the related notes and the financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at July 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended July 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of July 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated August 30, 2019 expressed an unqualified opinion thereon.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which they relate.

***Determination of Distinct Performance Obligations in Revenue Contracts******Description of the Matter***

As described in Note 1, the Company enters into contracts with customers that often include promises to transfer multiple products and services to a customer. The Company has generally concluded that software licenses and services are recorded as separate performance obligations and revenue from software licenses and services are recognized as those products and services are provided.

Given the nature of the Company's product and service offerings, there is complexity in determining whether software licenses and related services are considered performance obligations that should be accounted for separately or together. Auditing the Company's determination of distinct performance obligations related to its various product and service offerings involved complex auditor judgment. In particular, significant judgment was required when assessing whether the promised products and services are separate performance obligations or inputs to a combined performance obligation due to the evaluation of the interdependency or interrelation of the promised products and services within each contract.

*How we Addressed the  
Matter in Our Audit*

Our audit procedures related to the determination of distinct performance obligations included the following, among others:

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls, including management review controls, as they relate to the determination of distinct performance obligations. We also obtained an understanding of the Company's product and service offerings and tested the application of the revenue recognition accounting model to determine distinct performance obligations.

Specifically, we evaluated whether the performance obligations identified by the Company were capable of being distinct and distinct in the context of the contract through review of the contracts, discussions with management, product demonstrations and review of the Company's website and other marketing materials. More specifically, we evaluated the Company's determination whether the contract was to deliver (1) multiple promised products or services that constitute separate performance obligations or (2) a single performance obligation that is comprised of the combined products or services promised in the contract. That is, considering the utility, integration, interrelation or interdependence of the products and services, we evaluated whether the multiple promised products and services that were delivered to the customer were outputs or inputs to a combined item.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1990.

San Jose, California  
August 30, 2019

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Intuit Inc.

### Opinion on Internal Control Over Financial Reporting

We have audited Intuit Inc.'s internal control over financial reporting as of July 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Intuit Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of July 31, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the fiscal 2019 consolidated financial statements of the Company and our report dated August 30, 2019 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Jose, California

August 30, 2019

**INTUIT INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**
*(In millions, except per share amounts)*

	<b>Twelve Months Ended July 31,</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
Net revenue:			
Product	\$ 1,623	\$ 1,624	\$ 1,483
Service and other	5,161	4,401	3,713
Total net revenue	6,784	6,025	5,196
Costs and expenses:			
Cost of revenue:			
Cost of product revenue	77	82	89
Cost of service and other revenue	1,070	881	709
Amortization of acquired technology	20	15	12
Selling and marketing	1,927	1,631	1,415
Research and development	1,233	1,186	998
General and administrative	597	664	553
Amortization of other acquired intangible assets	6	6	2
Total costs and expenses	4,930	4,465	3,778
Operating income	1,854	1,560	1,418
Interest expense	(15)	(20)	(31)
Interest and other income, net	42	26	3
Income before income taxes	1,881	1,566	1,390
Income tax provision	324	237	405
Net income	\$ 1,557	\$ 1,329	\$ 985
Basic net income per share	\$ 5.99	\$ 5.18	\$ 3.83
Shares used in basic per share calculations	260	256	257
Diluted net income per share	\$ 5.89	\$ 5.09	\$ 3.78
Shares used in diluted per share calculations	264	261	261
Cash dividends declared per common share	\$ 1.88	\$ 1.56	\$ 1.36

See accompanying notes.



**INTUIT INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<i>(In millions)</i>	Twelve Months Ended July 31,		
	2019	2018	2017
Net income	\$ 1,557	\$ 1,329	\$ 985
Other comprehensive income (loss), net of income taxes:			
Unrealized gain (loss) on available-for-sale debt securities	3	(2)	(1)
Foreign currency translation gain (loss)	(3)	(12)	11
Total other comprehensive income (loss), net	—	(14)	10
Comprehensive income	\$ 1,557	\$ 1,315	\$ 995

See accompanying notes.

**INTUIT INC.**  
**CONSOLIDATED BALANCE SHEETS**

		July 31,	
		2019	2018
(Dollars in millions, except par value; shares in thousands)			
ASSETS			
Current assets:			
Cash and cash equivalents		\$ 2,116	\$ 1,464
Investments		624	252
Accounts receivable, net of allowance for doubtful accounts of \$3 and \$5		87	98
Income taxes receivable		65	39
Prepaid expenses and other current assets		266	202
Current assets before funds held for customers		3,158	2,055
Funds held for customers		436	367
Total current assets		3,594	2,422
Long-term investments		13	13
Property and equipment, net		780	812
Goodwill		1,655	1,611
Acquired intangible assets, net		54	61
Other assets		187	215
Total assets		\$ 6,283	\$ 5,134
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term debt		\$ 50	\$ 50
Accounts payable		274	178
Accrued compensation and related liabilities		385	369
Deferred revenue		619	581
Other current liabilities		202	198
Current liabilities before customer fund deposits		1,530	1,376
Customer fund deposits		436	367
Total current liabilities		1,966	1,743
Long-term debt		386	388
Long-term deferred income tax liabilities		37	68
Other long-term obligations		145	119
Total liabilities		2,534	2,318
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, \$0.01 par value			
Authorized - 1,345 shares total; 145 shares designated Series A; 250 shares designated Series B Junior Participating			
Issued and outstanding - None		—	—
Common stock, \$0.01 par value			
Authorized - 750,000 shares			
Outstanding - 260,180 shares at July 31, 2019 and 258,616 shares at July 31, 2018		3	3
Additional paid-in capital		5,772	5,335
Treasury stock, at cost		(11,611)	(11,050)
Accumulated other comprehensive loss		(36)	(36)
Retained earnings		9,621	8,564
Total stockholders' equity		3,749	2,816
Total liabilities and stockholders' equity		\$ 6,283	\$ 5,134

See accompanying notes.

# INTUIT INC.

## CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Dollars in millions, shares in thousands)

	Common Stock		Additional		Treasury Stock		Accumulated Other	Retained Earnings		Total
	Shares	Amount	Paid-In Capital				Comprehensive Loss			Stockholders' Equity
<b>Balance at July 31, 2016 (1)</b>	<b>257,853</b>	<b>\$ 3</b>	<b>\$ 4,442</b>	<b>\$</b>	<b>(9,939)</b>	<b>\$</b>	<b>(32)</b>	<b>\$</b>	<b>7,018</b>	<b>\$ 1,492</b>
Comprehensive income	—	—	—	—	—	—	10	—	985	995
Issuance of stock under employee stock plans, net of shares withheld for employee taxes	4,715	—	73	—	—	—	—	—	—	73
Stock repurchases under stock repurchase programs	(6,900)	—	—	(839)	—	—	—	—	—	(839)
Dividends and dividend rights declared (\$1.36 per share)	—	—	—	—	—	—	—	(357)	—	(357)
Cumulative effect of change in accounting principle	—	—	6	—	—	—	—	(4)	—	2
Share-based compensation expense	—	—	333	—	—	—	—	—	—	333
<b>Balance at July 31, 2017</b>	<b>255,668</b>	<b>3</b>	<b>4,854</b>	<b>(10,778)</b>	<b>(22)</b>	<b>7,642</b>	<b>1,699</b>			
Comprehensive income	—	—	—	—	(14)	1,329	1,315			
Issuance of stock under employee stock plans, net of shares withheld for employee taxes	4,818	—	96	—	—	—	—	—	—	96
Stock repurchases under stock repurchase programs	(1,870)	—	—	(272)	—	—	—	—	—	(272)
Dividends and dividend rights declared (\$1.56 per share)	—	—	—	—	—	—	—	(407)	—	(407)
Share-based compensation expense	—	—	385	—	—	—	—	—	—	385
<b>Balance at July 31, 2018</b>	<b>258,616</b>	<b>3</b>	<b>5,335</b>	<b>(11,050)</b>	<b>(36)</b>	<b>8,564</b>	<b>2,816</b>			
Comprehensive income	—	—	—	—	—	—	1,557	1,557		
Issuance of stock under employee stock plans, net of shares withheld for employee taxes	4,019	—	32	—	—	—	—	—	—	32
Stock repurchases under stock repurchase programs	(2,455)	—	—	(561)	—	—	—	—	—	(561)
Dividends and dividend rights declared (\$1.88 per share)	—	—	—	—	—	—	—	(500)	—	(500)
Share-based compensation expense	—	—	405	—	—	—	—	—	—	405
<b>Balance at July 31, 2019</b>	<b>260,180</b>	<b>\$ 3</b>	<b>\$ 5,772</b>	<b>\$ (11,611)</b>	<b>\$ (36)</b>	<b>\$ 9,621</b>	<b>\$ 3,749</b>			

(1) The cumulative effect adjustment to retained earnings related to the adoption of ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" as of July 31, 2016 was \$331 million.

See accompanying notes.

**INTUIT INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)	Twelve Months Ended July 31,		
	2019	2018	2017
<b>Cash flows from operating activities:</b>			
Net income	\$ 1,557	\$ 1,329	\$ 985
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	199	228	214
Amortization of acquired intangible assets	26	25	22
Share-based compensation expense	401	382	326
Loss on sale of long-lived assets	—	79	—
Deferred income taxes	(7)	(5)	17
Other	15	6	13
Total adjustments	634	715	592
Changes in operating assets and liabilities:			
Accounts receivable	11	5	5
Income taxes receivable	5	(1)	(44)
Prepaid expenses and other assets	(37)	(33)	(13)
Accounts payable	90	12	—
Accrued compensation and related liabilities	16	75	10
Deferred revenue	39	6	64
Other liabilities	9	4	—
Total changes in operating assets and liabilities	133	68	22
<b>Net cash provided by operating activities</b>	<b>2,324</b>	<b>2,112</b>	<b>1,599</b>
<b>Cash flows from investing activities:</b>			
Purchases of corporate and customer fund investments	(752)	(407)	(352)
Sales of corporate and customer fund investments	84	128	359
Maturities of corporate and customer fund investments	303	286	183
Net change in customer fund deposits	69	(5)	68
Purchases of property and equipment	(76)	(38)	(102)
Capitalization of internal use software	(79)	(86)	(128)
Acquisitions of businesses, net of cash acquired	(64)	(363)	—
Originations of term loans to small businesses	(316)	(137)	—
Principal repayments of term loans from small businesses	267	82	—
Other	(2)	3	(45)
<b>Net cash used in investing activities</b>	<b>(566)</b>	<b>(537)</b>	<b>(17)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings under unsecured revolving credit facility	—	800	150
Repayments on borrowings under unsecured revolving credit facility	—	(800)	(150)
Proceeds from borrowings under secured revolving credit facility	48	—	—
Repayment of debt	(50)	(50)	(512)
Proceeds from issuance of stock under employee stock plans	284	295	226
Payments for employee taxes withheld upon vesting of restricted stock units	(251)	(199)	(153)
Cash paid for purchases of treasury stock	(556)	(272)	(839)
Dividends and dividend rights paid	(501)	(407)	(353)
Other	(8)	(1)	(1)
<b>Net cash used in financing activities</b>	<b>(1,034)</b>	<b>(634)</b>	<b>(1,632)</b>

**INTUIT INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Effect of exchange rates on cash, cash equivalents, restricted cash, and restricted cash equivalents	(3)	(11)	9
<b>Net increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents</b>	<b>721</b>	<b>930</b>	<b>(41)</b>
Cash, cash equivalents, restricted cash, and restricted cash equivalents at beginning of period	1,631	701	742
<b>Cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period</b>	<b>\$ 2,352</b>	<b>\$ 1,631</b>	<b>\$ 701</b>
Reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents reported within the consolidated balance sheets to the total amounts reported on the consolidated statements of cash flows			
Cash and cash equivalents	\$ 2,116	\$ 1,464	\$ 529
Restricted cash and restricted cash equivalents included in funds held for customers	236	167	172
<b>Total cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period</b>	<b>\$ 2,352</b>	<b>\$ 1,631</b>	<b>\$ 701</b>
<b>Supplemental disclosure of cash flow information:</b>			
Interest paid	\$ 17	\$ 19	\$ 42
Income taxes paid	\$ 325	\$ 245	\$ 430

See accompanying notes.

## INTUIT INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Description of Business and Summary of Significant Accounting Policies

#### *Description of Business*

Intuit helps consumers, small businesses, and the self-employed prosper by delivering financial management and compliance products and services. We also provide specialized tax products to accounting professionals, who are key partners that help us serve small business customers.

Our flagship brands, QuickBooks and TurboTax, help customers run their small businesses, pay employees and send invoices, separate business and personal expenses, track their money, and file income taxes. ProSeries and Lacerte are our leading tax preparation offerings for professional accountants. Incorporated in 1984 and headquartered in Mountain View, California, we sell our products and services primarily in the United States.

#### *Basis of Presentation*

These consolidated financial statements include the financial statements of Intuit and its wholly owned subsidiaries. We have eliminated all significant intercompany balances and transactions in consolidation. We have reclassified certain amounts previously reported in our financial statements to conform to the current presentation.

We acquired TSheets.com LLC, Exactor, Inc., and Applatix, Inc. in fiscal 2018. We have included the results of operations for these companies in our consolidated statements of operations from the dates of acquisition. See Note 6, “*Business Combinations*,” for more information.

Effective August 1, 2018, we adopted the requirements of Accounting Standards Update (ASU) 2014-09, “*Revenue from Contracts with Customers (Topic 606)*” and ASU 2016-18, “*Statement of Cash Flows (Topic 230): Restricted Cash*.” All prior period amounts and disclosures set forth in this Annual Report on Form 10-K have been restated to comply with these standards.

#### *Seasonality*

Our Consumer and Strategic Partner offerings have a significant and distinct seasonal pattern as sales and revenue from our income tax preparation products and services are heavily concentrated in the period from November through April. This seasonal pattern results in higher net revenues during our second and third quarters ending January 31 and April 30, respectively.

#### *Use of Estimates*

In preparing our consolidated financial statements in accordance with U.S. generally accepted accounting principles (GAAP), we make certain judgments, estimates, and assumptions that affect the amounts reported in our financial statements and the disclosures made in the accompanying notes. For example, we use judgments and estimates in determining how revenue should be recognized. These judgments and estimates include identifying performance obligations, determining if the performance obligations are distinct, determining the standalone sales price (SSP) and timing of revenue recognition for each distinct performance obligation, and estimating variable consideration to be included in the transaction price. We use estimates in determining the collectibility of accounts receivable and notes receivable, the appropriate levels of various accruals including accruals for litigation contingencies, the amount of our worldwide tax provision, and the realizability of deferred tax assets. We also use estimates in determining the remaining economic lives and fair values of acquired intangible assets, property and equipment, and other long-lived assets. In addition, we use assumptions to estimate the fair value of reporting units and share-based compensation. Despite our intention to establish accurate estimates and use reasonable assumptions, actual results may differ from our estimates.

## *Revenue Recognition*

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We derive revenue from the sale of packaged software products, software subscriptions, hosted services, payroll services, merchant payment processing services, financial supplies and hardware. We enter into contracts with customers that include promises to transfer various products and services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized when the promised goods or services are transferred to customers, in an amount that reflects the consideration allocated to the respective performance obligation.

### *Nature of Products and Services*

#### Desktop Offerings

Our desktop offerings consist of our QuickBooks Desktop products, which include both packaged software products and software subscriptions, our consumer and professional tax desktop products, which include TurboTax, Lacerte and ProSeries, our desktop payroll products, and merchant payment processing services for small businesses who use our desktop offerings.

Our QuickBooks Desktop packaged software products include a perpetual software license as well as enhancements and connected services. We recognize revenue for our QuickBooks Desktop packaged software products at the time the software license is delivered. We have determined that the enhancements and connected services included in our QuickBooks Desktop packaged software products are immaterial within the context of the contract.

Our QuickBooks Desktop software subscriptions include a term software license, version protection, enhancements, support and various connected services. We recognize revenue for the software license and version protection at the time they are delivered and recognize revenue for support and connected services over the subscription term as the services are provided. We have determined that the enhancements included in our QuickBooks Desktop software subscriptions are immaterial within the context of the contract.

Our consumer and professional tax desktop products include an on-premise tax software license, related tax form updates, electronic filing service and connected services. We recognize revenue for the software license and related tax form updates, as one performance obligation, over the period the forms and updates are delivered. We recognize revenue for our electronic filings service and connected services as those services are provided.

We also sell some of our QuickBooks Desktop products and consumer tax desktop products in non-consignment and consignment arrangements to certain retailers. For non-consignment retailers, we begin recognizing revenue when control has transferred to the retailer. For consignment retailers, we begin recognizing revenue when control has transferred to the customer, at the time the end-user sale has occurred.

Our desktop payroll products are sold as software subscriptions and include a term software license with a stand-ready obligation to maintain compliance with current payroll tax laws, support and connected services. The term software license and stand-ready obligation to maintain compliance with current payroll tax laws is considered one performance obligation. Each of the performance obligations is considered distinct and control is transferred to the customer over the subscription term. As a result, revenue is recognized ratably over the subscription term as services are provided.

We offer merchant payment processing services as a separately paid connected service for our QuickBooks Desktop packaged software products and software subscriptions, and revenue is recognized as the services are provided to the customers.

#### Online Offerings

Our online offerings include TurboTax Online and TurboTax Live, ProConnect Tax Online, QuickBooks Online, online payroll, and merchant payment processing services for small businesses who use our online offerings.

These online offerings provide customers with the right to use the hosted software over the contract period without taking possession of the software and are billed on either a subscription or consumption basis. Revenue related to our online offerings that are billed on a subscription basis is recognized ratably over the contract period. Revenue related to online offerings that are billed on a consumption basis, is recognized when the customer consumes the related service.

#### Other Solutions

Revenue from the sale of our financial supplies, such as printed check stock, and hardware, such as retail point-of-sale equipment and credit card readers for mobile phones, is recognized when control is transferred to the customer which is generally when the products are shipped.

We also have revenue-sharing and royalty arrangements with third-party partners and recognize this revenue as earned based upon reporting provided to us by our partners. In instances where we do not have reporting from our partners, we estimate revenue based on information available to us at the time.

### *Product Revenue and Service and Other Revenue*

Product revenue includes revenue from: QuickBooks Desktop software licenses and version protection; consumer and professional tax desktop licenses and the related form updates; desktop payroll licenses and related updates; and financial supplies.

Service and other revenue includes revenue from: our online offerings discussed above; support, electronic filing services and connected services included with our desktop offerings; merchant payment processing services for our desktop offerings; and revenue-sharing and royalty arrangements.

We record revenue net of sales tax obligations. For payroll services, we generally require customers to remit payroll tax funds to us in advance of the payroll date via electronic funds transfer. We include in total net revenue the interest earned on these funds between the time that we collect them from customers and the time that we remit them to outside parties. Revenue for electronic payment processing services that we provide to merchants is recorded net of interchange fees charged by credit card associations.

### *Judgments and Estimates*

Our contracts with customers often include promises to transfer multiple products and services to a customer. In determining how revenue should be recognized, a five-step process is used, which requires judgment and estimates. These judgments and estimates include identifying performance obligations in the contract, determining whether the performance obligations are distinct, determining the SSP for each distinct performance obligation, determining the timing of revenue recognition for distinct performance obligations and estimating the amount of variable consideration to include in the transaction price.

The functionality of the software licenses included in our consumer and professional tax and payroll desktop offerings is dependent on the related enhancements and updates included in these offerings. Judgment is required to determine whether the software license is considered distinct and accounted for separately, or not distinct and accounted for together with the related updates and recognized over time.

Our contracts with customers include promises to transfer various products and services, which are generally capable of being distinct performance obligations. In many cases SSPs for distinct performance obligations are based on directly observable pricing. In instances where the SSP is not directly observable, such as when we do not sell the product or service separately, we determine the SSP using information that may include market conditions and other observable inputs.

Our consumer and professional tax desktop products include an on-premise tax software license and related tax form updates that are recognized as the forms and updates are delivered. We measure progress towards complete satisfaction of the software license and related tax form updates using an output method based on the timing of when the tax forms are delivered.

We generally provide refunds to customers for product returns and subscription cancellations. We also provide promotional discounts and incentive rebates on retail and distribution sales. These refunds, discounts and incentive rebates are accounted for as variable consideration when estimating the amount of revenue to recognize. Refunds are estimated based on historical experience and current business and economic indicators and updated at the end of each reporting period as additional information becomes available to the extent that it is probable that a significant reversal of any incremental revenue will not occur. Discounts and incentive rebates are estimated based on distributors' and retailers' performance against the terms and conditions of the rebate programs.

### *Deferred Revenue*

Generally, we receive payment at the time we enter into a contract with a customer. We record deferred revenue when we have entered into a contract with a customer and cash payments are received or due prior to transfer of control or satisfaction of the related performance obligation. During the twelve months ended July 31, 2019, we recognized revenue of \$581 million, that was included in deferred revenue at July 31, 2018. During the twelve months ended July 31, 2018, we recognized revenue of \$574 million, that was included in deferred revenue at July 31, 2017.

Our performance obligations are generally satisfied within 12 months of the initial contract date. As of July 31, 2019 and 2018, the deferred revenue balance related to performance obligations that will be satisfied after 12 months was \$4 million and \$3 million, respectively, and is included in other long-term obligations on our consolidated balance sheets.

### *Assets Recognized from the Costs to Obtain a Contract with a Customer*

Our internal sales commissions are considered incremental costs of obtaining the contract with a customer. Internal sales commissions for subscription offerings where we expect the benefit of those costs to continue longer than one year are capitalized and amortized ratably over the period of benefit, which ranges from three to four years. Total capitalized costs to obtain a contract are not significant and are included in prepaid expenses and other current assets and other assets on our consolidated balance sheets.



We apply a practical expedient to expense costs incurred to obtain a contract with a customer when the period of benefit is less than one year. These costs primarily include internal and external sales commissions for our consumer and professional tax offerings.

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### *Shipping and Handling*

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We record the amounts we charge our customers for the shipping and handling of our software products as product revenue and we record the related costs as cost of product revenue in our consolidated statements of operations.

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### *Customer Service and Technical Support*

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We include the costs of providing customer service under paid technical support contracts and as included in certain software subscriptions on the cost of service and other revenue line in our consolidated statements of operations. We also include the costs of customer service and technical support associated with our online or hosted offerings in cost of service and other revenue. We include the costs of customer service and free technical support related to desktop offerings in selling and marketing expense in our consolidated statements of operations. Customer service and technical support costs include costs associated with performing order processing, answering customer inquiries by telephone and through websites, e-mail and other electronic means, and providing free technical support assistance to customers. We expense the cost of providing this free support as incurred.

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### *Software Development Costs*

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We expense software development costs as we incur them until technological feasibility has been established, at which time those costs are capitalized until the product is available for general release to customers. To date, our software has been available for general release concurrent with the establishment of technological feasibility and, accordingly, we have not capitalized any development costs. Costs we incur to enhance our existing products or after the general release of the service using the product are expensed in the period they are incurred and included in research and development expense in our consolidated statements of operations.

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### *Internal Use Software*

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We capitalize costs related to development of hosted services that we provide to our customers and internal use of enterprise-level business and finance software in support of our operational needs. Costs incurred in the application development phase are capitalized and amortized on a straight-line basis over their useful lives, which are generally three to six years. Costs related to planning and other preliminary project activities and to post-implementation activities are expensed as incurred. We test these assets for impairment whenever events or changes in circumstances occur that could impact their recoverability.

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### *Advertising*

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We expense all advertising costs as we incur them to selling and marketing expense in our consolidated statements of operations. We recorded advertising expense of approximately \$800 million for the twelve months ended July 31, 2019, \$615 million for the twelve months ended July 31, 2018, and \$480 million for the twelve months ended July 31, 2017.

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### *Leases*

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We review all leases for capital or operating classification at their inception. We use our incremental borrowing rate in the assessment of lease classification and define the initial lease term to include the construction build-out period but to exclude lease extension periods. We conduct our operations primarily under operating leases. For leases that contain rent escalations, we record the total rent payable during the lease term, as defined above, on a straight-line basis over the term of the lease. We record the difference between the rent paid and the straight-line rent in a deferred rent account in other current liabilities or other long-term obligations, as appropriate, on our consolidated balance sheets.

We record landlord allowances as deferred rent liabilities in other current liabilities or other long-term obligations, as appropriate, on our consolidated balance sheets. We record landlord cash incentives as operating activity on our consolidated statements of cash flows. We record other landlord allowances as non-cash investing and financing activities on our consolidated statements of cash flows. We classify the amortization of landlord allowances as a reduction of occupancy expense in our consolidated statements of operations.

## *Capitalization of Interest Expense*

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We capitalize interest on capital projects, including facilities build-out projects and internal use computer software projects. Capitalization commences with the first expenditure for the project and continues until the project is substantially complete and ready for its intended use. We amortize capitalized interest to depreciation expense using the straight-line method over the same lives as the related assets. Capitalized interest was not significant for any period presented.

## *Foreign Currency*

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The functional currencies of our international operating subsidiaries are generally the local currencies. We translate the assets and liabilities of our foreign subsidiaries at the exchange rates in effect on the balance sheet date. We translate their revenue, costs and expenses at the average rates of exchange in effect during the period. We include translation gains and losses in the stockholders' equity section of our consolidated balance sheets. We include net gains and losses resulting from foreign exchange transactions in interest and other income in our consolidated statements of operations. Translation gains and losses and transaction gains and losses were not significant for any period presented.

## *Income Taxes*

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We estimate our income taxes based on the various jurisdictions where we conduct business. Significant judgment is required in determining our worldwide income tax provision. We estimate our current tax liability and assess temporary differences that result from differing treatments of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which we show on our consolidated balance sheet. We must then assess the likelihood that our deferred tax assets will be realized. To the extent we believe that realization is not likely, we establish a valuation allowance. When we establish a valuation allowance or increase this allowance in an accounting period, we record a corresponding income tax expense in our consolidated statement of operations.

We review the need for a valuation allowance to reflect uncertainties about whether we will be able to utilize some of our deferred tax assets before they expire. The valuation allowance analysis is based on our estimates of taxable income for the jurisdictions in which we operate and the periods over which our deferred tax assets will be realizable. While we have considered future taxable income in assessing the need for a valuation allowance for the periods presented, we could be required to record a valuation allowance to take into account additional deferred tax assets that we may be unable to realize. An increase in the valuation allowance would have an adverse impact, which could be material, on our income tax provision and net income in the period in which we record the increase.

We recognize and measure benefits for uncertain tax positions using a two-step approach. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained upon audit, including resolution of any related appeals or litigation processes. For tax positions that are more likely than not of being sustained upon audit, the second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. Significant judgment is required to evaluate uncertain tax positions. We evaluate our uncertain tax positions on a quarterly basis. Our evaluations are based upon a number of factors, including changes in facts or circumstances, changes in tax law, correspondence with tax authorities during the course of audits and effective settlement of audit issues. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in our income tax expense in the period in which we make the change, which could have a material impact on our effective tax rate and operating results.

A description of our accounting policies associated with tax-related contingencies and valuation allowances assumed as part of a business combination is provided under *"Business Combinations"* below.

## *Computation of Net Income (Loss) Per Share*

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We compute basic net income or loss per share using the weighted average number of common shares outstanding during the period. We compute diluted net income per share using the weighted average number of common shares and dilutive potential common shares outstanding during the period. Dilutive potential common shares consist of the shares issuable upon the exercise of stock options and upon the vesting of restricted stock units (RSUs) under the treasury stock method.

We include stock options with combined exercise prices and unrecognized compensation expense that are less than the average market price for our common stock, and RSUs with unrecognized compensation expense that is less than the average market price for our common stock, in the calculation of diluted net income per share. We exclude stock options with combined exercise prices and unrecognized compensation expense that are greater than the average market price for our common stock, and RSUs with unrecognized compensation expense that is greater than the average market price for our common stock, from the calculation of diluted net income per share because their effect is anti-dilutive. Under the treasury stock method, the amount that must be paid to exercise stock options and the amount of compensation expense for future service that we have not yet recognized for stock options and RSUs are assumed to be used to repurchase shares.

All of the RSUs we grant have dividend rights. Dividend rights are accumulated and paid when the underlying RSUs vest. Since the dividend rights are subject to the same vesting requirements as the underlying equity awards they are considered a contingent transfer of value. Consequently, the RSUs are not considered participating securities and we do not present them separately in earnings per share.

The following table presents the composition of shares used in the computation of basic and diluted net income per share for the periods indicated.

	Twelve Months Ended July 31,		
	2019	2018	2017
<i>(In millions, except per share amounts)</i>			
<b>Numerator:</b>			
Net income	\$ 1,557	\$ 1,329	\$ 985
<b>Denominator:</b>			
Shares used in basic per share amounts:			
Weighted average common shares outstanding	260	256	257
Shares used in diluted per share amounts:			
Weighted average common shares outstanding	260	256	257
Dilutive common equivalent shares from stock options and restricted stock awards	4	5	4
Dilutive weighted average common shares outstanding	264	261	261
<b>Basic and diluted net income per share:</b>			
Basic net income per share	\$ 5.99	\$ 5.18	\$ 3.83
Diluted net income per share	\$ 5.89	\$ 5.09	\$ 3.78
<b>Shares excluded from diluted net income per share:</b>			
Weighted average stock options and restricted stock units that have been excluded from dilutive common equivalent shares outstanding due to their anti-dilutive effect	1	—	3

### [Cash Equivalents and Investments](#)

We consider highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. In all periods presented, cash equivalents consist primarily of time deposits, savings deposit accounts, and money market funds, and investments consist primarily of investment-grade available-for-sale debt securities. Except for direct obligations of the United States government, securities issued by agencies of the United States government, and money market funds, we diversify our investments by limiting our holdings with any individual issuer.

We use the specific identification method to compute gains and losses on investments. We record unrealized gains and losses on investments, net of tax, in accumulated other comprehensive income in the stockholders' equity section of our consolidated balance sheets and reflect unrealized gain and loss activity in other comprehensive income on our consolidated statement of comprehensive income. We generally classify available-for-sale debt securities as current assets based upon our ability and intent to use any and all of these securities as necessary to satisfy the significant short-term liquidity requirements that may arise from the highly seasonal nature of our businesses. Because of our significant business seasonality, stock repurchase programs, and acquisition opportunities, cash flow requirements may fluctuate dramatically from quarter to quarter and require us to use a significant amount of the investments we hold as available-for-sale.

### [Accounts Receivable and Allowances for Doubtful Accounts](#)

Accounts receivable are recorded at the invoiced amount and are not interest bearing. We maintain an allowance for doubtful accounts to reserve for potentially uncollectible receivables. We review our accounts receivable by aging category to identify significant customers or invoices with known disputes or collectibility issues. For those invoices not specifically identified as uncollectible, we provide an allowance based on the age of the receivable. In determining the amount of the allowance, we make judgments about the creditworthiness of significant customers based on ongoing credit evaluations. We also consider our historical level of credit losses and current economic trends that might impact the level of future credit losses. When we determine that amounts are uncollectible we write them off against the allowance.

### *Notes Receivable and Allowances for Loan Losses*

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Notes receivable consist of term loans to small businesses and are included in prepaid expenses and other current assets on our consolidated balance sheets. As of July 31, 2019 and July 31, 2018, the notes receivable balance was \$95 million and \$55 million, respectively, and the allowances for loan losses were not significant. The term loans are not secured and are recorded at amortized cost, net of allowances for loan losses. We maintain an allowance for loan losses to reserve for potentially uncollectible notes receivable. We evaluate the creditworthiness of our loan portfolio on a pooled basis due to its composition of small, homogeneous loans with similar general credit risk and characteristics and apply a loss rate at the time of loan origination. The loss rate and underlying model are updated periodically to reflect actual loan performance and changes in assumptions. We make judgments about the known and inherent risks in the loan portfolio, adverse situations that may affect borrowers' ability to repay and current economic conditions. When we determine that amounts are uncollectible, we write them off against the allowance.

### *Funds Held for Customers and Customer Fund Deposits*

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Funds held for customers represent cash held on behalf of our customers that is invested in cash and cash equivalents and investment-grade available-for-sale debt securities. Customer fund deposits consist of amounts we owe on behalf of our customers, such as direct deposit payroll funds and payroll taxes.

### *Property and Equipment*

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Property and equipment is stated at the lower of cost or realizable value, net of accumulated depreciation. We calculate depreciation using the straight-line method over the estimated useful lives of the assets, which range from two to 30 years. We amortize leasehold improvements using the straight-line method over the lesser of their estimated useful lives or remaining lease terms. We include the amortization of assets that are recorded under capital leases in depreciation expense. We review property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We did not record any significant property impairment charges during the twelve months ended July 31, 2019, 2018, or 2017.

### *Business Combinations*

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The acquisition method of accounting for business combinations requires us to use significant estimates and assumptions, including fair value estimates, as of the business combination date and to refine those estimates as necessary during the measurement period (defined as the period, not to exceed one year, in which we may adjust the provisional amounts recognized for a business combination).

Under the acquisition method of accounting we recognize separately from goodwill the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in an acquiree, generally at the acquisition date fair value. We measure goodwill as of the acquisition date as the excess of consideration transferred, which we also measure at fair value, over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. Costs that we incur to complete the business combination such as investment banking, legal and other professional fees are not considered part of consideration and we charge them to general and administrative expense as they are incurred. Under the acquisition method we also account for acquired company restructuring activities that we initiate separately from the business combination.

Should the initial accounting for a business combination be incomplete by the end of a reporting period that falls within the measurement period, we report provisional amounts in our financial statements. During the measurement period, we adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date and we record those adjustments to our financial statements. We apply those measurement period adjustments that we determine to be significant retrospectively to comparative information in our financial statements, including adjustments to depreciation and amortization expense.

Under the acquisition method of accounting for business combinations, if we identify changes to acquired deferred tax asset valuation allowances or liabilities related to uncertain tax positions during the measurement period and they relate to new information obtained about facts and circumstances that existed as of the acquisition date, those changes are considered a measurement period adjustment and we record the offset to goodwill. We record all other changes to deferred tax asset valuation allowances and liabilities related to uncertain tax positions in current period income tax expense. This accounting applies to all of our acquisitions regardless of acquisition date.

## *Goodwill, Acquired Intangible Assets and Other Long-Lived Assets*

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### *Goodwill*

We record goodwill when the fair value of consideration transferred in a business combination exceeds the fair value of the identifiable assets acquired and liabilities assumed. Goodwill and other intangible assets that have indefinite useful lives are not amortized, but we test them for impairment annually during our fourth fiscal quarter and whenever an event or change in circumstances indicates that the carrying value of the asset may not be recoverable.

For goodwill, we perform a two-step impairment test. In the first step, we compare the fair value of each reporting unit to its carrying value. In accordance with authoritative guidance, we define fair value as the price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We consider and use all valuation methods that are appropriate in estimating the fair value of our reporting units and generally use a weighted combination of income and market approaches. Under the income approach, we estimate the fair value of each reporting unit based on the present value of future cash flows. We use a number of assumptions in our discounted cash flow model, including market factors specific to the business, the amount and timing of estimated future cash flows to be generated by the business over an extended period of time, long-term growth rates for the business, and a rate of return that considers the relative risk of achieving the cash flows and the time value of money. Under the market approach, we estimate the fair value of each reporting unit based on market multiples of revenue, operating income, and earnings for comparable publicly traded companies engaged in similar businesses. If the estimated fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not impaired and no further analysis is required.

If the carrying value of the net assets assigned to a reporting unit exceeds the estimated fair value of the unit, we perform the second step of the impairment test. In this step we allocate the fair value of the reporting unit calculated in step one to all of the assets and liabilities of that unit, as if we had just acquired the reporting unit in a business combination. The excess of the fair value of the reporting unit over the total amount allocated to the assets and liabilities represents the implied fair value of goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, we would record an impairment loss equal to the difference. We recorded no goodwill impairment charges for the twelve months ended July 31, 2019, 2018 or 2017.

### *Acquired Intangible Assets and Other Long-Lived Assets*

We generally record acquired intangible assets that have finite useful lives, such as purchased technology, in connection with business combinations. We amortize the cost of acquired intangible assets on a straight-line basis over their estimated useful lives, which range from three to seven years. We review intangible assets that have finite useful lives and other long-lived assets whenever an event or change in circumstances indicates that the carrying value of the asset may not be recoverable. We estimate the recoverability of these assets by comparing the carrying amount of the asset to the future undiscounted cash flows that we expect the asset to generate. We estimate the fair value of assets that have finite useful lives based on the present value of future cash flows for those assets. If the carrying value of an asset with a finite life exceeds its estimated fair value, we would record an impairment loss equal to the difference. Impairment charges for acquired intangible assets were not significant for the twelve months ended July 31, 2019, 2018 or 2017.

### *Share-Based Compensation Plans*

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We estimate the fair value of stock options granted using a lattice binomial model and a multiple option award approach. We amortize the fair value of stock options on a straight-line basis over the requisite service periods of the awards, which are generally the vesting periods.

Restricted stock units (RSUs) granted typically vest based on continued service. We value these time-based RSUs at the date of grant using the intrinsic value method. We amortize the fair value of time-based RSUs on a straight-line basis over the service period. Certain RSUs granted to senior management vest based on the achievement of pre-established performance or market goals. We estimate the fair value of performance-based RSUs at the date of grant using the intrinsic value method and the probability that the specified performance criteria would be met. Each quarter we update our assessment of the probability that the specified performance criteria will be achieved and adjust our estimate of the fair value of the performance-based RSUs if necessary. We amortize the fair values of performance-based RSUs over the requisite service period for each separately vesting tranche of the award. We estimate the fair value of market-based RSUs at the date of grant using a Monte Carlo valuation methodology and amortize those fair values over the requisite service period for each separately vesting tranche of the award. The Monte Carlo methodology that we use to estimate the fair value of market-based RSUs at the date of grant incorporates into the valuation the possibility that the market condition may not be satisfied. Provided that the requisite service is rendered, the total fair value of the market-based RSUs at the date of grant must be recognized as compensation expense even if the market condition is not achieved. However, the number of shares that ultimately vest can vary significantly with the performance of the specified market criteria. All of the RSUs we grant have dividend rights that are subject to the same vesting requirements as the underlying equity awards, so we do not adjust the intrinsic (market) value of our RSUs for dividends.

See Note 10, “*Stockholders’ Equity*,” for a description of our share-based compensation plans and more information on the assumptions we use to calculate the fair value of share-based compensation.

### *Concentration of Credit Risk and Significant Customers and Suppliers*

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We operate in markets that are highly competitive and rapidly changing. Significant technological changes, shifting customer needs, the emergence of competitive products or services with new capabilities and other factors could negatively impact our operating results.

We are also subject to risks related to changes in the value of our significant balance of investments. Our portfolio of investments consists of investment-grade securities. Except for direct obligations of the United States government, securities issued by agencies of the United States government and money market funds, we diversify our investments by limiting our holdings with any individual issuer.

We sell a portion of our products through third-party retailers and distributors. As a result, we face risks related to the collectibility of our accounts receivable. To appropriately manage this risk, we perform ongoing evaluations of customer credit and limit the amount of credit extended as we deem appropriate, but generally do not require collateral. We maintain reserves for estimated credit losses and these losses have historically been within our expectations. However, since we cannot predict future changes in the financial stability of our customers, we cannot guarantee that our reserves will continue to be adequate. No customer accounted for 10% or more of total net revenue for the twelve months ended July 31, 2019, 2018 or 2017, nor did any customer account for 10% or more of total accounts receivable at July 31, 2019 or July 31, 2018.

We rely primarily on one third-party vendor to perform the manufacturing and distribution functions for our retail desktop software products. We also have a key single-source vendor that prints and fulfills orders for most of our financial supplies business. While we believe that relying on key vendors improves the efficiency and reliability of our business operations, relying on any one vendor for a significant aspect of our business can have a significant negative impact on our revenue and profitability if that vendor fails to perform at acceptable service levels for any reason, including financial difficulties of the vendor.

### *Accounting Standards Recently Adopted*

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**Business Combinations** - In January 2017 the FASB issued ASU 2017-01, “*Business Combinations (Topic 805): Clarifying the Definition of a Business*.” This standard clarifies the definition of a business in order to allow for the evaluation of whether transactions should be accounted for as acquisitions or disposals of assets or businesses. We adopted this standard in the first quarter of our fiscal year beginning August 1, 2018. The impact of the adoption of ASU 2017-01 on our consolidated financial statements is not material.

**Statement of Cash Flows** - In August 2016 the FASB issued ASU 2016-15, “*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*.” This standard makes eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. We adopted this standard in the first quarter of our fiscal year beginning August 1, 2018. The impact of the adoption of ASU 2016-15 on our consolidated financial statements is not material.

**Income Taxes** - In October 2016, the FASB issued ASU 2016-16, “*Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*.” This standard requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs, as opposed to historical GAAP guidance which prohibited the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset had been sold to an outside party. We adopted this standard in the first quarter of our fiscal year beginning August 1, 2018. The impact of the adoption of ASU 2016-16 on our consolidated financial statements is not material.

**Statement of Cash Flows** - In November 2016 the FASB issued ASU 2016-18, “*Statement of Cash Flows (Topic 230): Restricted Cash*.” This standard provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. We adopted this standard in the first quarter of our fiscal year beginning August 1, 2018. We have modified our consolidated statements of cash flows to include restricted cash and restricted cash equivalents.

The adoption of ASU 2016-18 impacted our previously reported consolidated statement of cash flows as follows:

(Dollars in millions)

Net cash provided by (used in):

Operating activities

Investing activities

Financing activities

Effect of exchange rates on cash, cash equivalents, restricted cash, and restricted cash equivalents

Net increase in cash, cash equivalents, restricted cash, and restricted cash equivalents

Twelve Months Ended July 31, 2018		
As Reported	ASU 2016-18 Adjustment	As Adjusted
\$ 2,112	\$ —	\$ 2,112
(532)	(5)	(537)
(634)	—	(634)
(11)	—	(11)
\$ 935	\$ (5)	\$ 930

(Dollars in millions)

Net cash provided by (used in):

Operating activities

Investing activities

Financing activities

Effect of exchange rates on cash, cash equivalents, restricted cash, and restricted cash equivalents

Net decrease in cash, cash equivalents, restricted cash, and restricted cash equivalents

Twelve Months Ended July 31, 2017		
As Reported	ASU 2016-18 Adjustment	As Adjusted
\$ 1,599	\$ —	\$ 1,599
(85)	68	(17)
(1,632)	—	(1,632)
9	—	9
\$ (109)	\$ 68	\$ (41)

**Revenue from Contracts with Customers** - In May 2014 the FASB issued ASU 2014-09, “*Revenue from Contracts with Customers (Topic 606)*.” This standard superseded nearly all existing revenue recognition guidance under U.S. GAAP. Under this standard, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. This standard also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. We adopted this standard in the first quarter of our fiscal year beginning August 1, 2018 using the full retrospective method, which requires us to restate each prior reporting period presented. We have implemented internal controls and processes to enable the preparation of financial information on adoption.

The most significant impact of the standard relates to the timing and amount of revenue recognized for our QuickBooks Desktop solutions and our consumer and professional tax desktop solutions. Our QuickBooks Desktop solutions include both packaged software products and software subscriptions.

Our QuickBooks Desktop packaged software products include a software license as well as enhancements and connected services. Under the new standard, we recognize revenue for the QuickBooks Desktop packaged software products at the time the software license is delivered rather than ratably over the period that enhancements and connected services are provided, which was approximately three years. We have determined that the enhancements and connected services included in our QuickBooks Desktop packaged software products are immaterial within the context of the contract.

Our QuickBooks Desktop software subscriptions include a software license, version protection, enhancements, support and various connected services. We recognize revenue for the software license and version protection at the time they are delivered and recognize revenue for support and connected services over the subscription term as the services are provided. Previously, we recognized revenue for our QuickBooks Desktop software subscriptions ratably over the subscription term, which is generally one year. We have determined that the enhancements included in our QuickBooks Desktop software subscriptions are immaterial within the context of the contract.

Our consumer and professional tax desktop solutions include a desktop tax preparation software license, tax form updates, electronic filing and connected services. We recognize revenue for the desktop tax preparation software license and related tax form updates as the forms and updates are delivered and recognize revenue for our electronic filing and connected services as those services are provided. Previously, we recognized all revenue related to tax desktop solutions as services were provided.

We capitalize the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year, which include internal sales commissions related to our subscription offerings.

The adoption of this standard resulted in a decrease in deferred revenue and long-term deferred income taxes, primarily due to the change in revenue recognition for our QuickBooks Desktop and professional tax desktop solutions. Additionally, the adoption of the standard resulted in the recognition of additional revenue and a decrease in the income tax benefit, primarily due to the net change in revenue recognition for our QuickBooks Desktop and professional tax desktop solutions. Our prepaid expenses and other current assets and other assets balances increased due to the capitalized costs to obtain a contract.

Adoption of ASU 2014-09 impacted our previously reported results as follows:

	July 31, 2018		
	As Reported	Topic 606 Adjustment	As Adjusted
<i>(In millions)</i>			
Prepaid expenses and other current assets	\$ 184	\$ 18	\$ 202
Long-term deferred income taxes <sup>(1)</sup>	87	(85)	2
Other assets <sup>(1)</sup>	190	23	213
Deferred revenue	961	(380)	581
Other current liabilities	191	7	198
Long-term deferred revenue <sup>(2)</sup>	197	(194)	3
Other long-term obligations <sup>(2) (3)</sup>	123	61	184
Stockholders' equity	2,354	462	2,816

(1) Upon adoption, long-term deferred income taxes are included in other assets on our consolidated balance sheets.

(2) Upon adoption, long-term deferred revenue is included in other long-term obligations on our consolidated balance sheets.

(3) Balance includes long-term deferred income tax liabilities and other long-term obligations on our consolidated balance sheets.

	Twelve Months Ended July 31, 2018		
	As Reported	Topic 606 Adjustment	As Adjusted
<i>(In millions, except per share amounts)</i>			
Net revenue	\$ 5,964	\$ 61	\$ 6,025
Cost of revenue	977	1	978
Selling and marketing expenses	1,634	(3)	1,631
Operating income	1,497	63	1,560
Income tax provision	292	(55)	237
Net income	1,211	118	1,329
Diluted earnings per share	\$ 4.64	\$ 0.45	\$ 5.09

	Twelve Months Ended July 31, 2017		
	As Reported	Topic 606 Adjustment	As Adjusted
<i>(In millions, except per share amounts)</i>			
Net revenue	\$ 5,177	\$ 19	\$ 5,196
Cost of revenue	809	1	810
Selling and marketing expenses	1,420	(5)	1,415
Operating income	1,395	23	1,418
Income tax provision	396	9	405
Net income	971	14	985
Diluted earnings per share	\$ 3.72	\$ 0.06	\$ 3.78

Adoption of Topic 606 had no impact to cash from or used in operating, financing, or investing on our consolidated statements of cash flows.



## Accounting Standards Not Yet Adopted

**Internal-Use Software** - In August 2018 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-15, “*Intangibles—Goodwill and Other (Topic 350): Internal-Use Software*.” This standard aligns the requirements for capitalizing implementation costs incurred in a cloud computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, which means that it will be effective for us in the first quarter of our fiscal year beginning August 1, 2020. Early adoption is permitted. We are currently evaluating the impact of our pending adoption of ASU 2018-15 on our consolidated financial statements.

**Goodwill Impairment** - In January 2017 the FASB issued ASU 2017-04, “*Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*.” This standard eliminates Step 2 from the goodwill impairment test. Instead, an entity should compare the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, which means that it will be effective for us in the first quarter of our fiscal year beginning August 1, 2020. Early adoption is permitted. We are currently evaluating the impact of our pending adoption of ASU 2017-04 on our consolidated financial statements.

**Financial Instruments** - In June 2016 the FASB issued ASU 2016-13, “*Financial Instruments—Credit Losses (Topic 326)*.” This standard requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, which means that it will be effective for us in the first quarter of our fiscal year beginning August 1, 2020. Earlier adoption is permitted in the first quarter of our fiscal year beginning August 1, 2019. We are currently evaluating the impact of our pending adoption of ASU 2016-13 on our consolidated financial statements.

**Leases** - In February 2016 the FASB issued ASU 2016-02, “*Leases (Topic 842)*.” This standard amends a number of aspects of lease accounting, including requiring lessees to recognize operating leases with a term greater than one year on their balance sheet as a right-of-use asset and corresponding lease liability, measured at the present value of the lease payments. The standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, which means that it will be effective for us in the first quarter of our fiscal year beginning August 1, 2019. Early adoption is permitted. We will adopt ASU 2016-02 on August 1, 2019, the first quarter of our fiscal 2020, using the modified retrospective transition method and will not restate comparative periods. We will elect the package of practical expedients permitted under the transition guidance, which allows us to carry forward our historical lease classification, our assessment on whether a contract is or contains a lease, and our initial direct costs for any leases that exist prior to adoption of the new standard. We will also elect to combine lease and non-lease components. We estimate that the adoption of ASU 2016-02 will result in the recognition of right-of-use assets and lease liabilities for operating leases of approximately \$320 million to \$370 million on our consolidated balance sheet on August 1, 2019. We do not expect the adoption of ASU 2016-02 to have a material impact on our consolidated statement of operations or consolidated statement of cash flows.

We do not expect that any other recently issued accounting pronouncements will have a significant effect on our financial statements.

## 2. Fair Value Measurements

### Fair Value Hierarchy

The authoritative guidance defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. When determining fair value, we consider the principal or most advantageous market for an asset or liability and assumptions that market participants would use when pricing the asset or liability. In addition, we consider and use all valuation methods that are appropriate in estimating the fair value of an asset or liability.

The authoritative guidance establishes a fair value hierarchy that is based on the extent and level of judgment used to estimate the fair value of assets and liabilities. In general, the authoritative guidance requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. An asset or liability's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of its fair value. The three levels of input defined by the authoritative guidance are as follows:

- **Level 1** uses unadjusted quoted prices that are available in active markets for identical assets or liabilities.
- **Level 2** uses inputs other than quoted prices included in Level 1 that are either directly or indirectly observable through correlation with market data. These include quoted prices in active markets for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs to valuation models

or other pricing methodologies that do not require significant judgment because the inputs used in the model, such as interest rates and volatility, can be corroborated by readily observable market data for substantially the full term of the assets or liabilities.

- **Level 3** uses one or more unobservable inputs that are supported by little or no market activity and that are significant to the determination of fair value. Level 3 assets and liabilities include those whose fair values are determined using pricing models, discounted cash flow methodologies or similar valuation techniques and significant management judgment or estimation.

### *Assets and Liabilities Measured at Fair Value on a Recurring Basis*

The following table summarizes financial assets and financial liabilities that we measured at fair value on a recurring basis at the dates indicated, classified in accordance with the fair value hierarchy described above.

(In millions)	At July 31, 2019				At July 31, 2018			
	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets:</b>								
Cash equivalents, primarily time deposits, savings deposit accounts, and money market funds	\$ 1,647	\$ —	\$ —	\$ 1,647	\$ 1,143	\$ —	\$ —	\$ 1,143
Available-for-sale debt securities:								
Municipal bonds	—	5	—	5	—	31	—	31
Corporate notes	—	800	—	800	—	412	—	412
U.S. agency securities	—	19	—	19	—	9	—	9
Total available-for-sale securities	—	824	—	824	—	452	—	452
Total assets measured at fair value on a recurring basis	\$ 1,647	\$ 824	\$ —	\$ 2,471	\$ 1,143	\$ 452	\$ —	\$ 1,595

The following table summarizes our cash equivalents and available-for-sale debt securities by balance sheet classification and level in the fair value hierarchy at the dates shown:

(In millions)	At July 31, 2019				At July 31, 2018			
	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Cash equivalents:</b>								
In cash and cash equivalents	\$ 1,647	\$ —	\$ —	\$ 1,647	\$ 1,143	\$ —	\$ —	\$ 1,143
<b>Available-for-sale debt securities:</b>								
In investments	\$ —	\$ 624	\$ —	\$ 624	\$ —	\$ 252	\$ —	\$ 252
In funds held for customers	—	200	—	200	—	200	—	200
Total available-for-sale debt securities	\$ —	\$ 824	\$ —	\$ 824	\$ —	\$ 452	\$ —	\$ 452

We value our Level 1 assets, consisting primarily of time deposits, savings deposit accounts, and money market funds, using quoted prices in active markets for identical instruments. Financial assets whose fair values we measure on a recurring basis using Level 2 inputs consist of municipal bonds, corporate notes and U.S. agency securities. We measure the fair values of these assets with the help of a pricing service that either provides quoted market prices in active markets for identical or similar securities or uses observable inputs for their pricing without applying significant adjustments. Our fair value processes include controls that are designed to ensure that we record appropriate fair values for our Level 2 investments. These controls include comparison to pricing provided by a secondary pricing service or investment manager, validation of pricing sources and models, review of key model inputs, analysis of period-over-period price fluctuations, and independent recalculation of prices where appropriate.

There were no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy during the twelve months ended July 31, 2019, 2018 or 2017.

### *Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis*

Assets measured at fair value on a non-recurring basis include reporting units measured at fair value in a goodwill impairment test. Estimates of fair value for reporting units fall under Level 3 of the fair value hierarchy.

During the fourth quarters of fiscal 2019, fiscal 2018, and fiscal 2017 we performed our annual goodwill impairment tests. Using the methodology described in Note 1, we determined that the estimated fair values of all of our reporting units exceeded their carrying values and that they were not impaired.

### 3. Cash and Cash Equivalents, Investments, and Funds Held for Customers

The following table summarizes our cash and cash equivalents, investments and funds held for customers by balance sheet classification at the dates indicated.

	July 31, 2019		July 31, 2018	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<i>(In millions)</i>				
<b>Classification on consolidated balance sheets:</b>				
Cash and cash equivalents	\$ 2,116	\$ 2,116	\$ 1,464	\$ 1,464
Investments	622	624	253	252
Funds held for customers	436	436	368	367
Long-term investments	13	13	13	13
Total cash and cash equivalents, investments, and funds held for customers	<u>\$ 3,187</u>	<u>\$ 3,189</u>	<u>\$ 2,098</u>	<u>\$ 2,096</u>

The following table summarizes our cash and cash equivalents, investments and funds held for customers by investment category at the dates indicated.

	July 31, 2019		July 31, 2018	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
<i>(In millions)</i>				
<b>Type of issue:</b>				
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	\$ 2,352	\$ 2,352	\$ 1,631	\$ 1,631
Available-for-sale debt securities:				
Municipal bonds	5	5	31	31
Corporate notes	798	800	414	412
U.S. agency securities	19	19	9	9
Total available-for-sale debt securities	822	824	454	452
Other long-term investments	13	13	13	13
Total cash and cash equivalents, investments, and funds held for customers	<u>\$ 3,187</u>	<u>\$ 3,189</u>	<u>\$ 2,098</u>	<u>\$ 2,096</u>

We include realized gains and losses on our available-for-sale debt securities in interest and other income or expense on our consolidated statements of operations. Gross realized gains and losses on our available-for-sale debt securities for the twelve months ended July 31, 2019, 2018 and 2017 were not significant.

We accumulate unrealized gains and losses on our available-for-sale debt securities, net of tax, in accumulated other comprehensive income or loss in the stockholders' equity section of our consolidated balance sheets. Gross unrealized gains and losses on our available-for-sale debt securities at July 31, 2019 and July 31, 2018 were not significant.

We periodically review our investment portfolios to determine if any investment is other-than-temporarily impaired due to changes in credit risk or other potential valuation concerns. We believe that the investments that we held at July 31, 2019 were not other-than-temporarily impaired. Unrealized losses on available-for-sale debt securities at July 31, 2019 were not significant and are due to changes in interest rates, including market credit spreads, and not due to increased credit risks associated with specific securities. We do not intend to sell these investments. In addition, it is more likely than not that we will not be required to sell them before recovery at par, which may be at maturity.

The following table summarizes our available-for-sale debt securities, included in investments and funds held for customers, classified by the stated maturity date of the security at the dates indicated.

	July 31, 2019		July 31, 2018	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
(In millions)				
Due within one year	\$ 415	\$ 416	\$ 250	\$ 250
Due within two years	208	208	117	116
Due within three years	163	164	66	65
Due after three years	36	36	21	21
Total available-for-sale debt securities	<u>\$ 822</u>	<u>\$ 824</u>	<u>\$ 454</u>	<u>\$ 452</u>

Funds held for customers represent cash held on behalf of our customers that is invested in cash and cash equivalents and investment-grade available-for-sale debt securities, restricted for use solely for the purpose of satisfying amounts we owe on behalf of our customers, such as direct deposit payroll funds and payroll taxes.

The following table summarizes our funds held for customers by investment category at the dates indicated.

	July 31, 2019	July 31, 2018	July 31, 2017	July 31, 2016
(In millions)				
Restricted cash and restricted cash equivalents	\$ 236	\$ 167	\$ 172	\$ 104
Available-for-sale debt securities	200	200	200	200
Total funds held for customers	<u>\$ 436</u>	<u>\$ 367</u>	<u>\$ 372</u>	<u>\$ 304</u>

## 4. Property and Equipment

Property and equipment consisted of the following at the dates indicated:

	Life in Years	July 31,	
		2019	2018
(Dollars in millions)			
Equipment	3-5	\$ 421	\$ 479
Computer software	2-6	860	812
Furniture and fixtures	5	90	88
Leasehold improvements	3-16	278	325
Land	NA	79	79
Buildings	5-30	368	363
Capital in progress	NA	65	48
		2,161	2,194
Less accumulated depreciation and amortization		(1,381)	(1,382)
Total property and equipment, net		<u>\$ 780</u>	<u>\$ 812</u>

NA = Not Applicable

Capital in progress at July 31, 2019 and 2018 consisted primarily of costs related to internal use software projects and various buildings and site improvements that have not yet been placed into service.

As discussed in Note 1, "Description of Business and Summary of Significant Accounting Policies – Internal Use Software," we capitalize costs related to the development of computer software for internal use. We capitalized internal use software costs totaling \$79 million for the twelve months ended July 31, 2019; \$86 million for the twelve months ended July 31, 2018; and \$128 million for the twelve months ended July 31, 2017. These amounts included capitalized labor costs of \$43 million, \$45 million, and \$99 million, respectively. Costs related to internal use software projects are included in the capital in progress category of property and equipment until project completion, at which time they are transferred to the computer software category.

## 5. Goodwill and Acquired Intangible Assets

### Goodwill

Changes in the carrying value of goodwill by reportable segment during the twelve months ended July 31, 2019 and July 31, 2018 were as shown in the following table. Our reportable segments are described in Note 13, “*Segment Information*.”

<i>(In millions)</i>	Balance July 31, 2017	Goodwill Acquired/ Adjusted	Balance July 31, 2018	Goodwill Acquired/ Adjusted	Balance July 31, 2019
Small Business & Self-Employed	\$ 1,180	\$ 316	\$ 1,496	\$ 22	\$ 1,518
Consumer	23	—	23	19	42
Strategic Partner	92	—	92	3	95
Totals	\$ 1,295	\$ 316	\$ 1,611	\$ 44	\$ 1,655

Goodwill is net of accumulated impairment losses of \$114 million, which were recorded prior to July 31, 2017 and are included in our Consumer segment. The increase in goodwill during the twelve months ended July 31, 2019 and July 31, 2018 was primarily due to business acquisitions. See Note 6, “*Business Combinations*,” for more information on our acquisitions of TSheets.com LLC, Exactor, Inc., and Applatix.

### Acquired Intangible Assets

The following table shows the cost, accumulated amortization and weighted average life in years for our acquired intangible assets at the dates indicated. The weighted average lives are calculated for assets that are not fully amortized.

<i>(Dollars in millions)</i>	Customer Lists	Purchased Technology	Trade Names and Logos	Covenants Not to Compete or Sue	Total
<b>At July 31, 2019:</b>					
Cost	\$ 256	\$ 422	\$ 25	\$ 39	\$ 742
Accumulated amortization	(245)	(383)	(24)	(36)	(688)
Acquired intangible assets, net	\$ 11	\$ 39	\$ 1	\$ 3	\$ 54
Weighted average life in years	5	3	3	3	4
<b>At July 31, 2018:</b>					
Cost	\$ 257	\$ 403	\$ 25	\$ 39	\$ 724
Accumulated amortization	(242)	(364)	(24)	(33)	(663)
Acquired intangible assets, net	\$ 15	\$ 39	\$ 1	\$ 6	\$ 61
Weighted average life in years	5	4	3	3	4

The following table shows the expected future amortization expense for our acquired intangible assets at July 31, 2019. Amortization of purchased technology is charged to cost of service and other revenue and to amortization of acquired technology in our consolidated statements of operations. Amortization of other acquired intangible assets such as customer lists is charged to amortization of other acquired intangible assets in our consolidated statements of operations. If impairment events occur, they could accelerate the timing of acquired intangible asset charges.

(In millions)

**Twelve months ending July 31,**

	Expected Future Amortization Expense
2020	\$ 28
2021	16
2022	9
2023	1
2024	—
Thereafter	—
Total expected future amortization expense	<u>\$ 54</u>

## 6. Business Combinations

During fiscal 2018 we acquired all of the outstanding equity interests of TSheets.com LLC, Exactor, Inc., and Applatix, Inc. for total combined cash and other consideration of approximately \$412 million. The \$412 million included approximately \$27 million for the fair value of equity awards and other cash consideration that is being charged to expense over the future service period of up to three years. These three businesses became part of our Small Business & Self-Employed segment and will provide additional features to our QuickBooks offerings such as automated time tracking and scheduling and the calculation and filing of sales and use taxes. We have included their results of operations in our consolidated results of operations from the dates of acquisition. Their results of operations for all periods presented and periods prior to the dates of acquisition were not material when compared with our consolidated results of operations.

Under the acquisition method of accounting we allocated the fair value of the total combined purchase consideration of \$385 million to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values on the dates of acquisition. The fair values assigned to the identifiable intangible assets acquired were based on estimates and assumptions determined by management. We recorded the excess of consideration over the aggregate fair values as goodwill which is primarily attributable to expected synergies from future growth. Using information available at the time the acquisitions closed, we allocated approximately \$5 million of the total combined purchase consideration to net tangible assets and approximately \$62 million to identified intangible assets which are being amortized over a weighted average life of four years. The identified intangible assets include \$38 million for purchased technology, \$17 million for customer lists, and \$7 million for covenants not to compete. We recorded the excess combined purchase consideration of approximately \$318 million as goodwill, of which approximately \$219 million is deductible for income tax purposes.

## 7. Current Liabilities

### *Short-Term Debt*

On May 2, 2019 we entered into an amended and restated credit agreement with certain institutional lenders with an aggregate principal amount of \$1.4 billion, including a \$400 million unsecured term loan that matures on February 1, 2021 and a \$1 billion unsecured revolving credit facility that matures on May 2, 2024. This agreement amended and restated our prior unsecured revolving credit facility dated February 1, 2016.

At July 31, 2019, \$388 million was outstanding under the term loan, of which \$50 million was classified as short-term debt. See Note 8, “*Long-Term Obligations and Commitments – Long-Term Debt*,” for more information regarding the term loan.

### *Unsecured Revolving Credit Facility*

The amended and restated credit agreement we entered into on May 2, 2019 includes a \$1 billion unsecured revolving credit facility that will expire on May 2, 2024. Under this agreement we may, subject to certain customary conditions, on one or more occasions increase commitments under the unsecured revolving credit facility in an amount not to exceed \$250 million in the

aggregate and may extend the maturity date up to two times. Advances under the unsecured revolving credit facility accrue interest at rates that are equal to, at our election, either Bank of America's alternate base rate plus a margin that ranges from 0.0% to 0.1% or the London Interbank Offered Rate (LIBOR) plus a margin that ranges from 0.69% to 1.1%. Actual margins under either election will be based on our senior debt credit ratings. The amended and restated credit agreement includes customary affirmative and negative covenants, including financial covenants that require us to maintain a ratio of total debt to annual earnings before interest, taxes, depreciation and amortization (EBITDA) of not greater than 3.25 to 1.00 as of any date and a ratio of annual EBITDA to annual interest expense of not less than 3.00 to 1.00 as of the last day of each fiscal quarter. As of July 31, 2019 we were compliant with all required covenants. At July 31, 2019 no amounts were outstanding under this revolving credit facility. We paid no interest on the unsecured revolving credit facility during the twelve months ended July 31, 2019, \$5 million during the twelve months ended July 31, 2018, and \$1 million during the twelve months ended July 31, 2017.

### Other Current Liabilities

Other current liabilities were as follows at the dates indicated:

(In millions)	July 31,	
	2019	2018
Executive deferred compensation plan liabilities	\$ 108	\$ 97
Reserve for promotional discounts and rebates	11	10
Reserve for returns and credits	24	17
Current portion of license fee payable	—	9
Current portion of deferred rent	6	6
Current portion of dividend payable	7	10
Other	46	49
Total other current liabilities	\$ 202	\$ 198

## 8. Long-Term Obligations and Commitments

### Long-Term Debt

On May 2, 2019 we entered into an amended and restated credit agreement with certain institutional lenders for a credit facility with an aggregate principal amount of \$1.4 billion, which includes a \$400 million unsecured term loan. This agreement amended and restated our prior unsecured revolving credit facility dated February 1, 2016. Under this agreement we may, subject to certain customary conditions, on one or more occasions increase commitments under the term loan in an amount not to exceed \$400 million in the aggregate. The term loan accrues interest at rates that are equal to, at our election, either Bank of America's alternate base rate plus a margin that ranges from 0.0% to 0.125% or LIBOR plus a margin that ranges from 0.625% to 1.125%. Actual margins under either election will be based on our senior debt credit ratings. The amended and restated credit agreement includes customary affirmative and negative covenants. See Note 7, "Current Liabilities – Unsecured Revolving Credit Facility," for more information. The term loan is subject to quarterly principal payments of \$12.5 million, with the balance payable on February 1, 2021. At July 31, 2019, \$388 million was outstanding under the term loan, of which \$50 million was classified as short-term debt. The carrying value of the term loan approximates its fair value. Interest on the term loan is payable monthly. We paid \$15 million for interest on the term loan during the twelve months ended July 31, 2019, \$13 million during the twelve months ended July 31, 2018, and \$11 million during the twelve months ended July 31, 2017.

### Secured Revolving Credit Facility

On February 19, 2019 a subsidiary of Intuit entered into a \$300 million secured revolving credit facility with a lender. The revolving credit facility is secured by cash and receivables of the subsidiary and is non-recourse to Intuit Inc. Advances under this secured revolving credit facility are used to fund a portion of our loans to qualified small businesses. The secured revolving credit facility is available for use for a term of two years and accrues interest at LIBOR plus 2.39%. Unused portions of the credit facility accrue interest at a rate of 0.5%. Outstanding advances mature on August 19, 2021 and payments made prior to February 19, 2020 are subject to a 1% prepayment fee. The agreement includes certain affirmative and negative covenants, including financial covenants that require the subsidiary to maintain specified financial ratios. As of July 31, 2019 we were compliant with all required covenants. At July 31, 2019, \$48 million was outstanding under this facility, with a weighted-average interest rate of 7.75%, which includes the unused facility fee. The outstanding balance is secured by cash and receivables of the subsidiary totaling \$89 million. Interest on the facility is payable monthly. We paid \$1 million for interest on the secured revolving credit facility during the twelve months ended July 31, 2019.

## Other Long-Term Obligations

Other long-term obligations were as follows at the dates indicated:

(In millions)	July 31,	
	2019	2018
Long-term income tax liabilities	\$ 89	\$ 61
Total deferred rent	47	47
Total license fee payable	—	9
Total dividend payable	11	14
Other	12	15
Total long-term obligations	159	146
Less current portion (included in other current liabilities)	(14)	(27)
Long-term obligations due after one year	\$ 145	\$ 119

In May 2009 we entered into an agreement to license certain technology for \$20 million in cash and \$100 million payable over ten fiscal years. The total present value of the arrangement at inception was approximately \$89 million. The total license fee payable as of July 31, 2018 in the table above includes imputed interest through that date. During the fourth quarter of fiscal 2019 we paid the final \$10 million payment under the agreement.

## Operating Lease Commitments and Unconditional Purchase Obligations

We lease office facilities and equipment under non-cancellable operating lease arrangements. Our facilities leases generally provide for periodic rent increases and many contain escalation clauses and renewal options. The leases for our corporate headquarters campus in Mountain View, California expire in 2024 and 2026, with options to extend the lease terms for an additional ten years at rates to be determined in accordance with the agreements.

In the ordinary course of business we enter into certain unconditional purchase obligations with our suppliers. These are agreements to purchase products and services that are enforceable, legally binding, and specify terms that include fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the payments.

Annual minimum commitments under purchase obligations and operating leases at July 31, 2019 were as shown in the table below.

(In millions)	Purchase Obligations	Operating Lease Commitments	Sublease Income	Net Operating Lease Commitments
<b>Fiscal year ending July 31,</b>				
2020	\$ 302	\$ 68	\$ 23	\$ 45
2021	65	61	21	40
2022	9	55	10	45
2023	—	51	1	50
2024	—	50	1	49
Thereafter	—	67	1	66
Total commitments	\$ 376	\$ 352	\$ 57	\$ 295

Rent expense net of sublease income totaled \$42 million for the twelve months ended July 31, 2019, \$38 million for the twelve months ended July 31, 2018, and \$34 million for the twelve months ended July 31, 2017. Rent expense includes base contractual rent and contractual variable expenses such as building maintenance, utilities, property taxes and insurance. Sublease income totaled \$24 million for the twelve months ended July 31, 2019, \$23 million for the twelve months ended July 31, 2018, and \$22 million for the twelve months ended July 31, 2017.



## 9. Income Taxes

The provision for income taxes consisted of the following for the periods indicated:

(In millions)	Twelve Months Ended July 31,		
	2019	2018	2017
Current:			
Federal	\$ 271	\$ 197	\$ 345
State	67	38	36
Foreign	14	14	8
Total current	352	249	389
Deferred:			
Federal	(23)	(14)	12
State	(4)	2	2
Foreign	(1)	—	2
Total deferred	(28)	(12)	16
Total provision for income taxes	\$ 324	\$ 237	\$ 405

Our tax provision for the twelve months ended July 31, 2018 and 2017 have been restated to reflect the full retrospective application of ASU 2014-09, “Revenue from Contracts with Customers (Topic 606).” See Note 1, “Description of Business and Summary of Significant Accounting Policies - Accounting Standards Recently Adopted,” for more information.

We recognized excess tax benefits on share-based compensation of \$120 million, \$100 million, and \$72 million in the provision for income taxes for the twelve months ended July 31, 2019, 2018, and 2017, respectively.

The sources of income before the provision for income taxes consisted of the following for the periods indicated:

(In millions)	Twelve Months Ended July 31,		
	2019	2018	2017
United States	\$ 1,826	\$ 1,528	\$ 1,383
Foreign	55	38	7
Total	\$ 1,881	\$ 1,566	\$ 1,390

Differences between income taxes calculated using the federal statutory income tax rate and the provision for income taxes were as follows for the periods indicated:

(In millions)	Twelve Months Ended July 31,		
	2019	2018	2017
Income before income taxes	\$ 1,881	\$ 1,566	\$ 1,390
U.S. federal statutory rate	21%	26.9%	35%
Statutory federal income tax	\$ 395	\$ 420	\$ 486
State income tax, net of federal benefit	50	29	24
Federal research and experimentation credits	(48)	(38)	(24)
Domestic production activities deduction	—	(28)	(34)
Share-based compensation	15	11	14
Federal excess tax benefits related to share-based compensation	(106)	(94)	(69)
2017 Tax Act - Deferred tax re-measurement	—	(29)	—
Capital loss on subsidiary reorganization	—	(35)	—
Effects of non-U.S. operations	13	1	6
Other, net	5	—	2
Total provision for income taxes	\$ 324	\$ 237	\$ 405

The Tax Cuts and Jobs Act (2017 Tax Act) was enacted on December 22, 2017 and reduced the U.S. statutory federal corporate tax rate from 35% to 21%. The effective date of the tax rate change was January 1, 2018. The change resulted in a

blended lower U.S. statutory federal rate of 26.9% for fiscal year 2018. In fiscal 2019, we fully benefited from the enacted lower tax rate of 21%.

We recorded a provisional benefit of \$29 million for fiscal 2018 related to the re-measurement of certain deferred tax balances as a result of the 2017 Tax Act. In the second quarter of fiscal 2019, we completed our accounting for the income tax effects of the 2017 Tax Act, and there have been no material adjustments during the fiscal 2019 period.

During fiscal year 2018, we completed a reorganization which resulted in a taxable liquidation of a subsidiary. The transaction gave rise to a capital loss which is available for carryback to prior years to offset capital gain income previously recognized. As a result, we recognized a tax benefit of \$35 million during the fourth quarter of fiscal 2018.

The state income tax line in the table above includes excess tax benefits related to share-based compensation of \$14 million, \$6 million and \$3 million for the twelve months ended July 31, 2019, 2018 and 2017, respectively.

Significant deferred tax assets and liabilities were as follows at the dates indicated:

	July 31,	
	2019	2018
<i>(In millions)</i>		
Deferred tax assets:		
Accruals and reserves not currently deductible	\$ 13	\$ 12
Deferred rent	8	8
Accrued and deferred compensation	48	41
Loss and tax credit carryforwards	117	97
Share-based compensation	47	49
Other, net	3	3
Total gross deferred tax assets	236	210
Valuation allowance	(107)	(93)
Total deferred tax assets	129	117
Deferred tax liabilities:		
Deferred revenue	66	91
Intangible assets	71	65
Property and equipment	20	19
Other, net	8	8
Total deferred tax liabilities	165	183
Net deferred tax liabilities	\$ (36)	\$ (66)

The components of total net deferred tax liabilities, net of valuation allowances, as shown on our consolidated balance sheets were as follows at the dates indicated:

	July 31,	
	2019	2018
<i>(In millions)</i>		
Long-term deferred income taxes included in other assets	\$ 1	\$ 2
Long-term deferred income tax liabilities	(37)	(68)
Net deferred tax liabilities	\$ (36)	\$ (66)

We have provided a valuation allowance related to state research and experimentation tax credit carryforwards, foreign loss carryforwards, and state operating and capital loss carryforwards that we believe are unlikely to be realized. Changes in the valuation allowance during the twelve months ended July 31, 2019 were primarily related to an increase in the valuation allowance for state research and experimentation tax credit. Changes in valuation allowance during the twelve months ended July 31, 2018 were primarily related to an increase in the valuation allowance for state research and experimentation tax credit and foreign loss carryforwards.

At July 31, 2019, we had total federal net operating loss carryforwards of approximately \$42 million that will start to expire in fiscal 2032. Utilization of the net operating losses is subject to annual limitation. The annual limitation may result in the expiration of net operating losses before utilization.

At July 31, 2019, we had total state net operating loss carryforwards of approximately \$133 million for which we have recorded a deferred tax asset of \$9 million and a valuation allowance of \$7 million. The state net operating losses will start to expire in fiscal 2027. Utilization of the net operating losses is subject to annual limitation. The annual limitation may result in the expiration of net operating losses before utilization.

At July 31, 2019, we had Singapore operating loss carryforwards of approximately \$62 million and Brazil operating loss carryforwards of approximately \$34 million which have an indefinite carryforward period. We maintain a full valuation allowance with respect to operating losses in these jurisdictions, as there is not sufficient evidence of future sources of taxable income required to utilize such carryforwards.

At July 31, 2019, we had California research and experimentation credit carryforwards of approximately \$129 million. We recorded a full valuation on the related deferred tax asset, as we believe it is more likely than not that these credits will not be utilized.

### Unrecognized Tax Benefits

The aggregate changes in the balance of our gross unrecognized tax benefits were as follows for the periods indicated:

(In millions)	Twelve Months Ended July 31,		
	2019	2018	2017
Gross unrecognized tax benefits, beginning balance	\$ 90	\$ 61	\$ 60
Increases related to tax positions from prior fiscal years, including acquisitions	13	10	8
Decreases related to tax positions from prior fiscal years	—	(3)	(8)
Increases related to tax positions taken during current fiscal year	23	23	9
Settlements with tax authorities	(1)	(1)	(8)
Lapse of statute of limitations	\$ (5)	\$ —	\$ —
Gross unrecognized tax benefits, ending balance	<u>\$ 120</u>	<u>\$ 90</u>	<u>\$ 61</u>

The total amount of our unrecognized tax benefits at July 31, 2019 was \$120 million. Net of related deferred tax assets, unrecognized tax benefits were \$75 million at that date. If we were to recognize these net benefits, our income tax expense would reflect a favorable net impact of \$75 million. We do not believe that it is reasonably possible that there will be a significant increase or decrease in unrecognized tax benefits over the next 12 months.

We file U.S. federal, U.S. state, and foreign tax returns. Our major tax jurisdiction is the U.S. federal jurisdiction. For U.S. federal tax returns we are no longer subject to tax examinations for years prior to fiscal 2014.

We recognize interest and penalties related to unrecognized tax benefits within the provision for income taxes. Amounts accrued at July 31, 2019 and July 31, 2018 for the payment of interest and penalties were not significant. The amounts of interest and penalties that we recognized during the twelve months ended July 31, 2019, 2018 and 2017 were also not significant.

## 10. Stockholders' Equity

### Stock Repurchase Programs

Intuit's Board of Directors has authorized a series of common stock repurchase programs. Shares of common stock repurchased under these programs become treasury shares. Under these programs, we repurchased 2.5 million shares of our common stock for \$561 million during the twelve months ended July 31, 2019. Included in this amount were \$5 million of repurchases which occurred in late July 2019 and were settled in early August 2019. At July 31, 2019, we had authorization from our Board of Directors to expend up to an additional \$2.7 billion for stock repurchases. Future stock repurchases under the current program are at the discretion of management, and authorization of future stock repurchase programs is subject to the final determination of our Board of Directors.

Our treasury shares are repurchased at the market price on the trade date; accordingly, all amounts paid to reacquire these shares have been recorded as treasury stock on our consolidated balance sheets. Repurchased shares of our common stock are held as treasury shares until they are reissued or retired. When we reissue treasury stock, if the proceeds from the sale are more than the average price we paid to acquire the shares we record an increase in additional paid-in capital. Conversely, if the proceeds from the sale are less than the average price we paid to acquire the shares, we record a decrease in additional paid-in capital to the extent of increases previously recorded for similar transactions and a decrease in retained earnings for any remaining amount.

In the past we have satisfied option exercises and restricted stock unit vesting under our employee equity incentive plans by reissuing treasury shares, and we may do so again in the future. During the second quarter of fiscal 2014 we began issuing new shares of common stock to satisfy option exercises and RSU vesting under our 2005 Equity Incentive Plan. We have not yet determined the ultimate disposition of the shares that we have repurchased in the past, and consequently we continue to hold them as treasury shares.

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### *Dividends on Common Stock*

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During fiscal 2019 we declared cash dividends that totaled \$1.88 per share of outstanding common stock or approximately \$500 million. In August 2019 our Board of Directors declared a quarterly cash dividend of \$0.53 per share of outstanding common stock payable on October 18, 2019 to stockholders of record at the close of business on October 10, 2019. Future declarations of dividends and the establishment of future record dates and payment dates are subject to the final determination of our Board of Directors.

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### *Description of 2005 Equity Incentive Plan*

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Our stockholders initially approved our 2005 Equity Incentive Plan (2005 Plan) on December 9, 2004. On January 19, 2017 our stockholders approved an Amended and Restated 2005 Equity Incentive Plan (Restated 2005 Plan) that expires on January 19, 2027. Under the Restated 2005 Plan, we are permitted to grant incentive and non-qualified stock options, restricted stock awards, restricted stock units (RSUs), stock appreciation rights and stock bonus awards to our employees, non-employee directors, and consultants. The Compensation and Organizational Development Committee of our Board of Directors or its delegates determine who will receive grants, when those grants will be exercisable, their exercise price and other terms. We are permitted to issue up to 138.1 million shares under the Restated 2005 Plan. The plan provides a fungible share reserve. Each stock option granted on or after November 1, 2010 reduces the share reserve by one share and each restricted stock award or restricted stock unit granted reduces the share reserve by 2.3 shares. Stock options forfeited and returned to the pool of shares available for grant increase the pool by one share for each share forfeited. Restricted stock awards and RSUs forfeited and returned to the pool of shares available for grant increase the pool by 2.3 shares for each share forfeited. Shares withheld for income taxes upon vesting of RSUs that were granted on or after July 21, 2016 are also returned to the pool of shares available for grant. At July 31, 2019, there were approximately 21.1 million shares available for grant under this plan. Stock options granted under the 2005 Plan and the Restated 2005 Plan typically vest over three to four years based on continued service and have a seven year term. RSUs granted under those plans typically vest over three to four years based on continued service. Certain RSUs granted to senior management vest based on the achievement of pre-established performance or market goals.

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### *Description of Employee Stock Purchase Plan*

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On November 26, 1996 our stockholders initially adopted our Employee Stock Purchase Plan (ESPP) under Section 423 of the Internal Revenue Code. The ESPP permits our eligible employees to make payroll deductions to purchase our stock on regularly scheduled purchase dates at a discount. Our stockholders have approved amendments to the ESPP to permit the issuance of up to 23.8 million shares under the ESPP, which expires upon the earliest to occur of (a) termination of the ESPP by the Board, or (b) issuance of all the shares of Intuit's common stock reserved for issuance under the ESPP. Offering periods under the ESPP are six months in duration and composed of two consecutive three-month accrual periods. Shares are purchased at 85% of the lower of the closing price for Intuit common stock on the first day of the offering period or the last day of the accrual period.

Under the ESPP, employees purchased 485,011 shares of Intuit common stock during the twelve months ended July 31, 2019; 612,768 shares during the twelve months ended July 31, 2018; and 752,605 shares during the twelve months ended July 31, 2017. At July 31, 2019, there were 1,906,183 shares available for issuance under this plan.

## Share-Based Compensation Expense

The following table summarizes the total share-based compensation expense that we recorded in operating income for the periods shown.

	Twelve Months Ended July 31,		
	2019	2018	2017
<i>(In millions except per share amounts)</i>			
Cost of product revenue	\$ 1	\$ 3	\$ —
Cost of service and other revenue	57	40	8
Selling and marketing	103	101	88
Research and development	136	133	122
General and administrative	104	105	108
Total share-based compensation expense	401	382	326
Income tax benefit	(200)	(199)	(179)
Decrease in net income	\$ 201	\$ 183	\$ 147
Decrease in net income per share:			
Basic	\$ 0.77	\$ 0.71	\$ 0.57
Diluted	\$ 0.76	\$ 0.70	\$ 0.56

We capitalized \$4 million in share-based compensation related to internal use software projects during the twelve months ended July 31, 2019, \$3 million during the twelve months ended July 31, 2018, and \$7 million during the twelve months ended July 31, 2017.

## Determining Fair Value

### Valuation and Amortization Methods

Restricted stock units (RSUs) granted typically vest based on continued service. We value these time-based RSUs at the date of grant using the intrinsic value method. We amortize the fair value of time-based RSUs on a straight-line basis over the service period. Certain RSUs granted to senior management vest based on the achievement of pre-established performance or market goals. We estimate the fair value of performance-based RSUs at the date of grant using the intrinsic value method and the probability that the specified performance criteria will be met. Each quarter we update our assessment of the probability that the specified performance criteria will be achieved and adjust our estimate of the fair value of the performance-based RSUs if necessary. We amortize the fair values of performance-based RSUs over the requisite service period for each separately vesting tranche of the award. We estimate the fair value of market-based RSUs at the date of grant using a Monte Carlo valuation methodology and amortize those fair values over the requisite service period for each separately vesting tranche of the award. The Monte Carlo methodology that we use to estimate the fair value of market-based RSUs at the date of grant incorporates into the valuation the possibility that the market condition may not be satisfied. Provided that the requisite service is rendered, the total fair value of the market-based RSUs at the date of grant must be recognized as compensation expense even if the market condition is not achieved. However, the number of shares that ultimately vest can vary significantly with the performance of the specified market criteria. All of the RSUs we grant have dividend rights that are subject to the same vesting requirements as the underlying equity awards, so we do not adjust the market price of our stock on the date of grant for dividends.

We estimate the fair value of stock options granted using a lattice binomial model and a multiple option award approach. Our stock options have various restrictions, including vesting provisions and restrictions on transfer, and are often exercised prior to their contractual maturity. We believe that lattice binomial models are more capable of incorporating the features of our stock options than closed-form models such as the Black Scholes model. The use of a lattice binomial model requires the use of extensive actual employee exercise behavior and a number of complex assumptions including the expected volatility of our stock price over the term of the options, risk-free interest rates and expected dividends. We amortize the fair value of options on a straight-line basis over the requisite service periods of the awards, which are generally the vesting periods.

**Expected Term.** The expected term of options granted represents the period of time that they are expected to be outstanding and is a derived output of the lattice binomial model. The expected term of stock options is impacted by all of the underlying assumptions and calibration of our model. The lattice binomial model assumes that option exercise behavior is a function of the option's remaining vested life and the extent to which the market price of our common stock exceeds the option exercise price. The lattice binomial model estimates the probability of exercise as a function of these two variables based on the history of exercises and cancellations on all past option grants made by us.

**Expected Volatility.** We estimate the volatility of our common stock at the date of grant based on the implied volatility of one-year and two-year publicly traded options on our common stock. Our decision to use implied volatility was based upon

the availability of actively traded options on our common stock and our assessment that implied volatility is more representative of future stock price trends than historical volatility.

**Risk-Free Interest Rate.** We base the risk-free interest rate that we use in our option valuation model on the implied yield in effect at the time of option grant on constant maturity U.S. Treasury issues with equivalent remaining terms.

**Dividends.** We use an annualized expected dividend yield in our option valuation model. We paid quarterly cash dividends during all years presented and currently expect to continue to pay cash dividends in the future.

**Forfeitures.** We adjust share-based compensation expense for actual forfeitures as they occur.

We used the following assumptions to estimate the fair value of stock options granted and shares purchased under our Employee Stock Purchase Plan for the periods indicated:

	Twelve Months Ended July 31,		
	2019	2018	2017
<b>Assumptions for stock options:</b>			
Expected volatility (range)	26% - 27%	25%	22% - 23%
Weighted average expected volatility	27%	25%	23%
Risk-free interest rate (range)	1.84% - 2.92%	2.84%	1.65% - 1.70%
Expected dividend yield	0.67% - 0.85%	0.72%	0.97% - 1.17%
<b>Assumptions for ESPP:</b>			
Expected volatility (range)	21% - 33%	20% - 25%	18% - 21%
Weighted average expected volatility	26%	23%	20%
Risk-free interest rate (range)	1.94% - 2.44%	1.05% - 1.96%	0.30% - 0.89%
Expected dividend yield	0.73% - 0.95%	0.87% - 1.10%	1.09% - 1.10%

### *Share-Based Awards Available for Grant*

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A summary of share-based awards available for grant under our 2005 Equity Incentive Plan for the fiscal periods indicated was as follows:

*(Shares in thousands)*

	Shares Available for Grant
<b>Balance at July 31, 2016</b>	<b>8,990</b>
Additional shares authorized	23,110
Restricted stock units granted <sup>(1)</sup>	(9,160)
Options granted	(1,786)
Share-based awards canceled/forfeited/expired <sup>(1)(2)</sup>	4,010
<b>Balance at July 31, 2017</b>	<b>25,164</b>
Restricted stock units granted <sup>(1)</sup>	(6,504)
Options granted	(455)
Share-based awards canceled/forfeited/expired <sup>(1)(2)</sup>	4,586
<b>Balance at July 31, 2018</b>	<b>22,791</b>
Restricted stock units granted <sup>(1)</sup>	(5,639)
Options granted	(487)
Share-based awards canceled/forfeited/expired <sup>(1)(2)</sup>	4,393
<b>Balance at July 31, 2019</b>	<b>21,058</b>

- (1) RSUs granted from the pool of shares available for grant under our 2005 Equity Incentive Plan reduce the pool by 2.3 shares for each share granted. RSUs forfeited and returned to the pool of shares available for grant increase the pool by 2.3 shares for each share forfeited.
- (2) Stock options and RSUs canceled, expired or forfeited under our 2005 Equity Incentive Plan are returned to the pool of shares available for grant. Shares withheld for income taxes upon vesting of RSUs that were granted on or after July 21, 2016 are also returned to the pool of shares available for grant. Stock options and RSUs canceled, expired or forfeited under older expired plans are not returned to the pool of shares available for grant.

## Restricted Stock Unit Activity and Related Share-Based Compensation Expense

A summary of restricted stock unit (RSU) activity for the periods indicated was as follows:

<i>(Shares in thousands)</i>	Number of Shares	Weighted Average Grant Date Fair Value
<b>Nonvested at July 31, 2016</b>	<b>9,039</b>	<b>\$82.30</b>
Granted	3,983	119.84
Vested	(3,121)	86.93
Forfeited	(1,265)	76.75
<b>Nonvested at July 31, 2017</b>	<b>8,636</b>	<b>98.76</b>
Granted	2,828	185.53
Unregistered restricted stock granted in connection with acquisitions	75	163.00
Vested	(2,960)	105.71
Forfeited	(1,196)	88.59
<b>Nonvested at July 31, 2018</b>	<b>7,383</b>	<b>131.50</b>
Granted	2,452	245.40
Vested	(3,123)	129.31
Forfeited	(1,029)	107.40
<b>Nonvested at July 31, 2019</b>	<b>5,683</b>	<b>\$186.22</b>

Additional information regarding our RSUs is shown in the table below.

<i>(In millions)</i>	Twelve Months Ended July 31,		
	2019	2018	2017
Total fair market value of shares vested	\$ 676	\$ 527	\$ 388
Share-based compensation for RSUs	\$ 351	\$ 326	\$ 274
Total tax benefit related to RSU share-based compensation expense	\$ 141	\$ 143	\$ 130
Cash tax benefits realized for tax deductions for RSUs	\$ 150	\$ 142	\$ 130

At July 31, 2019, there was \$961 million of unrecognized compensation cost related to non-vested RSUs with a weighted average vesting period of 3.1 years. We will adjust unrecognized compensation cost for actual forfeitures as they occur.



## Stock Option Activity and Related Share-Based Compensation Expense

A summary of stock option activity for the periods indicated was as follows:

	Options Outstanding	
	Number of Shares	Weighted Average Exercise Price Per Share
<i>(Shares in thousands)</i>		
<b>Balance at July 31, 2016</b>	<b>8,346</b>	<b>\$88.55</b>
Granted	1,786	135.24
Exercised	(2,213)	69.12
Canceled or expired	(431)	104.78
<b>Balance at July 31, 2017</b>	<b>7,488</b>	<b>104.50</b>
Granted	455	216.64
Exercised	(2,416)	89.41
Canceled or expired	(373)	121.31
<b>Balance at July 31, 2018</b>	<b>5,154</b>	<b>120.26</b>
Granted	487	274.26
Exercised	(1,924)	102.49
Canceled or expired	(343)	138.59
<b>Balance at July 31, 2019</b>	<b>3,374</b>	<b>\$150.75</b>

Information regarding stock options outstanding as of July 31, 2019 is summarized below:

	Number of Shares (in thousands)	Weighted Average Remaining Contractual Life (in Years)	Weighted Average Exercise Price per Share	Aggregate Intrinsic Value (in millions)
Options outstanding	3,374	4.56	\$150.75	\$429
Options exercisable	2,187	3.78	\$118.11	\$365

The aggregate intrinsic values at July 31, 2019 are calculated as the difference between the exercise price of the underlying options and the market price of our common stock for shares that were in-the-money at that date. In-the-money options at July 31, 2019 were options that had exercise prices that were lower than the \$277.31 market price of our common stock at that date.

Additional information regarding our stock options and ESPP shares is shown in the table below.

	Twelve Months Ended July 31,		
	2019	2018	2017
<i>(In millions except per share amounts)</i>			
Weighted average fair value of options granted (per share)	\$ 63.18	\$ 50.77	\$ 25.54
Total grant date fair value of options vested	\$ 30	\$ 38	\$ 37
Aggregate intrinsic value of options exercised	\$ 248	\$ 188	\$ 126
Share-based compensation expense for stock options and ESPP	\$ 50	\$ 56	\$ 52
Total tax benefit for stock option and ESPP share-based compensation	\$ 59	\$ 56	\$ 49
Cash received from option exercises	\$ 197	\$ 216	\$ 153
Cash tax benefits realized related to tax deductions for non-qualified option exercises and disqualifying dispositions under all share-based payment arrangements	\$ 58	\$ 53	\$ 46

At July 31, 2019, there was approximately \$55 million of unrecognized compensation cost related to non-vested stock options with a weighted average vesting period of 3.1 years. We will adjust unrecognized compensation cost for actual forfeitures as they occur.

### *Accumulated Other Comprehensive Loss*

Comprehensive income consists of two elements, net income and other comprehensive income (loss). Other comprehensive income (loss) items are recorded in the stockholders' equity section of our consolidated balance sheets and excluded from net income. Our other comprehensive income (loss) consists of unrealized gains and losses on marketable debt securities classified as available-for-sale and foreign currency translation adjustments for subsidiaries with functional currencies other than the U.S. dollar.

The following table shows the components of accumulated other comprehensive loss, net of income taxes, in the stockholders' equity section of our consolidated balance sheets at the dates indicated.

	July 31,	
	2019	2018
(In millions)		
Unrealized gain (loss) on available-for-sale debt securities	\$ 1	\$ (2)
Foreign currency translation adjustments	(37)	(34)
Total accumulated other comprehensive loss	<u>\$ (36)</u>	<u>\$ (36)</u>

## 11. Benefit Plans

### *Non-Qualified Deferred Compensation Plan*

Intuit's Non-Qualified Deferred Compensation Plan provides that executives who meet minimum compensation requirements are eligible to defer up to 75% of their salaries and up to 75% of their bonuses. We have agreed to credit the participants' contributions with earnings that reflect the performance of certain independent investment funds. We do not guarantee above-market interest on account balances. We may also make discretionary employer contributions to participant accounts in certain circumstances. The timing, amounts, and vesting schedules of employer contributions are at the sole discretion of the Compensation and Organizational Development Committee of our Board of Directors or its delegate. The benefits under this plan are unsecured and are general assets of Intuit. Participants are generally eligible to receive payment of their vested benefit at the end of their elected deferral period or after termination of their employment with Intuit for any reason or at a later date to comply with the restrictions of Section 409A of the Internal Revenue Code. Participants may elect to receive their payments in a lump sum or installments. Discretionary company contributions and the related earnings vest completely upon the participant's disability, death, or a change in control of Intuit. We made no employer contributions to the plan for any period presented.

We had liabilities related to this plan of \$108 million at July 31, 2019 and \$97 million at July 31, 2018. We have matched the plan liabilities with similar-performing assets, which are primarily investments in life insurance contracts. These assets are recorded in other long-term assets while liabilities related to obligations are recorded in other current liabilities on our consolidated balance sheets.

### *401(k) Plan*

In the United States, employees who participate in the Intuit Inc. 401(k) Plan may currently contribute up to 50% of pre-tax compensation, subject to Internal Revenue Service limitations and the terms and conditions of the plan. We match a portion of employee contributions, currently 125% up to six percent of salary, subject to Internal Revenue Service limitations. Matching contributions were \$59 million for the twelve months ended July 31, 2019; \$50 million for the twelve months ended July 31, 2018; and \$49 million for the twelve months ended July 31, 2017.

## 12. Litigation

In fiscal 2015 Intuit was contacted by certain state and federal regulatory authorities in connection with inquiries regarding an increase during the 2015 tax season in attempts by criminals using stolen identity information to file fraudulent tax returns and claim refunds. Intuit provided information in response to those inquiries and now believes those inquiries are resolved. A consolidated putative class action lawsuit was filed by individuals who claim to have suffered damages in connection with the 2015 events. On May 23, 2018, the parties reached a settlement in principle of this matter. The settlement was granted final approval and the matter was dismissed with prejudice by the court on May 15, 2019. The terms of the settlement are not material to our consolidated financial statements.

Beginning in May 2019, various lawsuits were filed and certain regulatory inquiries were commenced in connection with our provision and marketing of free online tax preparation programs. We believe that the allegations contained within these lawsuits are without merit. We intend to vigorously defend against the lawsuits and cooperate in the investigations.

Intuit is subject to certain routine legal proceedings, including class action lawsuits, as well as demands, claims, government inquiries and threatened litigation, that arise in the normal course of our business, including assertions that we may be infringing patents or other intellectual property rights of others. Our failure to obtain necessary license or other rights, or litigation arising out of intellectual property claims could adversely affect our business. We currently believe that, in addition to any amounts accrued, the amount of potential losses, if any, for any pending claims of any type (either alone or combined) will not have a material impact on our consolidated financial statements. The ultimate outcome of any litigation is uncertain and, regardless of outcome, litigation can have an adverse impact on Intuit because of defense costs, negative publicity, diversion of management resources and other factors.

## 13. Segment Information

We have defined three reportable segments, described below, based on factors such as how we manage our operations and how our chief operating decision maker views results. We define the chief operating decision maker as our Chief Executive Officer and our Chief Financial Officer. Our chief operating decision maker organizes and manages our business primarily on the basis of product and service offerings.

***Small Business & Self-Employed:*** This segment serves small businesses and the self-employed around the world, and the accounting professionals who serve and advise them. Our offerings include QuickBooks financial and business management online services and desktop software, payroll solutions, merchant payment processing solutions, and financing for small businesses.

***Consumer:*** This segment serves consumers and includes do-it-yourself and assisted TurboTax income tax preparation products and services sold in the U.S. and Canada. Our Mint and Turbo offerings serve consumers and help them understand and improve their financial lives by offering a view of their financial health.

***Strategic Partner:*** This segment serves professional accountants in the U.S. and Canada, who are essential to both small business success and tax preparation and filing. Our professional tax offerings include Lacerte, ProSeries, ProFile, and ProConnect Tax Online.

All of our segments operate primarily in the United States and sell primarily to customers in the United States. Total international net revenue was less than 5% of consolidated total net revenue for the twelve months ended July 31, 2019, 2018 and 2017.

We include expenses such as corporate selling and marketing, product development, general and administrative and share-based compensation, which are not allocated to specific segments, in unallocated corporate items. Unallocated corporate items also include amortization of acquired technology, amortization of other acquired intangible assets, and goodwill and intangible asset impairment charges.

The accounting policies of our reportable segments are the same as those described in the summary of significant accounting policies in Note 1. Except for goodwill and purchased intangible assets, we do not generally track assets by reportable segment and, consequently, we do not disclose total assets by reportable segment. See Note 5, “*Goodwill and Acquired Intangible Assets*,” for goodwill by reportable segment.

The following table shows our financial results by reportable segment for the periods indicated.

	Twelve Months Ended July 31,		
	2019	2018	2017
<i>(In millions)</i>			
<b>Net revenue:</b>			
Small Business & Self-Employed	\$ 3,533	\$ 3,061	\$ 2,574
Consumer	2,775	2,508	2,182
Strategic Partner	476	456	440
<b>Total net revenue</b>	<b>\$ 6,784</b>	<b>\$ 6,025</b>	<b>\$ 5,196</b>
<b>Operating income:</b>			
Small Business & Self-Employed	\$ 1,549	\$ 1,326	\$ 1,111
Consumer	1,742	1,587	1,376
Strategic Partner	318	284	266
Total segment operating income	3,609	3,197	2,753
Unallocated corporate items:			
Share-based compensation expense	(401)	(382)	(326)
Other common expenses	(1,328)	(1,234)	(995)
Amortization of acquired technology	(20)	(15)	(12)
Amortization of other acquired intangible assets	(6)	(6)	(2)
Total unallocated corporate items	(1,755)	(1,637)	(1,335)
<b>Total operating income</b>	<b>\$ 1,854</b>	<b>\$ 1,560</b>	<b>\$ 1,418</b>

Revenue classified by significant product and service offerings was as follows:

	Twelve Months Ended July 31,		
	2019	2018	2017
<i>(In millions)</i>			
<b>Net revenue:</b>			
QuickBooks Online Accounting	\$ 980	\$ 695	\$ 448
Online Services	683	511	410
Total Online Ecosystem	1,663	1,206	858
QuickBooks Desktop Accounting	732	716	599
Desktop Services and Supplies	1,138	1,139	1,117
Total Desktop Ecosystem	1,870	1,855	1,716
<b>Small Business &amp; Self-Employed</b>	<b>3,533</b>	<b>3,061</b>	<b>2,574</b>
<b>Consumer</b>	<b>2,775</b>	<b>2,508</b>	<b>2,182</b>
<b>Strategic Partner</b>	<b>476</b>	<b>456</b>	<b>440</b>
<b>Total net revenue</b>	<b>\$ 6,784</b>	<b>\$ 6,025</b>	<b>\$ 5,196</b>

Revenue from our QuickBooks Desktop packaged software products was \$167 million, \$166 million, and \$190 million for the twelve months ended July 31, 2019, 2018, and 2017, respectively. These amounts are included in the QuickBooks Desktop Accounting revenue presented in the table above.

## 14. Selected Quarterly Financial Data (Unaudited)

The following tables contain selected quarterly financial data for the twelve months ended July 31, 2019 and July 31, 2018.

	Fiscal 2019 Quarter Ended			
	October 31	January 31	April 30	July 31
<i>(In millions, except per share amounts)</i>				
Total net revenue	\$ 1,016	\$ 1,502	\$ 3,272	\$ 994
Cost of revenue	247	285	354	281
All other costs and expenses	779	984	1,134	866
Operating income (loss)	(10)	233	1,784	(153)
Net income (loss)	34	189	1,378	(44)
Basic net income (loss) per share	<u>\$ 0.13</u>	<u>\$ 0.73</u>	<u>\$ 5.30</u>	<u>\$ (0.17)</u>
Diluted net income (loss) per share	<u>\$ 0.13</u>	<u>\$ 0.72</u>	<u>\$ 5.22</u>	<u>\$ (0.17)</u>

	Fiscal 2018 Quarter Ended			
	October 31	January 31	April 30	July 31
<i>(In millions, except per share amounts)</i>				
Total net revenue	\$ 910	\$ 1,339	\$ 2,912	\$ 864
Cost of revenue	198	246	305	229
All other costs and expenses	747	899	1,006	835
Operating income (loss)	(35)	194	1,601	(200)
Net income (loss)	(2)	183	1,186	(38)
Basic net income (loss) per share	<u>\$ (0.01)</u>	<u>\$ 0.72</u>	<u>\$ 4.62</u>	<u>\$ (0.15)</u>
Diluted net income (loss) per share	<u>\$ (0.01)</u>	<u>\$ 0.70</u>	<u>\$ 4.53</u>	<u>\$ (0.15)</u>

**INTUIT INC.**  
**SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS**

<i>(In millions)</i>	<b>Beginning Balance</b>	<b>Additions Charged to Expense/ Revenue</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b>Year ended July 31, 2019</b>				
Allowance for doubtful accounts	\$ 5	\$ 59	\$ (61)	\$ 3
Reserve for returns and credits	17	190	(183)	24
Reserve for promotional discounts and rebates	10	92	(91)	11
<b>Year ended July 31, 2018</b>				
Allowance for doubtful accounts	\$ 46	\$ 58	\$ (99)	\$ 5
Reserve for returns and credits	14	167	(164)	17
Reserve for promotional discounts and rebates	19	99	(108)	10
<b>Year ended July 31, 2017</b>				
Allowance for doubtful accounts	\$ 51	\$ 44	\$ (49)	\$ 46
Reserve for returns and credits	14	160	(160)	14
Reserve for promotional discounts and rebates	14	113	(108)	19

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## ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

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None.

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## ITEM 9A - CONTROLS AND PROCEDURES

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### *Evaluation of Disclosure Controls and Procedures*

Based upon an evaluation of the effectiveness of disclosure controls and procedures, Intuit's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have concluded that as of the end of the period covered by this Annual Report on Form 10-K our disclosure controls and procedures as defined under Exchange Act Rules 13a-15(e) and 15d-15(e) were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified by the Securities and Exchange Commission and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

### *Management's Report on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of July 31, 2019 based on the guidelines established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the results of this evaluation, our management has concluded that our internal control over financial reporting was effective as of July 31, 2019 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles. We reviewed the results of management's assessment with the Audit and Risk Committee of Intuit's Board of Directors.

Ernst & Young LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of July 31, 2019. Their report is included in Item 8 of this Annual Report on Form 10-K.

### *Changes in Internal Control over Financial Reporting*

During our most recent fiscal quarter, there has not occurred any change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### *Inherent Limitations on Effectiveness of Controls*

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and that they are effective at the reasonable assurance level. However, no matter how well conceived and executed, a control system can provide only reasonable and not absolute assurance that the objectives of the control system are met. The design of any control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. There are also limitations that are inherent in any control system. These limitations include the realities that breakdowns can occur because of errors in judgment or mistakes, and that controls can be circumvented by individual persons, by collusion of two or more people, or by management override of the controls. Because of these inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

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## ITEM 9B - OTHER INFORMATION

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None.

## PART III

### ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except for the information about our executive officers shown below, the information required by this Item 10 is incorporated by reference from the information contained in our Proxy Statement to be filed with the U.S. Securities and Exchange Commission in connection with the solicitation of proxies for our 2020 Annual Meeting of Stockholders (the “2020 Proxy Statement”) under the sections entitled “Proposal No. 1 - Election of Directors – Our Board Nominees” and “Corporate Governance.”

We maintain a Code of Conduct and Ethics that applies to all employees, including all officers. We also maintain a Board of Directors Code of Ethics that applies to all members of our Board of Directors. Our Code of Conduct and Ethics and Board of Directors Code of Ethics incorporate guidelines designed to deter wrongdoing and to promote honest and ethical conduct and compliance with applicable laws and regulations. Our Code of Conduct and Ethics and Board of Directors Code of Ethics are published on our Investor Relations website at <https://investors.intuit.com/Corporate-Governance/Conduct-Guidelines/default.aspx>. We disclose amendments to certain provisions of our Code of Conduct and Ethics and Board of Directors Code of Ethics, or waivers of such provisions granted to executive officers and directors, on this website.

#### EXECUTIVE OFFICERS

The following table shows Intuit’s executive officers and their areas of responsibility as of July 31, 2019 . Their biographies follow the table.

Name	Age	Position
Sasan K. Goodarzi	51	President, Chief Executive Officer and Director
Brad D. Smith	55	Executive Chairman of the Board of Directors
Scott D. Cook	67	Chairman of the Executive Committee
Michelle M. Clatterbuck	51	Executive Vice President and Chief Financial Officer
J. Alexander Chriss	42	Executive Vice President and General Manager, Small Business & Self-Employed Group
Laura A. Fennell	58	Executive Vice President, Chief People & Places Officer
Gregory N. Johnson	51	Executive Vice President and General Manager, Consumer Group
Kerry J. McLean	55	Senior Vice President, General Counsel and Corporate Secretary
Mark J. Flournoy	53	Vice President, Corporate Controller and Chief Accounting Officer

Mr. Goodarzi has been President and Chief Executive Officer and a member of the Board of Directors since January 2019 and previously served as Executive Vice President and General Manager of Intuit’s Small Business Group since May 2016. He previously was Executive Vice President and General Manager of Intuit’s Consumer Tax Group from August 2015 through April 2016 and from August 2013 to July 2015 served as Senior Vice President and General Manager of the Consumer Tax Group. He served as Intuit’s Senior Vice President and Chief Information Officer from August 2011 to July 2013, having rejoined Intuit after serving as CEO of Nexant Inc., a privately held provider of intelligent grid software and clean energy solutions, beginning in November 2010. During his previous tenure at Intuit from 2004 to 2010, Mr. Goodarzi led several business units including Intuit Financial Services and the professional tax division. Prior to joining Intuit, Mr. Goodarzi worked for Invensys, a global provider of industrial automation, transportation and controls technology, serving as global president of the products group. He also held a number of senior leadership roles in the automation control division at Honeywell Inc. He serves on the board of Atlassian Corporation Plc. Mr. Goodarzi holds a Bachelor’s degree in Electrical Engineering from the University of Central Florida and a Master’s degree in Business Administration from the Kellogg School of Management at Northwestern University.

Mr. Smith has been an Intuit director since 2008, Chairman of the Board from January 2016 through December 2018, and Executive Chairman from January 2019. He served as President and CEO of the Company from January 2008 through December 2018. Mr. Smith joined Intuit in 2003 and has served as Senior Vice President and General Manager, Small Business Division from 2006 to 2007, Senior Vice President and General Manager, QuickBooks from 2005 to 2006, Senior Vice President and General Manager, Consumer Tax Group from 2004 to 2005 and as Vice President and General Manager of Intuit’s Accountant Central and Developer Network from 2003 to 2004. Before joining Intuit, Mr. Smith held the position of Senior Vice President of Marketing and Business Development of ADP, where he held several executive positions from 1996 to 2003. Mr. Smith served on the board of directors of Yahoo! Inc. from 2010 until 2012. Mr. Smith was elected to the board of directors of Nordstrom, Inc. in June 2013, where he is a member of the Compensation Committee and Corporate Governance and Nominating Committee and has served as Chairman of the Board since November 2018. Mr. Smith was also elected to the board of directors of SurveyMonkey in May 2017 and is a member of their Compensation Committee. Mr. Smith holds a



Bachelor's degree in Business Administration from Marshall University and a Master's degree in Management from Aquinas College.

Mr. Cook, a founder of Intuit, has been an Intuit director since March 1984 and is currently Chairman of the Executive Committee. He served as Intuit's Chairman of the Board from February 1993 through July 1998. From April 1984 to April 1994, he served as Intuit's President and Chief Executive Officer. Mr. Cook has served on the board of directors of The Procter & Gamble Company since 2000 where he chairs the Innovation & Technology Committee. Mr. Cook was also a director of eBay Inc. from 1998 to 2015. Mr. Cook holds a Bachelor of Arts degree in Economics and Mathematics from the University of Southern California and a Master's degree in Business Administration from Harvard Business School.

Ms. Clatterbuck has been Executive Vice President and Chief Financial Officer since February 2018. She manages the financial strategy and operations across the company, including Treasury, Procurement, Investor Relations and Finance Operations. Ms. Clatterbuck served as acting finance leader for Intuit's Small Business Group from June 2017 through January 2018, led finance for the Consumer Tax Group beginning in September 2012 and was promoted to Senior Vice President for that group in August 2016. Her earlier roles at Intuit include Vice President of finance for the Professional Tax business in 2006 and finance director in October 2004. Ms. Clatterbuck joined Intuit in March 2003 as a senior finance manager. Prior to Intuit, Ms. Clatterbuck held various financial management roles at General Electric. Before that, she was a financial litigation consultant at The Barrington Consulting Group. Ms. Clatterbuck holds a Bachelor's degree in commerce with a concentration in finance from the University of Virginia.

Mr. Chriss has been Executive Vice President and General Manager of Intuit's Small Business & Self-Employed Group since January 2019. He previously was Senior Vice President and Chief Product Officer of Intuit's Small Business Group from January 2017 through December 2018 and Vice President of Intuit's Self-Employed business from August 2013 through December 2016. Prior to that, Mr. Chriss held various other roles at Intuit since he joined in July 2004. Mr. Chriss holds a Bachelor's degree in Economics from Tufts University.

Ms. Fennell has been Executive Vice President, Chief People & Places Officer since August 2018 and previously served as Executive Vice President, General Counsel and Corporate Secretary. She served as Senior Vice President, General Counsel and Corporate Secretary from February 2007. Ms. Fennell joined Intuit as Vice President, General Counsel and Corporate Secretary in April 2004. She leads the team responsible for acquiring, developing, mobilizing and rewarding the company's global workforce. Prior to joining Intuit, Ms. Fennell spent nearly eleven years at Sun Microsystems, Inc., most recently as Vice President of Corporate Legal Resources, as well as Acting General Counsel. Prior to joining Sun, she was an associate attorney at Wilson Sonsini, Goodrich & Rosati PC. Ms. Fennell sits on the board of directors of the Children's Discovery Museum of San Jose. Ms. Fennell holds a Bachelor of Science degree in Business Administration from California State University, Chico and a Juris Doctor from Santa Clara University.

Mr. Johnson has been Executive Vice President and General Manager of Intuit's Consumer Group since August 2018. He joined Intuit in 2012 as Senior Vice President of marketing. Mr. Johnson leads an organization that offers a suite of consumer tax and financial products and services in the U.S. and Canada. He has more than 20 years' experience in marketing, which spans across consumer packaged goods, retail, and international and emerging markets. Prior to joining Intuit, Mr. Johnson worked for various organizations, including Kraft Foods, SC Johnson, Kodak, Gillette, Best Buy, and the United States Air Force. Mr. Johnson holds a Bachelor of Science degree in Operations Research from the United States Air Force Academy.

Ms. McLean has been Senior Vice President, General Counsel and Corporate Secretary since August 2018, after having served as Vice President, Deputy General Counsel since August 2010. She joined Intuit in 2006 as Director, Deputy General Counsel. Ms. McLean leads Intuit's legal, privacy and compliance teams. Prior to joining Intuit, Ms. McLean spent over six years at Wind River Systems, Inc., most recently as the Director of Legal. Prior to joining Wind River, she was an associate at Howard, Rice, Nemerovski, Canady, Falk & Rabkin PC (now Arnold & Porter Kaye Scholer LLP). Ms. McLean holds a Bachelor of Arts degree in International Relations from University of California, Davis and a Juris Doctor from University of California, Hastings College of Law.

Mr. Flournoy was appointed as Vice President and Chief Accounting Officer in February 2014. He joined Intuit in 2003 as director of general accounting and internal controls and was named Corporate Controller in 2012. From 1996 to 2003, Mr. Flournoy served as a corporate controller for various private and public companies in California. He began his career in public accounting at Ernst & Young, where he served from 1992 to 1996. Mr. Flournoy holds a Bachelor's degree in Business Administration – Finance from the University of Southern California and a secondary Bachelor's degree in Accounting from San Diego State University.

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## ITEM 11 - EXECUTIVE COMPENSATION

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The information required by this Item 11 is incorporated by reference from the information contained in our 2020 Proxy Statement under the sections entitled "Corporate Governance – Compensation Committee Interlocks and Insider Participation," "Director Compensation," "Equity Compensation Plan Information," and "Executive Compensation Tables."

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## **ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

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The information required by this Item 12 is incorporated by reference from the information contained in our 2020 Proxy Statement under the sections entitled “Stock Ownership Information” and “Executive Compensation Tables.”

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## **ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

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The information required by this Item 13 is incorporated by reference from the information contained in our 2020 Proxy Statement under the sections entitled “Corporate Governance – Director Independence” and “Transactions with Related Persons.”

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## **ITEM 14 - PRINCIPAL ACCOUNTANT FEES AND SERVICE**

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The information required by this Item 14 is incorporated by reference from the information contained in our 2020 Proxy Statement under the section entitled “Proposal No. 3 – Ratification of Selection of Independent Registered Public Accounting Firm.”

## PART IV

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### ITEM 15 - EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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(a) The following documents are filed as part of this report:

1. [Financial Statements](#) – See Index to Consolidated Financial Statements in Part II, Item 8.
2. [Financial Statement Schedules](#) – See Index to Consolidated Financial Statements in Part II, Item 8.
3. [Exhibits](#) – See Exhibit Index immediately following the signature page of this Annual Report on Form 10-K.

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### ITEM 16 - FORM 10-K SUMMARY

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None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

**INTUIT INC.**

Dated: August 30, 2019

By: /s/ MICHELLE M. CLATTERBUCK

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Michelle M. Clatterbuck

Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

## POWER OF ATTORNEY

By signing this Annual Report on Form 10-K below, I hereby appoint each of Sasan K. Goodarzi and Michelle M. Clatterbuck as my attorney-in-fact to sign all amendments to this Form 10-K on my behalf, and to file this Form 10-K (including all exhibits and other documents related to the Form 10-K) with the Securities and Exchange Commission. I authorize each of my attorneys-in-fact to (1) appoint a substitute attorney-in-fact for himself and (2) perform any actions that he believes are necessary or appropriate to carry out the intention and purpose of this Power of Attorney. I ratify and confirm all lawful actions taken directly or indirectly by my attorneys-in-fact and by any properly appointed substitute attorneys-in-fact.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Name	Title	Date
<b>Principal Executive Officer:</b>		
<u>/s/ SASAN K. GOODARZI</u> Sasan K. Goodarzi	President, Chief Executive Officer and Director	August 30, 2019
<b>Principal Financial Officer:</b>		
<u>/s/ MICHELLE M. CLATTERBUCK</u> Michelle M. Clatterbuck	Executive Vice President and Chief Financial Officer	August 30, 2019
<b>Principal Accounting Officer:</b>		
<u>/s/ MARK J. FLOURNOY</u> Mark J. Flournoy	Vice President, Corporate Controller and Chief Accounting Officer	August 30, 2019
<b>Additional Directors:</b>		
<u>/s/ EVE BURTON</u> Eve Burton	Director	August 30, 2019
<u>/s/ SCOTT D. COOK</u> Scott D. Cook	Director	August 30, 2019
<u>/s/ RICHARD DALZELL</u> Richard Dalzell	Director	August 30, 2019
<u>/s/ DEBORAH LIU</u> Deborah Liu	Director	August 30, 2019
<u>/s/ SUZANNE NORA JOHNSON</u> Suzanne Nora Johnson	Director	August 30, 2019
<u>/s/ DENNIS D. POWELL</u> Dennis D. Powell	Director	August 30, 2019
<u>/s/ BRAD D. SMITH</u> Brad D. Smith	Chairman of the Board of Directors	August 30, 2019
<u>/s/ THOMAS SZKUTAK</u> Thomas Szkutak	Director	August 30, 2019
<u>/s/ RAUL VAZQUEZ</u> Raul Vazquez	Director	August 30, 2019
<u>/s/ JEFF WEINER</u> Jeff Weiner	Director	August 30, 2019

## EXHIBIT INDEX

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference Form/File No.	Date
3.01	<a href="#">Restated Intuit Certificate of Incorporation, dated as of January 19, 2000</a>		10-Q	6/14/2000
3.02	<a href="#">Bylaws of Intuit, as amended and restated effective May 5, 2016</a>		8-K	5/9/2016
4.01	<a href="#">Form of Specimen Certificate for Intuit's Common Stock</a>		10-K	9/15/2009
4.02	<a href="#">Description of Common Stock</a>	X		
10.01+	<a href="#">Intuit Inc. Amended and Restated 2005 Equity Incentive Plan, as amended through January 19, 2017</a>		S-8 333-215639	1/20/2017
10.02+	<a href="#">Intuit Inc. Amended and Restated 2005 Equity Incentive Plan, as amended through January 23, 2014</a>		S-8 333-193551	1/24/2014
10.03+	<a href="#">Intuit Inc. Amended and Restated 2005 Equity Incentive Plan, as amended through July 24, 2012</a>		8-K	7/27/2012
10.04+	<a href="#">Forms of Equity Grant Agreements: Executive Chair and EVP Restricted Stock Unit, and CEO Restricted Stock Unit</a>	X		
10.05+	<a href="#">Form of Executive Chair Restricted Stock Unit Agreement - service-based vesting</a>		10-Q	2/22/2019
10.06+	<a href="#">Forms of Equity Grant Agreements: EVP-SVP TSR Performance-Based Restricted Stock Unit, CEO TSR Performance-Based Restricted Stock Unit, EVP Time-Based Restricted Stock Unit, CEO Restricted Stock Unit, Stock Option - 4 year vest, Time-Based RSU - 4 year vest (focal), New Hire Time-Based Restricted Stock Unit - 4 year vest</a>		10-K	8/31/2018
10.07+	<a href="#">Forms of Equity Grant Agreements: Restricted Stock Unit, CEO TSR Performance-Based Restricted Stock Unit, CEO Restricted Stock Unit, Executive TSR Performance-Based Restricted Stock Unit, EVP Restricted Stock Unit, Restricted Stock Unit - MSPP Purchased, Restricted Stock Unit- MSPP Matching, Stock Option</a>		10-K	9/1/2017
10.08+	<a href="#">Forms of Equity Grant Agreements: CEO Restricted Stock Unit, CEO TSR Performance-Based Restricted Stock Unit, Executive Restricted Stock Unit, EVP/SVP TSR Performance-Based Restricted Stock Unit, Restricted Stock Unit, and Stock Option Agreement</a>		10-K	9/1/2016
10.09+	<a href="#">Form of CEO Restricted Stock Unit Agreement - time-based vesting (deferred release)</a>		10-K	9/1/2015
10.10+	<a href="#">Form of CEO Restricted Stock Unit Agreement - performance-based - Total Shareholder Return Goals (deferred release)</a>		10-K	9/1/2015
10.11+	<a href="#">Form of Performance-Based Restricted Stock Unit Agreement (total shareholder return goals)</a>		10-K	9/12/2014
10.12+	<a href="#">Form of Amended and Restated 2005 Equity Incentive Plan Non-Qualified Stock Option Grant Agreement: New Hire, Promotion, Retention or Focal Grant</a>		10-K	9/13/2013
10.13+	<a href="#">Form of Restricted Stock Unit Agreement (service-based vesting)</a>		10-K	9/13/2012
10.14+	<a href="#">Form of Restricted Stock Unit Agreement (executive vesting)</a>		10-K	9/13/2012

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference Form/File No.	Date
10.15+	<a href="#">Form of Executive Promotion/New Hire Stock Option Agreement</a>		10-K	9/12/2008
10.16+	<a href="#">Description of Non-Employee Director Compensation, approved October 31, 2018 and effective January 17, 2019</a>		10-Q	11/20/2018
10.17+	<a href="#">Description of Non-Employee Director Compensation, approved October 19, 2017 and effective January 18, 2018</a>		10-Q	11/20/2017
10.18+	<a href="#">Non-employee Director Compensation Program, effective January 21, 2016</a>		10-Q	2/25/2016
10.19+	<a href="#">Forms of Non-employee Director Restricted Stock Unit Agreements</a>		10-Q	11/20/2017
10.20+	<a href="#">Form of Director Restricted Stock Units Initial Grant Agreements</a>		10-Q	3/1/2013
10.21+	<a href="#">Form of Director Restricted Stock Units Initial Grant Agreement for Mid-Year Directors</a>		10-Q	3/1/2013
10.22+	<a href="#">Form of Director Restricted Stock Units Succeeding Grant Agreement</a>		10-Q	3/1/2013
10.23+	<a href="#">Form of Director Restricted Stock Units Succeeding Grant Agreement for Mid-Year Directors</a>		10-Q	3/1/2013
10.24+	<a href="#">Form of Director Restricted Stock Units Conversion Grant Agreement</a>		10-Q	3/1/2013
10.25+	<a href="#">Fourth Amended and Restated Management Stock Purchase Program, updated as of October 30, 2018</a>		10-Q	2/22/2019
10.26+	<a href="#">Third Amended and Restated Management Stock Purchase Program</a>		10-Q	5/24/2016
10.27+	<a href="#">Second Amended and Restated Management Stock Purchase Program</a>		10-Q	2/29/2012
10.28+	<a href="#">Form of Restricted Stock Unit Grant Agreement for MSPP Purchased Award</a>		10-K	9/13/2012
10.29+	<a href="#">Form of Restricted Stock Unit Grant Agreement for MSPP Matching Award</a>		10-K	9/13/2012
10.30+	<a href="#">Form of Intuit Inc. Stock Option Assumption Agreement</a>		S-8	8/5/2009
10.31+	<a href="#">Intuit Executive Relocation Policy</a>		10-K	8/31/2018
10.32+	<a href="#">Intuit Inc. Non-qualified Deferred Compensation Plan, effective January 1, 2009</a>		10-Q	11/20/2017
10.33+	<a href="#">Intuit Inc. 2005 Executive Deferred Compensation Plan, effective January 1, 2005</a>		10-Q	12/10/2004
10.34+	<a href="#">Intuit Executive Deferred Compensation Plan, effective March 15, 2002</a>		10-Q	5/31/2002
10.35+	<a href="#">Intuit Inc. Performance Incentive Plan for Fiscal Year 2018</a>		10-K	9/1/2017
10.36+	<a href="#">Intuit Inc. Performance Incentive Plan for Fiscal Year 2017</a>		10-K	9/1/2016
10.37+	<a href="#">Intuit Inc. Senior Executive Incentive Plan, effective August 1, 2018</a>		10-K	8/31/2018

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference Form/File No.	Date
10.38+	<a href="#">Intuit Inc. Senior Executive Incentive Plan, generally effective October 27, 2015</a>		10-Q	11/20/2017
10.39+	<a href="#">Form of Indemnification Agreement entered into by Intuit with each of its directors and certain officers</a>		10-Q	2/23/2017
10.40+	<a href="#">Executive Chairman Compensation Terms, effective January 1, 2019</a>	X		
10.41+	<a href="#">Amendment dated December 1, 2008 to Letter Regarding Terms of Employment by and between Intuit Inc. and Brad D. Smith dated October 1, 2007</a>		10-Q	12/4/2008
10.42+	<a href="#">Letter Regarding Terms of Employment by and between Intuit Inc. and Brad D. Smith, dated October 1, 2007</a>		8-K	10/5/2007
10.43+	<a href="#">Letter regarding Terms of Employment by and between Intuit Inc. and Michelle Clatterbuck dated January 19, 2018</a>		8-K	1/23/2018
10.44+	<a href="#">Letter Regarding Terms of Employment by and between Intuit Inc. and Sasan Goodarzi, dated November 15, 2018</a>		10-Q	11/20/2018
10.45+	<a href="#">Employment offer letter between Intuit Inc. and Sasan Goodarzi dated June 24, 2011 and Employment memo dated July 23, 2013 to Sasan Goodarzi</a>		10-K	9/13/2013
10.46+	<a href="#">Employment memo dated August 20, 2015 to Sasan Goodarzi</a>		10-K	9/1/2015
10.47+	<a href="#">Employment Memo dated August 14, 2014 to Sasan Goodarzi</a>		10-K	9/12/2014
10.48+	<a href="#">Letter regarding Terms of Employment by and between Intuit Inc. and Gregory N. Johnson dated August 1, 2018</a>	X		
10.49+	<a href="#">Employment memo dated November 7, 2018 to J. Alexander Chriss dated November 7, 2018 and effective January 1, 2019.</a>	X		
10.50	<a href="#">Amended and Restated Credit Agreement dated as of May 2, 2019 among Intuit Inc., the lenders party thereto, Bank of America, N.A., and JPMorgan Chase Bank, N.A., as co-administrative agents, and U.S. Bank National Association and MUFG Bank, LTD., as co-syndication agents, and Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated, JPMorgan Chase Bank, N.A., U.S. Bank National Association, and MUFG Bank, LTD., as joint lead arrangers and joint bookrunners</a>	X		
10.51	<a href="#">Free On-Line Electronic Tax Filing Agreement Amendment, effective as of October 31, 2018, between the Internal Revenue Service and Free File Inc.</a>		10-Q	11/20/2018
10.52	<a href="#">Free On-Line Electronic Tax Filing Agreement Amendment, effective as of October 30, 2005 between the Internal Revenue Service and the Free File Alliance, LLC</a>		10-Q	12/5/2005
10.53	<a href="#">Free On-Line Electronic Tax Filing Agreement Amendment dated November 5, 2009 between the Internal Revenue Service and the Free File Alliance, LLC</a>		10-Q	12/4/2009
10.54	<a href="#">Free On-Line Electronic Tax Filing Agreement Amendment, effective as of October 30, 2014, between the Internal Revenue Service and Free File, Inc.</a>		10-K	9/12/2014
10.55	<a href="#">Eighth Memorandum of Understanding on Service Standards and Disputes between the Internal Revenue Service and Free File Inc.</a>		10-Q	11/20/2018
10.56#	<a href="#">Master Services Agreement between Intuit and Arvato Services, Inc., dated May 28, 2003</a>		10-K	9/19/2003



Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference Form/File No.	Date
10.57	<a href="#">Second Amendment to Master Service Agreement between Intuit and Arvato Services, Inc., effective May 29, 2007</a>		10-K	9/14/2007
10.58#	<a href="#">Amendment 3 to Master Services Agreement between Intuit and Arvato Services, Inc., effective April 1, 2008</a>		10-Q	5/30/2008
10.59#	<a href="#">Amendment 5 to the Master Services Agreement between Intuit and Arvato Digital Services LLC effective August 19, 2010</a>		10-Q	12/6/2010
10.60	<a href="#">Amended and Restated Amendment Seven to the Master Service Agreement by and between Intuit and Arvato Digital Services effective September 1, 2013</a>		10-Q	11/22/2013
10.61	<a href="#">Amendment 8 to the Master Services Agreement between Intuit and Arvato Digital Services LLC effective August 1, 2014</a>		10-K	9/12/2014
10.62	<a href="#">Lease Agreement dated as of July 31, 2003 between Intuit and Charleston Properties for 2475, 2500, 2525, 2535 and 2550 Garcia Avenue, Mountain View, CA</a>		10-K	9/19/2003
10.63	<a href="#">Lease Agreement dated as of July 31, 2003 between Intuit and Charleston Properties for 2650, 2675, 2700 and 2750 Coast Avenue and 2600 Casey Avenue, Mountain View, California</a>		10-K	9/19/2003
10.64	<a href="#">Second Amendment to Lease Agreement Phase 1, effective January 1, 2011, between Intuit Inc. and Charleston Properties</a>		10-Q	3/1/2011
10.65	<a href="#">Third Amendment to Lease Agreement Phase 2, effective January 1, 2011, between Intuit Inc. and Charleston Properties</a>		10-Q	3/1/2011
21.01	<a href="#">List of Intuit's Subsidiaries</a>	X		
23.01	<a href="#">Consent of Independent Registered Public Accounting Firm</a>	X		
24.01	<a href="#">Power of Attorney (see signature page)</a>	X		
31.01	<a href="#">Certification of Chief Executive Officer</a>	X		
31.02	<a href="#">Certification of Chief Financial Officer</a>	X		
32.01*	<a href="#">Section 1350 Certification (Chief Executive Officer)</a>	X		
32.02*	<a href="#">Section 1350 Certification (Chief Financial Officer)</a>	X		
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X		
101.SCH	XBRL Taxonomy Extension Schema	X		
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	X		
101.LAB	XBRL Taxonomy Extension Label Linkbase	X		
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	X		

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference Form/File No.	Date
101.DEF	XBRL Taxonomy Extension Definition Linkbase	X		
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X		
<hr/>				
+	Indicates a management contract or compensatory plan or arrangement.			
#	We have requested confidential treatment for certain portions of this document pursuant to an application for confidential treatment sent to the Securities and Exchange Commission (SEC). We omitted such portions from this filing and filed them separately with the SEC.			
*	This certification is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Intuit specifically incorporates it by reference.			

## DESCRIPTION OF COMMON STOCK

The following description of Intuit Inc.'s common stock (the "Common Stock") summarizes the material terms and provisions of the Common Stock, but is not complete. For the complete terms of the Common Stock, please refer to our restated certificate of incorporation and our amended and restated bylaws.

Our certificate of incorporation authorizes Intuit Inc. ("Intuit") to issue up to 750,000,000 shares of Common Stock. As of August 23, 2019, there were 260,073,642 shares of Common Stock issued and outstanding held by approximately 415 stockholders of record and approximately 340,000 beneficial holders of Common Stock.

The holders of the Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. Subject to preferences that may apply to any preferred stock outstanding, holders of Common Stock are entitled to receive dividends out of assets legally available at the times and in the amounts that our board of directors may determine. The Common Stock has no preemptive rights and is not subject to conversion or redemption. Upon liquidation, dissolution or winding-up of Intuit, the holders of Common Stock are entitled to share in all assets legally available for distribution to stockholders after payment of all liabilities and the liquidation preferences, if any, of any outstanding preferred stock. Each outstanding share of Common Stock is fully paid and nonassessable.

Our amended and restated bylaws provide that special meetings of stockholders can be called only by the chairman of the board, the chief executive officer, the president or a majority of the board of directors. Our amended and restated bylaws also specify an advance notice procedure for the nomination, other than by or at the direction of the board of directors, of candidates for election as directors and for business to be brought before a meeting of stockholders. These provisions may have the effect of delaying, deferring or preventing a change in control of Intuit without further action by the stockholders.

We are subject to Section 203 of the Delaware General Corporation Law regulating corporate takeovers. In general, this law prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for three years after the person became an interested stockholder unless, subject to specified exceptions, the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset sale, stock sale or other transaction that results in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior, did own 15% or more of the corporation's voting stock. These provisions may have the effect of delaying, deferring or preventing a change in control of Intuit without further action by the stockholders.

Award No. \*\*\*

## INTUIT INC. AMENDED AND RESTATED 2005 EQUITY INCENTIVE PLAN GRANT AGREEMENT

## Restricted Stock Unit

(Service-Based Vesting with Threshold Goal: Executive Vice Presidents and Executive Chairman of the Board)

Intuit Inc., a Delaware corporation (“Intuit” or the “Company”), hereby grants you a restricted stock unit award (“Award”) pursuant to the Company’s Amended and Restated 2005 Equity Incentive Plan (the “Plan”) of the Company’s common stock, \$0.01 par value per share (“Common Stock” or “Shares”). The number of Shares that are subject to the Award and may be earned by you (“Number of Shares”) is set forth below. All capitalized terms in this Grant Agreement (“Agreement”) that are not defined in this Agreement have the meanings given to them in the Plan. This Agreement shall include any appendices, addenda or consents attached hereto or otherwise associated herewith. This Award is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. This Agreement is not meant to interpret, extend, or change the Plan in any way, or to represent the full terms of the Plan. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan, the provisions of the Plan shall apply.

Name of Participant: \*\*\*

Number of Shares: \*\*\*

Date of Grant: \*\*\*

First Vesting Date: \*\*\*

\*\*\*This information is as shown in the Restricted Stock Units section of the third-party administrator’s online portal.

Vesting Based on Achievement of Threshold Performance and Service. This Award will be eligible to vest only if the threshold level of performance, as defined in Exhibit A (the “Threshold Goal”), is achieved and is certified by the Compensation and Organizational Development Committee of Intuit’s Board of Directors (the “Committee”). If the Threshold Goal is not achieved and/or certified by the Committee, except as expressly provided in this Agreement, this Award will immediately terminate and you will not be entitled to receive any Shares under this Award. If the Threshold Goal is achieved and certified by the Committee, then you will have the opportunity to vest in this Award as to 25% of the Number of Shares on July 1, 2020 (or, if later, the date that the Threshold Goal is certified), and as to 6.25% of the Number of Shares on each of October 1, December 31, April 1 and July 1 that follow the First Vesting Date (each a “Vesting Date”) until the Award is fully vested, provided, in each case, that you have not Terminated before the respective Vesting Dates. Notwithstanding the foregoing, Sections 1(b) through 1(d) provide certain circumstances in which you may vest in all or a portion of this Award without certification of the Threshold Goal and/or before the foregoing Vesting Dates. Any portion of this Award that does not vest, including pursuant to Sections 1(b) through 1(d), shall be cancelled and you will have no further right or claim thereunder.

1. In the event of your Termination prior to the last Vesting Date, the following provisions will govern the vesting of this Award:

- (a) Termination Generally: In the event of your Termination prior to the last Vesting Date for any reason other than as expressly set forth in the other subsections of this Section 1 of the Agreement, this Award immediately will stop vesting and will terminate, and you will have no further right or claim to anything under this Award (other than with respect to the portion of the Award that has previously vested).
- (b) Termination due to Retirement: In the event of your Termination prior to the last Vesting Date due to your Retirement, then, provided that the Threshold Goal is both met and certified by the Committee, you will vest in a pro rata portion of the Number of Shares, to be calculated as follows: divide your number of full months of service since the Date of Grant by forty-eight (48) months, multiply that quotient by the Number of Shares, then subtract any Shares in which you already have vested, and round down to the nearest whole Share, and the Vesting Date under this Agreement will be your Termination Date. For purposes of this Award, “Retirement” means the Termination of your employment with the Company after you have reached age fifty-five (55) and completed ten (10) full years of service with the Company (including any parent or Subsidiary). In the event that your Retirement occurs prior to the Committee’s certification, and the Committee subsequently certifies the

achievement of the Threshold Goal, Shares that become vested in accordance with this Section 1(b) will be distributed to you as soon as reasonably practicable on or following the first Vesting Date.

- (c) Termination due to Death or Disability: In the event of your Termination prior to the last Vesting Date due to your death or Disability after you have been actively employed by the Company for one year or more, this Award will vest as to 100% of the Number of Shares on your Termination Date, minus any Shares in which you already have vested, regardless of whether the Threshold Goal has been met, and the Vesting Date under this Agreement will be your Termination Date. For purposes of this Award, "Disability" is defined in Section 30(j) of the Plan.
  - (d) Termination On or Within One Year Following Corporate Transaction: In the event of your Termination by the Company or its successor on or within one year following the date of a Corporate Transaction and prior to the last Vesting Date, you will vest in a pro rata portion of the Number of Shares, regardless of whether the Threshold Goal has been met, to be calculated as follows: divide your number of full months of service since the Date of Grant by forty-eight (48) months, multiply that quotient by the Number of Shares, then subtract any Shares in which you already have vested, and round down to the nearest whole Share, and the Vesting Date under this Agreement will be your Termination Date. For purposes of this Award, "Corporate Transaction" is defined in Section 30(i) of the Plan.
  - (e) For purposes of this Agreement, your Termination will be deemed to occur on the Termination Date, as defined in the Plan.
- 2. Issuance of Shares under this Award: Subject to Section 4 of the Agreement, the Company will issue you the Shares subject to this Award as soon as reasonably possible after any Vesting Date or any other date upon which this Award vests under Sections 1(a) through 1(d) (but, to the extent that Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") is applicable to you, in no case later than March 15<sup>th</sup> of the calendar year after the calendar year in which the vesting event occurs). Until the date the Shares are issued to you, you will have no rights as a stockholder of the Company. You acknowledge and agree that you may be required to provide a written or electronic acknowledgement prior to the issuance of any Shares to you by the Company under this Agreement.
  - 3. Rights as a Stockholder; Dividend Equivalent Rights: You shall have no voting or other rights as a stockholder with respect to the Shares underlying the Award until such Shares have been issued to you. Notwithstanding the preceding sentence, you shall be entitled to receive payment of the equivalent of any and all dividends declared by the Company on its Common Stock on each date on which dividends are paid on and after the Date of Grant of the Award in an amount equal to the amount of such dividends multiplied by the number of Shares underlying the then outstanding portion of the Award. These dividend equivalents shall be paid upon the later of (a) the date dividends are paid to the common stockholders of the Company, or (b) the date the Restricted Stock Units with respect to which such dividend equivalents are payable become vested and the underlying Shares are issued (it being understood that no dividend equivalents will be paid with respect to Shares underlying any Restricted Stock Units that do not vest, but that dividend equivalent rights equal to the dividends declared on the Company's Common Stock from and after the Date of Grant of the unvested Restricted Stock Units shall be paid as and when such Restricted Stock Units vest and the underlying Shares are issued).
  - 4. Withholding Taxes: If you are subject to United States federal income and employment taxes, this Award is generally taxable upon vesting based on the Fair Market Value on the date the Award (or portion thereof) vests. For further detail, and for information regarding taxation in other jurisdictions, you should refer to the Global Supplement, which is an attachment to and is incorporated by reference into this Agreement. To the extent required by applicable law, you shall make arrangements satisfactory to the Company for the payment and satisfaction of any income tax, employment tax, social security tax, social insurance, payroll tax, contributions, payment on account or other withholding obligations that arise under this Award and, if applicable, any sale of Shares. The Company shall not be required to issue Shares pursuant to this Award or to recognize any purported transfer of Shares until such obligations are satisfied. Subject to the Company's discretion and in compliance with applicable laws, these obligations may be satisfied by the Company withholding a number of Shares that would otherwise be issued under this Award that the Company determines has a Fair Market Value sufficient to meet the tax withholding obligations (determined using a rate of up to the maximum statutory rate in the applicable jurisdictions), including but not limited to withholding with respect to income and/or employment taxes on this Award, including any stock-settled dividend equivalent rights paid with respect to any Shares underlying this Award. Subject to the Company's discretion and in compliance with applicable laws, these obligations may also be satisfied by other methods including, but not limited to: (a) through a "same day sale" commitment from you and a FINRA Dealer meeting the requirements of the Company's "same day sale" procedures, (b) having the Company withhold amounts from amounts otherwise payable to you under the Company's payroll system, and (c) any other methods approved by the Company. Notwithstanding the foregoing, if you are a Section 16 Officer of the Company, unless otherwise agreed
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to by the Company and you, these obligations will be satisfied by the Company withholding a number of Shares that would otherwise be issued under this Award that the Company determines has a Fair Market Value sufficient to meet the tax withholding obligations (determined as the minimum statutory rate in the applicable jurisdictions), including but not limited to withholding with respect to income and/or employment taxes on this Award, including any stock-settled dividend equivalent rights paid with respect to any Shares underlying this Award. For purposes of this Award, "Fair Market Value" is defined in Section 30(m) of the Plan.

You are ultimately liable and responsible for all taxes owed by you in connection with this Award, regardless of any action the Company takes or any transaction pursuant to this section with respect to any tax withholding obligations that arise in connection with this Award. The Company makes no representation or undertaking regarding the treatment of any tax withholding in connection with the grant, issuance, vesting or settlement of this Award or the subsequent sale of any of the Shares underlying the Award that vest. The Company does not commit and is under no obligation to structure this Award to reduce or eliminate your tax liability or to ensure that the tax withholding is sufficient to entirely satisfy your tax liability arising from this Award.

5. Disputes: Any question concerning the interpretation of this Agreement, any adjustments to be made thereunder, and any controversy that may arise under this Agreement, shall be determined by the Committee in accordance with its authority under Section 4 of the Plan. Such decision by the Committee shall be final and binding.
  6. Other Matters:
    - (a) The Award granted to an employee in any one year, or at any time, does not obligate the Company or any Subsidiary or other affiliate of the Company to grant an award in any future year or in any given amount and should not create an expectation that the Company (or any Subsidiary or other affiliate) might grant an award in any future year or in any given amount. Decisions regarding any future grants of an award, if any, will be at the sole discretion of the Committee.
    - (b) As the grant of the Award is discretionary, the grant does not form part of your contract of employment. If you are employed by any Company in the group other than the Company, the grant of the Award will not form a contractual relationship between you and the Company and will not form part of your contract of employment with the Subsidiary which employs you.
    - (c) Notwithstanding anything to the contrary in this Agreement, if you change classification from a full-time employee to a part-time employee, the Company may make unilateral changes to the terms and conditions of this Award, including reducing the number of Shares subject to this Award, in accordance with Company policy.
    - (d) This Award is an extraordinary item that does not constitute compensation for services that you have rendered to the Company or any Subsidiaries (including, as applicable, your employer). Further, this Award is not part of normal or expected compensation or salary for any purpose including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.
    - (e) Your participation in the Plan is voluntary. The Company, and its officers or directors, do not guarantee or make any representation to you regarding the performance of the Common Stock. The future value of the Common Stock is unknown and cannot be predicted with any certainty.
    - (f) Because this Agreement relates to terms and conditions under which you may be issued Shares and the Company is a Delaware corporation, an essential term of this Agreement is that it shall be governed by the laws of the State of Delaware, without regard to choice of law principles of Delaware or other jurisdictions. You acknowledge and agree that any action, suit, or proceeding relating to this Agreement or the Award granted hereunder shall be brought in the state or federal courts of competent jurisdiction in Santa Clara County in the State of California.
    - (g) Communications regarding the Plan and this Award may be made by electronic delivery through an online or electronic system established and maintained by the Company or a third party designated by the Company. You hereby acknowledge that you have read this provision and consent to the electronic delivery of the documents.
    - (h) You hereby understand and acknowledge that your personal data may be collected, used and transferred, in electronic or other form, by and among, as applicable, your employer, the Company and its Subsidiaries for the purposes of implementing, administering and managing the Plan. This may include personal data regarding your
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employment, the nature and amount of your compensation and the fact and conditions of your participation in the Plan, your name, gender, home address, email address and telephone number, date of birth, tax file number, social security number or other identification number, salary, tax information, nationality, job title, any shares of stock or directorships held in the Company and its Subsidiaries, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in your favor and other personal data reasonably required for the purpose of implementing, administering and managing the Plan (the "Data"). For more information about your employer's collection and processing of your Data for this purpose, please see Intuit's Global Employee Privacy Policy, which can be found on the Company's Intranet or by contacting your local human resources representative.

(i) Data Transfer for Administration of Plan.

(i) You understand that certain Data may be transferred to the stock administrator, whose name and contact information can be found on the Company's Intranet (the "Stock Administrator") and other third parties as necessary to enable or assist with the implementation, administration and management of the Plan. You understand that such recipients may act as independent Data Controllers of your Data under applicable privacy laws and in such cases the third party will be responsible for the processing of the Data once it is in their possession or control. You acknowledge that such third parties may process your Data in the United States or in other countries with different, and in some cases less protective, data protection laws than in your country. You acknowledge and understand that, where any such third party is operating as a Data Controller, that third party may collect additional Data from you in order to implement, administer and manage the Plan, and that third party's privacy policy will govern its collection, use and sharing of your Data.

(ii) You acknowledge and understand that where any such third party is acting as an independent Data Controller, you will need to exercise your data rights under local law, as applicable, with the third-party Data Controller directly.

(j) This Agreement, and any issuance of Shares hereunder, is intended to comply and shall be interpreted in accordance with Section 409A of the Code. Upon your Separation from Service, the Company shall determine whether any Shares issued to you in accordance with this Agreement could be determined to be payments from a nonqualified deferred compensation plan and whether you are a "specified employee" as of the applicable payment date (each as defined by Section 409A of the Code). If you are determined to be a "specified employee" and any such payments are payable in connection with your Separation from Service, and are not exempt from Section 409A of the Code as a short-term deferral or otherwise, these payments, to the extent otherwise payable within six (6) months after your date of Separation from Service, will be paid in a lump sum on the earlier of: (i) the date that is six (6) months after your date of Separation from Service or (ii) the date of your death. The foregoing six (6) month delay shall be applied if and only to the extent necessary to avoid the imposition of taxes under Section 409A of the Code. For purposes of this Agreement, a "Separation from Service" means an anticipated permanent reduction in the level of bona fide services to twenty percent (20%) or less of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period. For purposes of Section 409A of the Code, the payments to be made to you in accordance with this Agreement shall be treated as a right to a series of separate payments.

7. Miscellaneous: This Agreement (including the Plan, which is incorporated herein by reference) constitutes the entire agreement between you and the Company with respect to this Award, and supersedes all prior agreements or promises with respect to the Award. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of an Award described in Section 14 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered, (1) in the case of the Company, to the Company, attn.: Stock Administration at 2535 Garcia Ave., Mountain View, CA 94043, or at such other address designated in writing by the Company to you, and (2) in the case of you, at the address recorded in the books and records of the Company as your then current home address. You acknowledge and agree that any such notices from the Company to you may also be delivered through the Company's electronic mail system (prior to your Termination Date) or at the last email address you provided to the Company (after your Termination Date).

Additional information about the Plan and this Award (including certain tax consequences related to the Award) is contained in the accompanying Prospectus and, if applicable to you, the Global Supplement.

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If you are employed by the Company outside of the United States, you will be deemed to have accepted this Award unless you decline it within three months of the Date of Grant.

The Company has signed this Agreement effective as of the Date of Grant.

INTUIT INC.

By: /S/ SASAN K. GOODARZI  
Sasan K. Goodarzi, President  
and Chief Executive Officer

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Award No. \*\*\*

INTUIT INC. AMENDED AND RESTATED 2005 EQUITY INCENTIVE PLAN GRANT AGREEMENT

Restricted Stock Unit

(Service-Based Vesting with Threshold Goal: CEO)

Intuit Inc., a Delaware corporation (“Intuit” or the “Company”), hereby grants you a restricted stock unit award (“Award”) pursuant to the Company’s Amended and Restated 2005 Equity Incentive Plan (the “Plan”) of the Company’s common stock, \$0.01 par value per share (“Common Stock” or “Shares”). The number of Shares that are subject to the Award and may be earned by you (“Number of Shares”) is set forth below. All capitalized terms in this Grant Agreement (“Agreement”) that are not defined in this Agreement have the meanings given to them in the Plan. This Agreement shall include any appendices, addenda or consents attached hereto or otherwise associated herewith. This Award is subject to all of the terms and conditions of the Plan, which is incorporated into this Agreement by reference. This Agreement is not meant to interpret, extend, or change the Plan in any way, or to represent the full terms of the Plan. If there is any discrepancy, conflict or omission between this Agreement and the provisions of the Plan, the provisions of the Plan shall apply.

**Name of Participant:** \*\*\*

**Number of Shares:** \*\*\*

**Date of Grant:** \*\*\*

**First Vesting Date:** \*\*\*

\*\*\*This information is as shown in the Restricted Stock Units section of the third-party administrator’s online portal.

**Vesting Based on Achievement of Threshold Performance and Service.** This Award will be eligible to vest only if the threshold level of performance, as defined in Exhibit A (the “Threshold Goal”), is achieved and is certified by the Compensation and Organizational Development Committee of Intuit’s Board of Directors (the “Committee”). If the Threshold Goal is not achieved and/or certified by the Committee, except as expressly provided in this Agreement, this Award will immediately terminate and you will not be entitled to receive any Shares under this Award. If the Threshold Goal is achieved and certified by the Committee, then you will have the opportunity to vest in this Award as to 25% of the Number of Shares on July 1, 2020 (or, if later, the date that the Threshold Goal is certified), and as to 6.25% of the Number of Shares on each of October 1, December 31, April 1 and July 1 that follow the First Vesting Date (each a “Vesting Date”) until the Award is fully vested, provided, in each case, that you have not Terminated before the respective Vesting Dates. Notwithstanding the foregoing, Sections 1(b) through 1(d) provide certain circumstances in which you may vest in all or a portion of this Award without certification of the Threshold Goal and/or before the foregoing Vesting Dates. Any portion of this Award that does not vest, including pursuant to Sections 1(b) through 1(d), shall be cancelled and you will have no further right or claim thereunder.

1. In the event of your Termination prior to the last Vesting Date, the following provisions will govern the vesting of this Award:

- (a) **Termination Generally:** In the event of your Termination prior to the last Vesting Date for any reason other than as expressly set forth in the other subsections of this Section 1 of the Agreement, this Award immediately will stop vesting and will terminate, and you will have no further right or claim to anything under this Award (other than with respect to the portion of the Award that has previously vested).
  - (b) **Termination due to Retirement:** In the event of your Termination prior to the last Vesting Date due to your Retirement, then, provided that the Threshold Goal is both met and certified by the Committee, you will vest in a pro-rata portion of the Number of Shares, to be calculated as follows: divide your number of full months of service since the Date of Grant by forty-eight (48) months, multiply that quotient by the Number of Shares, then subtract any Shares in which you already have vested, and round down to the nearest whole Share, and the Vesting Date under this Agreement will be your Termination Date. For purposes of this Award, “Retirement” means the Termination of your employment with the Company after you have reached age fifty-five (55) and completed ten (10) full years of service with the Company (including any parent or Subsidiary).
  - (c) **Termination due to Death or Disability:** In the event of your Termination prior to the last Vesting Date due to your death or Disability after you have been actively employed by the Company for one year or more, this Award will vest as to 100% of the Number of Shares on your Termination Date, minus any Shares in which you already have vested, regardless of whether the Threshold Goal has been met, and the Vesting Date under this Agreement will be your Termination Date. For purposes of this Award, “Disability” is defined in Section 30(j) of the Plan.
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(d) Termination On or Within One Year Following Corporate Transaction: In the event of your Termination by the Company or its successor on or within one year following the date of a Corporate Transaction and prior to the last Vesting Date, you will vest in a pro-rata portion of the Number of Shares, regardless of whether the Threshold Goal has been met, to be calculated as follows: divide your number of full months of service since the Date of Grant by forty-eight (48) months, multiply that quotient by the Number of Shares, then subtract any Shares in which you already have vested, and round down to the nearest whole Share, and the Vesting Date under this Agreement will be your Termination Date. For purposes of this Award, "Corporate Transaction" is defined in Section 30(i) of the Plan.

(e) For purposes of this Agreement, your Termination will be deemed to occur on the Termination Date, as defined in the Plan.

2. Automatic Deferral: Issuance of Shares under this Award:

- (a) Following a Vesting Date, and subject to Section 4 of the Agreement, the Company will issue you the Shares that became vested on such Vesting Date as soon as reasonably possible after the earliest of (i) the date that is one year following the applicable Vesting Date, (ii) the date of your death or termination of employment on account of Disability, or (iii) the occurrence of a Corporate Transaction that is a 409A Change in Control (as defined below). In the event that the 409A Change in Control precedes such Vesting Date, the Company will issue you the Shares that become vested on such Vesting Date as soon as reasonably possible following such Vesting Date. For avoidance of doubt, the occurrence of a Corporate Transaction that is not a 409A Change in Control will not trigger the issuance of Shares prior to the date that is one year following the applicable Vesting Date.
- (b) Upon the occurrence of an event described in Sections 1(b), 1(c) or 1(d), any Shares that become vested on account of the application of Sections 1(b), 1(c) or 1(d) will be issued to you by the Company as soon as reasonably possible after the occurrence thereof. In addition, upon the occurrence of an event described in Sections 1(b), 1(c) or 1(d) after a Vesting Date, any Shares that previously became vested on account of the occurrence of such Vesting Date but have not yet been issued to you shall be issued by the Company as soon as reasonably possible after the occurrence of the event described in Section 1(b), 1(c) or 1(d), but in any event in compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), including the provisions of Section 6(k) below.
- (c) A "409A Change in Control" shall mean a "change in the ownership or effective control" of the Company or "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Treasury Regulations §§1.409A-3(a)(5) and 1.409A-3(i).
- (d) For purposes of this Award, each date on which the shares are issued to you in respect of the Award is referred to as a "Settlement Date." Until the date the Shares are issued to you, you will have no rights as a stockholder of the Company. You acknowledge and agree that you may be required to provide a written or electronic acknowledgement prior to the issuance of any Shares to you by the Company under this Agreement. All issuances of Shares will be subject to the requirements of Section 409A of the Code.
- (e) Notwithstanding the foregoing, upon your Termination by the Company for Cause (as defined below), any portion of the Award that has not been previously settled will terminate, be forfeited, and you will have no further right or claim to anything under this Award. "Cause" means, for purposes of this Agreement, (i) gross negligence or willful misconduct in the performance of your duties to the Company (other than as a result of a Disability) that has resulted or is likely to result in material damage to the Company, after a written demand for substantial performance is delivered to you by the Board of Directors which specifically identifies the manner in which you have not substantially performed your duties and you have been provided with a reasonable opportunity of not less than 30 days to cure any alleged gross negligence or willful misconduct; (ii) commission of any act of fraud with respect to the Company; or (iii) conviction of a felony or a crime involving moral turpitude. No act or failure to act by you will be considered "willful" if done or omitted by you in good faith with reasonable belief that your action or omission was in the best interests of the Company. If the term "Cause" is defined in a separate agreement between you and the Company setting forth the terms of your employment relationship with the Company, that definition of "Cause" shall apply in lieu of the definition set forth in this Section 2(e).

3. Rights as a Stockholder; Dividend Equivalent Rights: You shall have no voting or other rights as a stockholder with respect to the Shares underlying the Award until such Shares have been issued to you. Notwithstanding the preceding sentence, you shall be entitled to receive payment of the equivalent of any and all dividends declared by the Company on its Common Stock on each date on which dividends are paid on and after the Date of Grant of the Award in an amount

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equal to the amount of such dividends multiplied by the number of Shares underlying the then outstanding portion of the Award. These dividend equivalents shall be paid upon the later of (a) the date dividends are paid to the common stockholders of the Company, or (b) the date the Restricted Stock Units with respect to which such dividend equivalents are payable become vested and the underlying Shares are issued (it being understood that no dividend equivalents will be paid with respect to Shares underlying any Restricted Stock Units that do not vest, but that dividend equivalent rights equal to the dividends declared on the Company's Common Stock from and after the Date of Grant of the unvested Restricted Stock Units shall be paid as and when such Restricted Stock Units vest and the underlying Shares are issued).

4. **Withholding Taxes:** If you are subject to United States federal income and employment taxes, this Award is generally taxable upon a Settlement Date based on the Fair Market Value on such date; provided that this Award may become taxable for purposes of employment taxes upon vesting, if earlier than a Settlement Date. For further detail, and for information regarding taxation in other jurisdictions, you should refer to the Global Supplement, which is an attachment to and is incorporated by reference into this Agreement. To the extent required by applicable law, you shall make arrangements satisfactory to the Company for the payment and satisfaction of any income tax, employment tax, social security tax, social insurance, payroll tax, contributions, payment on account or other withholding obligations that arise under this Award and, if applicable, any sale of Shares. The Company shall not be required to issue Shares pursuant to this Award or to recognize any purported transfer of Shares until such obligations are satisfied. Subject to the Company's discretion and in compliance with applicable laws, these obligations may be satisfied by the Company withholding a number of Shares that would otherwise be issued under this Award that the Company determines has a Fair Market Value sufficient to meet the tax withholding obligations (determined using a rate of up to the maximum statutory rate in the applicable jurisdictions), including but not limited to withholding with respect to income and/or employment taxes on this Award, including any stock-settled dividend equivalent rights paid with respect to any Shares underlying this Award. Subject to the Company's discretion and in compliance with applicable laws, these obligations may also be satisfied by other methods including, but not limited to: (a) through a "same day sale" commitment from you and a FINRA Dealer meeting the requirements of the Company's "same day sale" procedures, (b) having the Company withhold amounts from amounts otherwise payable to you under the Company's payroll system, and (c) any other methods approved by the Company. Notwithstanding the foregoing, since you are a Section 16 Officer of the Company, unless otherwise agreed to by the Company and you, these obligations will be satisfied by the Company withholding a number of Shares that would otherwise be issued under this Award that the Company determines has a Fair Market Value sufficient to meet the tax withholding obligations (determined as the minimum statutory rate in the applicable jurisdictions), including but not limited to withholding with respect to income and/or employment taxes on this Award, including any stock-settled dividend equivalent rights paid with respect to any Shares underlying this Award. For purposes of this Award, "Fair Market Value" is defined in Section 30(m) of the Plan.

You are ultimately liable and responsible for all taxes owed by you in connection with this Award, regardless of any action the Company takes or any transaction pursuant to this section with respect to any tax withholding obligations that arise in connection with this Award. The Company makes no representation or undertaking regarding the treatment of any tax withholding in connection with the grant, issuance, vesting or settlement of this Award or the subsequent sale of any of the Shares underlying the Award that vest. The Company does not commit and is under no obligation to structure this Award to reduce or eliminate your tax liability or to ensure that the tax withholding is sufficient to entirely satisfy your tax liability arising from this Award.

5. **Disputes:** Any question concerning the interpretation of this Agreement, any adjustments to be made thereunder, and any controversy that may arise under this Agreement, shall be determined by the Committee in accordance with its authority under Section 4 of the Plan. Such decision by the Committee shall be final and binding.
6. **Other Matters:**
- (a) The Award granted to an employee in any one year, or at any time, does not obligate the Company or any Subsidiary or other affiliate of the Company to grant an award in any future year or in any given amount and should not create an expectation that the Company (or any Subsidiary or other affiliate) might grant an award in any future year or in any given amount. Decisions regarding any future grants of an award, if any, will be at the sole discretion of the Committee.
  - (b) As the grant of the Award is discretionary, the grant does not form part of your contract of employment. If you are employed by any Company in the group other than the Company, the grant of the Award will not form a contractual relationship between you and the Company and will not form part of your contract of employment with the Subsidiary which employs you.
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- (c) Notwithstanding anything to the contrary in this Agreement, if you change classification from a full-time employee to a part-time employee, the Company may make unilateral changes to the terms and conditions of this Award, including reducing the number of Shares subject to this Award, in accordance with Company policy.
  - (d) This Award is an extraordinary item that does not constitute compensation for services that you have rendered to the Company or any Subsidiaries (including, as applicable, your employer). Further, this Award is not part of normal or expected compensation or salary for any purpose including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end of service payments, bonuses long-service awards, pension or retirement benefits or similar payments.
  - (e) Your participation in the Plan is voluntary. The Company, and its officers or directors, do not guarantee or make any representation to you regarding the performance of the Common Stock. The future value of the Common Stock is unknown and cannot be predicted with any certainty.
  - (f) Because this Agreement relates to terms and conditions under which you may be issued Shares and the Company is a Delaware corporation, an essential term of this Agreement is that it shall be governed by the laws of the State of Delaware, without regard to choice of law principles of Delaware or other jurisdictions. You acknowledge and agree that any action, suit, or proceeding relating to this Agreement or the Award granted hereunder shall be brought in the state or federal courts of competent jurisdiction in Santa Clara County in the State of California.
  - (g) Communications regarding the Plan and this Award may be made by electronic delivery through an online or electronic system established and maintained by the Company or a third party designated by the Company. You hereby acknowledge that you have read this provision and consent to the electronic delivery of the documents.
  - (h) You hereby understand and acknowledge that your personal data may be collected, used and transferred, in electronic or other form, by and among, as applicable, your employer, the Company and its Subsidiaries for the purposes of implementing, administering and managing the Plan. This may include personal data regarding your employment, the nature and amount of your compensation and the fact and conditions of your participation in the Plan, your name, gender, home address, email address and telephone number, date of birth, tax file number, social security number or other identification number, salary, tax information, nationality, job title, any shares of stock or directorships held in the Company and its Subsidiaries, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in your favor and other personal data reasonably required for the purpose of implementing, administering and managing the Plan (the "Data"). For more information about your employer's collection and processing of your Data for this purpose, please see Intuit's Global Employee Privacy Policy, which can be found on the Company's Intranet or by contacting your local human resources representative.
  - (i) Data Transfer for Administration of Plan.
    - (i) You understand that certain Data may be transferred to the stock administrator, whose name and contact information can be found on the Company's Intranet (the "Stock Administrator") and other third parties as necessary to enable or assist with the implementation, administration and management of the Plan. You understand that such recipients may act as independent Data Controllers of your Data under applicable privacy laws and in such cases the third party will be responsible for the processing of the Data once it is in their possession or control. You acknowledge that such third parties may process your Data in the United States or in other countries with different, and in some cases less protective, data protection laws than in your country. You acknowledge and understand that, where any such third party is operating as a Data Controller, that third party may collect additional Data from you in order to implement, administer and manage the Plan, and that third party's privacy policy will govern its collection, use and sharing of your Data.
    - (ii) You acknowledge and understand that where any such third party is acting as an independent Data Controller, you will need to exercise your data rights under local law, as applicable, with the third-party Data Controller directly.
  - (j) This Agreement, and any issuance of Shares hereunder, is intended to comply and shall be interpreted in accordance with Section 409A of the Code. Upon your Separation from Service, the Company shall determine whether any Shares issued to you in accordance with this Agreement could be determined to be payments from a nonqualified deferred compensation plan and whether you are a "specified employee" as of the applicable payment date (each as defined by Section 409A of the Code). If you are determined to be a "specified employee"
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and any such payments are payable in connection with your Separation from Service, and are not exempt from Section 409A of the Code as a short-term deferral or otherwise, these payments, to the extent otherwise payable within six (6) months after your date of Separation from Service, will be paid in a lump sum on the earlier of: (i) the date that is six (6) months after your date of Separation from Service or (ii) the date of your death. The foregoing six (6) month delay shall be applied if and only to the extent necessary to avoid the imposition of taxes under Section 409A of the Code. For purposes of this Agreement, a "Separation from Service" means an anticipated permanent reduction in the level of bona fide services to twenty percent (20%) or less of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period. For purposes of Section 409A of the Code, the payments to be made to you in accordance with this Agreement shall be treated as a right to a series of separate payments.

7. Miscellaneous: This Agreement (including the Plan, which is incorporated herein by reference) constitutes the entire agreement between you and the Company with respect to this Award, and supersedes all prior agreements or promises with respect to the Award. Except as provided in the Plan, this Agreement may be amended only by a written document signed by the Company and you. Subject to the terms of the Plan, the Company may assign any of its rights and obligations under this Agreement, and this Agreement shall be binding on, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer of an Award described in Section 14 of the Plan, this Agreement shall be binding on your permitted successors and assigns (including heirs, executors, administrators and legal representatives). All notices required under this Agreement or the Plan must be mailed or hand-delivered, (1) in the case of the Company, to the Company, attn.: Stock Administration at 2535 Garcia Ave., Mountain View, CA 94043, or at such other address designated in writing by the Company to you, and (2) in the case of you, at the address recorded in the books and records of the Company as your then current home address. You acknowledge and agree that any such notices from the Company to you may also be delivered through the Company's electronic mail system (prior to your Termination Date) or at the last email address you provided to the Company (after your Termination Date).

Additional information about the Plan and this Award (including certain tax consequences related to the Award) is contained in the accompanying Prospectus and, if applicable to you, the Global Supplement.

If you are employed by the Company outside of the United States, you will be deemed to have accepted this Award unless you decline it within three months of the Date of Grant.

The Company has signed this Agreement effective as of the Date of Grant.

INTUIT INC.

By: /S/ \_\_\_\_\_

Michelle Clatterbuck, Executive Vice President and Chief Financial Officer

## INTUIT INC.

## EXECUTIVE CHAIRMAN COMPENSATION TERMS EFFECTIVE JANUARY 1, 2019

On October 31, 2018, Intuit's Board of Directors approved the following compensation, effective January 1, 2019, for Brad Smith for the role of Executive Chairman:

**Salary and Bonus.** Mr. Smith will be paid an annual base salary of \$750,000. Mr. Smith will also be eligible to receive a target annual bonus of 100% of his base salary, prorated for Intuit's 2019 fiscal year as of the date of his change of role.

**Equity Awards.** Mr. Smith will be granted the number of restricted stock units determined by dividing \$3,000,000 by the closing price of the Intuit's common stock on the date of grant. The date of grant for these restricted stock units will be Intuit's regularly scheduled monthly grant date occurring in February 2019. The restricted stock units will vest and become issuable to Mr. Smith over approximately four years, with one fourth of the restricted stock units vesting on December 31, 2019, and 6.25% of the shares vesting on each April 1, July 1, October 1, and December 31 thereafter, until the shares under this award are fully vested. The restricted stock units will be subject to the terms of the Intuit Inc. 2005 Equity Incentive Plan.

2550 Garcia Avenue  
Mountain View, CA 94043

650-944-3840  
[intuit.com](http://intuit.com)

August 1, 2018

Greg Johnson

Dear Greg,

Congratulations on your promotion to **Executive Vice President, General Manager, Consumer Group** at Intuit (also referred to as the “Company”). We look forward to your continued leadership.

**Promotion Date**

You will become Intuit’s Executive Vice President and General Manager, Consumer Group, reporting to Brad Smith, effective **August 1, 2018** (the “Promotion Date”).

**Salary**

Effective as of your Promotion Date, your Biweekly salary will be **US \$23,076.92** (less applicable withholdings) based upon an annual salary of **US \$600,000.00**, pending continued employment.

**Bonus**

Beginning with the Company’s fiscal year 2019 fiscal year, you will be eligible to participate in Intuit’s Senior Executive Incentive Plan (“SEIP”), a cash incentive compensation program. Payouts under the SEIP plan are tied to the achievements of Intuit and individual performance and are made to individuals who are employed on the last day of the fiscal year. The actual amount of your award, if any, will be determined in accordance with the terms and conditions outlined in the SEIP plan document.

Your target percentage under the SEIP will be **100%** of your annual salary.

**Equity**

Subject to necessary approvals by Intuit, going forward, you will receive annual equity awards on the same vesting schedule and comparable terms and conditions as the annual Focal awards made to all Intuit senior executives.

Intuit has trading window restrictions that apply to all employees to protect against insider trading. Those restrictions limit when you can sell Intuit stock. The Intuit trading window will generally close on the last day of the second month of each fiscal quarter, and open on the second trading day following our earnings announcement.

**Share Ownership**

As Executive Vice President and GM, you will continue to participate in Intuit’s Share Ownership Program. You will have three years from your Promotion Date in which to acquire and hold shares of Intuit stock with a minimum aggregate value, pursuant to the terms of this program. The current aggregate value applicable to the GM, Consumer Group role is 5 times your base salary. In the meantime, you are required to maintain your current share ownership requirement of 1.5 times your base salary.

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**Other Benefits**

You will continue to be eligible for the normal health insurance, 401(k), employee stock purchase plan, nonqualified deferred compensation plan, management stock purchase program and other benefits offered to all Intuit senior executives.

Please visit [www.intuitbenefits.com](http://www.intuitbenefits.com) for details that will apply to you.

**Vacation**

As an executive at Intuit, you will continue to be exempt from the normal limits on vacation as defined in Intuit's standard policy and you will not accrue paid vacation time or floating holidays. It is expected that you will take paid time off as needed and in your reasonable determination, subject only to the approval of your manager.

**Terms and Conditions**

Your employment with Intuit continues to be at-will in nature and can be terminated at any time for any reason or no reason by yourself or by Intuit. This at-will employment relationship can only be modified in a writing signed by Intuit's Chief Executive Officer.

This letter constitutes the entire agreement between you and Intuit and supersedes any and all prior written or oral agreements, statements, discussions or representations made between the parties regarding employment. Please review these terms to make sure they are consistent with your understanding. If so, please sign and date this letter in the place indicated below.

If you have any questions about this offer, please contact me.

Sincerely,

/s/ Brad Smith  
Brad Smith  
Chairman and Chief Executive Officer

Accepted: /s/ Gregory N. Johnson

Date: Aug. 13, 2018 Start Date: \_\_\_\_\_



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November 7, 2018

Alex Chriss

Dear Alex,

You are a valued and important leader and you play a critical role in Intuit's mission to power prosperity around the world. I'm delighted to confirm your promotion to Executive Vice President & General Manager, SBSEG. This promotion recognizes both the increased scope and impact your role has across Intuit, as well as your excellent performance.

I'm pleased to provide you with details of your new compensation which will be effective, January 1, 2019:

<b>Current Base Salary</b>	<b>New Base Salary</b>
\$481,500	\$600,000 (+25%)
<b>Current IPI Target</b>	<b>New IPI Target*</b>
60%	100%
<b>Equity</b>	
FY18 Focal Award Grant	January 2019 Promotion Grant
\$1,300,000 (Grant Value)	\$2,150,000
	July 2019 Focal Award Grant**

\*FY19 bonus will be prorated based on number of days in each position

\*\* Subject to the terms and conditions of the Intuit Inc. 2005 Equity Incentive Plan and CODC approval

I look forward to seeing your success and development in this expanded role. I am confident you will continue to achieve great outcomes for Intuit and be a boundaryless leadership role model for others.

Congratulations,

/s/ Sasan Goodarzi

Sasan Goodarzi  
EVP & General Manager, SBSEG

cc: Laura Fennell

***EXECUTION VERSION***

**Published CUSIP Numbers:**

**Deal: 46121VAH1**

**Revolver: 46121VAJ7**

**Term: 46121VAK4**

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of May 2, 2019

among

INTUIT INC.,

The Lenders Party Hereto,

BANK OF AMERICA, N.A.

and

JPMORGAN CHASE BANK, N.A.,

as Co-Administrative Agents,

and

U.S. BANK NATIONAL ASSOCIATION

and

MUFG BANK, LTD.,

as Co-Syndication Agents

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,

JPMORGAN CHASE BANK, N.A.,

U.S. BANK NATIONAL ASSOCIATION

and

MUFG BANK, LTD.,

as Joint Lead Arrangers and Joint Bookrunners

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This AMENDED AND RESTATED CREDIT AGREEMENT (this “Agreement”) dated as of May 2, 2019 is entered into among INTUIT INC., a Delaware corporation, the Lenders from time to time party hereto, and BANK OF AMERICA, N.A. and JPMORGAN CHASE BANK, N.A., as Co-Administrative Agents.

The parties hereto agree as follows:

## ARTICLE I

### Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to a Loan, or the Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Lead Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Aggregate Revolving Commitments” means the aggregate Revolving Commitments of all the Lenders. The principal amount of the Aggregate Revolving Commitments in effect on the Effective Date is ONE BILLION DOLLARS (\$1,000,000,000).

“Agreed Currency” means each of (a) Dollars, (b) Australian Dollars, (c) Canadian Dollars, (d) euro, (e) Pounds Sterling, (f) Japanese Yen, (g) Singapore Dollars and (h) any other currency that is approved in accordance with Section 1.06.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the LIBO Rate plus 1%; provided, that, if the Alternate Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14(c), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

“Applicable Percentage” means, with respect to any Lender at any time, (a) with respect to the Aggregate Revolving Commitments, the percentage (carried out to the ninth decimal place) of the Aggregate Revolving Commitments represented by such Lender’s Revolving Commitment at such time, and (b) with respect to the Term Facility, the percentage (carried out to the ninth decimal place) of the Term Facility represented by the outstanding principal amount of such Lender’s Term Loan at such time. If the Aggregate Revolving Commitments have terminated or expired, the Applicable Percentage of any Lender with respect to the Aggregate Revolving Commitments shall be determined based upon the Aggregate Revolving Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“Applicable Rate” means, for any day, (a) with respect to any Eurocurrency Revolving Loan or any ABR Revolving Loan or with respect to the facility fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Eurocurrency Spread”, “ABR Spread” or “Facility Fee Rate”, as the case may be, based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt:

Category	Index Debt Ratings:	Eurocurrency Spread	ABR Spread	Facility Fee Rate
<u>Category 1:</u>	A1/A+ or higher	0.690%	0.000%	0.060%
<u>Category 2:</u>	A2/A	0.805%	0.000%	0.070%
<u>Category 3:</u>	A3/A-	0.910%	0.000%	0.090%
<u>Category 4:</u>	Baa1/BBB+	1.015%	0.015%	0.110%
<u>Category 5:</u>	Baa2/BBB or lower	1.100%	0.100%	0.150%

and, (b) with respect to any Eurocurrency Term Loan or any ABR Term Loan, as the case may be, the applicable rate per annum set forth below under the caption “Eurocurrency Spread” or “ABR Spread”, as the case may be, based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt:

Category	Index Debt Ratings:	Eurocurrency Spread	ABR Spread
<u>Category 1:</u>	A1/A+ or higher	0.625%	0.000%
<u>Category 2:</u>	A2/A	0.750%	0.000%
<u>Category 3:</u>	A3/A-	0.875%	0.000%
<u>Category 4:</u>	Baa1/BBB+	1.000%	0.000%
<u>Category 5:</u>	Baa2/BBB or lower	1.125%	0.125%

For purposes of the foregoing, (i) if either Moody’s or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Category 5; (ii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category next below that of the higher of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when



notice of such change shall have been furnished by the Borrower to the Lead Administrative Agent and the Lenders pursuant to Section 5.09 or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Approved Fund" means any Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person)) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Lead Administrative Agent, in the form of Exhibit A or any other form (including electronic documentation generated by use of an electronic platform) approved by the Lead Administrative Agent.

"Augmenting Lender" has the meaning assigned to such term in Section 2.20.

"Australian Dollars" means the lawful currency of Australia.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Revolving Maturity Date and the date of termination of the Aggregate Revolving Commitments.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank of America" means Bank of America, N.A. and its successors.

"Bankruptcy Event" means, with respect to any Lender, such Lender has, or has a direct or indirect parent company that has, (a) become the subject of a bankruptcy or insolvency proceeding, (b) had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business or assets appointed for it, or (c) become the subject of a Bail-In Action; provided, that, a Bankruptcy Event shall not result solely by virtue of the ownership or acquisition of any Equity Interest in such Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Board” means the Board of Governors of the Federal Reserve System of the United States.

“Borrower” means Intuit Inc., a Delaware corporation.

“Borrower Materials” has the meaning specified in Section 5.09.

“Borrowing” means Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03, which Borrowing Request shall be in the form of Exhibit H or such other form as may be approved by the Lead Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Lead Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided, that, when used in connection with a Eurocurrency Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in the relevant Agreed Currency in the London interbank market or the principal financial center of such Agreed Currency (and, if the Borrowings which are the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in euro, the term “Business Day” shall also exclude any day on which the TARGET2 payment system is not open for the settlement of payments in euro).

“Canadian Dollars” means the lawful currency of Canada.

“Change in Law” means the occurrence, after the Effective Date (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided, that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

“Class”, when used in reference to any Loan or Borrowing, refers to such Loan, or the Loans comprising such Borrowing, as Revolving Loans or Term Loans.

“Co-Administrative Agent” means each of the Lead Administrative Agent and JPMorgan Chase Bank, N.A. (or any of its designated branch offices or affiliates), in its capacity as co-administrative agent for the Lenders hereunder.

“Code” means the Internal Revenue Code of 1986.

“Commitment” means, as to each Lender, the Revolving Commitment of such Lender and/or the Term Loan Commitment of such Lender. The initial amount of each Lender’s Revolving Commitment and each Lender’s Term Loan Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

“Computation Date” is defined in Section 2.04.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consenting Lender” has the meaning assigned to such term in Section 2.23.

“Consolidated” refers to the consolidation of accounts in accordance with GAAP.

“Consolidated Interest Charges” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to all interest, premium payments, debt discount, fees, charges and related expenses in connection with Debt for Borrowed Money (including capitalized interest), in each case to the extent treated as interest in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms “Controlling” and “Controlled” have meanings correlative thereto.

“Co-Syndication Agent” means each of U.S. Bank National Association and MUFG Bank, Ltd., in their respective capacities as a co-syndication agent for the credit facilities evidenced by this Agreement.

“Credit Party” means the Lead Administrative Agent or any Lender.

“Declining Lender” has the meaning assigned to such term in Section 2.23.

“Debt” of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than (i) trade payables incurred in the ordinary course of business of such Person and (ii) earn-outs, hold-backs and similar deferred payment of consideration in acquisitions (but only to the extent that (A) no payment is then owed thereunder and (B) the same are not fixed in amount and non-contingent)), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters

of credit or similar extensions of credit, (g) all net obligations of such Person in respect of Hedge Agreements entered into with a particular counterparty (determined as of any date as the amount such Person would be required to pay to its counterparty in accordance with the terms thereof as if terminated on such date of determination), (h) all Securitization Attributable Indebtedness of such Person, (i) all Debt of others referred to in clauses (a) through (h) above or clause (j) below and other payment obligations (collectively, “Guaranteed Debt”) guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (i) to pay or purchase such Guaranteed Debt or to advance or supply funds for the payment or purchase of such Guaranteed Debt, (ii) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Guaranteed Debt or to assure the holder of such Guaranteed Debt against loss, (iii) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (iv) otherwise to assure a creditor against loss, and (j) all Debt referred to in clauses (a) through (i) above (including Guaranteed Debt) secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

“Debt for Borrowed Money” means, as at any date of determination, all items that, in accordance with GAAP, would be classified as indebtedness on a Consolidated balance sheet of the Borrower and its Subsidiaries (but excluding indebtedness of any Finance Subsidiary issued or undertaken in any Structured Finance Transaction permitted under Section 6.04(f)).

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means, subject to Section 2.22(b), any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans or (ii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Lead Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied), (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans (provided, that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Lead Administrative Agent), or (d) has become the subject of a Bankruptcy Event. Any determination by the Lead Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.22(b)) as of the date established therefor by the Lead Administrative Agent in a written notice of such determination, which shall be delivered by the Lead Administrative Agent to the Borrower and each Credit Party promptly following such determination.

“Designated Jurisdiction” means any country, region or territory to the extent that such country, region or territory itself is the subject of any Sanction.

“Disclosed Litigation” means the matters described in the Borrower’s filings made prior to the Effective Date with the SEC under the Securities Exchange Act of 1934, as amended.

“Dollar Amount” of any currency at any date means (a) the amount of such currency if such currency is Dollars or (b) the equivalent in such currency of Dollars if such currency is a Foreign Currency, calculated on the basis of the Exchange Rate for such currency, on or as of the most recent Computation Date provided for in Section 2.04.

“Dollars” or “\$” refers to lawful money of the United States.

“EBITDA” means, for any period, net income (or net loss) plus the sum of (a) interest expense, (b) income tax expense, (c) depreciation expense, (d) amortization expense, (e) non-cash extraordinary losses (including, without limitation, charges for impairment of goodwill) and (f) share based non-cash compensation expense, and minus the sum of (x) non-cash extraordinary gains and (y) interest income, in each case determined in accordance with GAAP for such period.

In the event that the Borrower or any Subsidiary shall have completed since the beginning of the relevant period an acquisition or disposition of any Person, division or business unit for which the Borrower is required to file pro forma financial statements with the SEC, EBITDA shall be determined for such period on a Pro Forma Basis as if such acquisition or disposition, and any related incurrence or repayment of Debt for Borrowed Money, had occurred at the beginning of such period.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means May 2, 2019.

“Eligible Currency” means any lawful currency other than Dollars that is readily available, freely transferable and convertible into Dollars in the international interbank market available to the Lenders in such market and as to which an Exchange Rate may be readily calculated. If, after the designation by the Lenders of any currency as an Agreed Currency, any change in currency controls or exchange regulations or any change in the national or international financial, political or economic conditions are imposed in the country in which such currency is issued, result in, in the reasonable opinion of the Lead Administrative Agent, (a) such currency no longer being readily available, freely transferable and convertible into Dollars, (b) an Exchange Rate no longer being readily calculable with respect to such currency, or (c) the provision of such currency being impracticable for the Lenders (each, a “Disqualifying Event”), then the Lead Administrative Agent shall promptly notify the Lenders and the Borrower, and such country’s currency shall no longer be an Agreed Currency until such time as the Disqualifying Event(s) no longer exist. Within, five (5) Business Days after receipt of such notice from the Lead Administrative Agent, the Borrowers shall

repay all Loans in such currency to which the Disqualifying Event applies or convert such Loans into Dollars, subject to the other terms contained herein.

“Environmental Action” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement arising pursuant to or based upon any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“Environmental Law” means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, directly or indirectly relating to (a) a violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed on the Borrower or any of its Subsidiaries with respect to any of the foregoing.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means any Person that for purposes of Title IV of ERISA is a member of the Borrower’s controlled group, or under common control with the Borrower, within the meaning of Section 414 of the Code.

“ERISA Event” means (a) the occurrence of a reportable event, within the meaning of Section 4043(c) of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of the Borrower or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for the imposition of a lien under Section 303(k) of ERISA shall have been met with respect to any Plan; (g) the adoption of an amendment

to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Plan.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“euro” and/or “EUR” means the single currency of the Participating Member States.

“Eurocurrency”, when used in reference to a currency means an Agreed Currency and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to clause (a) of the definition of LIBO Rate.

“Eurocurrency Payment Office” of the Lead Administrative Agent means, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Lead Administrative Agent for such currency as specified from time to time by the Lead Administrative Agent to the Borrower and each Lender.

“Event of Default” has the meaning assigned to such term in Article VII.

“Exchange Rate” means, on any day, with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m., Local Time, on such date on the Reuters World Currency Page for such Foreign Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate with respect to such Foreign Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be reasonably selected by the Lead Administrative Agent or, in the event no such service is selected, such Exchange Rate shall instead be calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange of the Lead Administrative Agent for such Foreign Currency on the London market at 11:00 a.m., Local Time, on such date for the purchase of Dollars with such Foreign Currency, for delivery two Business Days later; provided, that, if at the time of any such determination, for any reason, no such spot rate is being quoted, the Lead Administrative Agent, after consultation with the Borrower, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.17(f) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

“Existing Credit Agreement” means that certain Credit Agreement, dated as of February 1, 2016, by and among the Borrower, the lenders from time to time party thereto, and Bank of America and JPMorgan Chase Bank, N.A., as co-administrative agents, as amended by that certain First Amendment to Credit Agreement, dated as of December 10, 2018.

“Existing Revolving Maturity Date” has the meaning assigned to such term in Section 2.23.

“Extension Effective Date” has the meaning assigned to such term in Section 2.23.

“EATCA” means Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Effective Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that, (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Lead Administrative Agent.

“Fee Letter” means that certain letter agreement dated April 1, 2019 by and among the Borrower, Bank of America and MLPFS.

“Finance Subsidiary” means any special purpose Subsidiary directly or indirectly wholly owned by an Originator formed to enter into any Structured Finance Transaction and which is organized in a manner (as determined by the Borrower in good faith) intended to reduce the likelihood that it would be substantively consolidated with the Borrower or any of its Subsidiaries (other than Finance Subsidiaries) in the event the Borrower or any such Subsidiary (including the Originator) becomes subject to a proceeding under the U.S. Bankruptcy Code (or other insolvency law).

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“Foreign Currency” means each Agreed Currency other than Dollars.

“Foreign Currency Sublimit” means an amount equal to the lesser of (a) \$100,000,000, and (b) the Aggregate Revolving Commitments. The Foreign Currency Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender, with respect to such Borrower, that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender, with respect to such Borrower, that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

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



“Governmental Authority” means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank).

“Hazardous Materials” means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

“Hedge Agreements” means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar interest rate or exchange rate hedging agreements.

“HMT” has the meaning specified in the definition of “Sanctions.”

“Increasing Lender” has the meaning assigned to such term in Section 2.20.

“Incremental Term Loan” has the meaning assigned to such term in Section 2.20.

“Incremental Term Loan Amendment” has the meaning assigned to such term in Section 2.20.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitee” has the meaning specified in Section 9.03(b).

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other person or entity or subject to any other credit enhancement.

“Information” has the meaning specified in Section 9.12.

“Information Memorandum” means the confidential information memorandum relating to the Borrower and the Transactions.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08, which Interest Election Request shall be in the form of Exhibit I or such other form as may be approved by the Lead Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Lead Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last Business Day of each January, April, July and October and the Revolving Maturity Date or the Term Maturity Date, as applicable and (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and the Revolving Maturity Date or the Term Maturity Date, as applicable.

“Interest Period” means with respect to any Eurocurrency Borrowing, the period commencing on the date such Borrowing is disbursed or converted to or continued as a Eurocurrency Loan and ending on the date that is one, two, three or six months thereafter (in each case, subject to availability for the interest rate applicable to the relevant currency), as the Borrower may elect, or such other period that is twelve months or less requested by the Borrower and consented to by all of the Lenders; provided, that, (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, and (c) no Interest Period shall extend beyond the Revolving Maturity Date or the Term Maturity Date, as applicable.

“IRS” means the United States Internal Revenue Service.

“Japanese Yen” or “JPY” means the lawful currency of Japan.

“Latest Maturity Date” means, at any date of determination, the latest of the Revolving Maturity Date as of such date and the Term Maturity Date as of such date.

“Lead Administrative Agent” means Bank of America (or any of its designated branch offices or affiliates).

“Lead Arranger” means each of MLPFS (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation’s or any of its subsidiaries’ investment banking, commercial lending services or related businesses may be transferred following the Effective Date), JPMorgan Chase Bank, N.A., U.S. Bank National Association and MUFG Bank, Ltd., in their respective capacities as a joint lead arranger and a joint bookrunner.

“Lender” means each Person listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20, an Assignment and Assumption or otherwise in accordance with this Agreement, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise in accordance with this Agreement.

“LIBO Rate” means, (a) with respect to any Eurocurrency Loan for any Interest Period, (i) denominated in a LIBOR Quoted Currency, the rate per annum equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for a period equal in length to such Interest Period (“LIBOR”), as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Lead Administrative Agent from time to time) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, for deposits in the relevant currency (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, (ii) denominated in Canadian Dollars, the rate per annum equal to the Canadian Dealer Offered Rate, or a comparable or successor rate which rate is approved by the Lead Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Lead Administrative Agent from time to time) at or about 10:00 a.m. (Toronto, Ontario time) on the Rate Determination Date with a term equivalent to such Interest Period, (iii) denominated in Australian Dollars, the rate per annum equal to the Bank Bill Swap Reference Bid Rate or a comparable or successor rate, which rate is approved by the Lead Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Lead Administrative Agent from time to time) at or about 10:30

a.m. (Melbourne, Australia time) on the Rate Determination Date with a term equivalent to such Interest Period, (iv) denominated in Singapore Dollars, the rate per annum equal to the Singapore Interbank Offered Rate, or a comparable or successor rate which rate is approved by the Lead Administrative Agent, as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Lead Administrative Agent from time to time) at or about 11:00 a.m. (Singapore time) on the Rate Determination Date with a term equivalent to such Interest Period, and (v) denominated in any other Non-LIBOR Quoted Currency, the rate per annum as designated with respect to such currency at the time such currency is approved by the Lead Administrative Agent and the relevant Lenders pursuant to Section 1.06, and (b) for any rate calculation with respect to an ABR Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time, determined two (2) Business Days prior to such date for Dollar deposits with a term of one month commencing that day; provided, that, if the LIBO Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“LIBOR” has the meaning specified in the definition of “LIBO Rate.”

“LIBOR Quoted Currency” means Dollars, euro, Pounds Sterling, and Japanese Yen, in each case as long as there is a published LIBO Rate with respect thereto.

“LIBOR Screen Rate” means the LIBOR quote on the applicable screen page the Lead Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Lead Administrative Agent from time to time).

“LIBOR Successor Rate” has the meaning specified in Section 2.14(c).

“LIBOR Successor Rate Conforming Changes” means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Alternate Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of the Lead Administrative Agent in consultation with the Borrower, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Lead Administrative Agent in a manner substantially consistent with market practice (or, if the Lead Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Lead Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement).

“Lien” means any lien, security interest or other charge or encumbrance of any kind, including, without limitation, the lien or retained security title of a conditional vendor.

“Loan Documents” means, collectively, this Agreement, the Notes, any Incremental Term Loan Amendment, the Fee Letter, and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Lead Administrative Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of the Borrower, or any employee of the Borrower, and delivered to the Lead Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Loan” means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan, Term Loan or an Incremental Term Loan.

“Local Time” means (a) New York City time in the case of a Loan or Borrowing denominated in Dollars and (b) local time in the case of a Loan or Borrowing denominated in a Foreign Currency (it being understood that such local time shall mean London, England time unless otherwise notified by the Lead Administrative Agent).

“Mandatory Cost” means any amount incurred periodically by any Lender during the term of this Agreement which constitutes fees, costs or charges imposed on lenders generally in the jurisdiction in which such Lender is domiciled or has its office that is subject to regulation by any Governmental Authority.

“Material Adverse Change” means any material adverse change in the business, financial condition or operations of the Borrower and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial condition or operations of the Borrower and its Subsidiaries taken as a whole, (b) the rights and remedies of the Lead Administrative Agent or any Lender under this Agreement or any Note or (c) the ability of the Borrower to perform its obligations under this Agreement or any Note.

“Maturity Date” means the Revolving Maturity Date or the Term Maturity Date, as applicable.

“MLPFS” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

“Multiple Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and at least one Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-LIBOR Quoted Currency” means any currency other than a LIBOR Quoted Currency.

“Note” means a promissory note of the Borrower payable to any Lender, delivered pursuant to a request made under Section 2.10(f), evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Loans made by such Lender.

“Notice of Loan Prepayment” means a notice of prepayment with respect to a Loan, which shall be in the form of Exhibit J or such other form as may be approved by the Lead Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Lead Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Loans, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower and its Subsidiaries to any of the Lenders, the Lead Administrative Agent, or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Originator” means Intuit Financing, Inc., a direct wholly-owned Subsidiary of the Borrower, or any other direct or indirect Subsidiary of the Borrower formed for the business purpose of originating loans, receivables or similar assets and financing, selling or securitizing the same.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

“Overnight Foreign Currency Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Effective Rate and (ii) an overnight rate determined by the Lead Administrative Agent in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in a Foreign Currency, the rate of interest per annum at which overnight deposits in the applicable Foreign Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Bank of America in the applicable offshore interbank market for such currency to major banks in such interbank market.

“Participant” has the meaning assigned to such term in Section 9.04.

“Participant Register” has the meaning assigned to such term in Section 9.04(c).

“Participating Member State” means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001.

“PBGC” means the Pension Benefit Guaranty Corporation (or any successor).

“Permitted Liens” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.02; (b) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than thirty (30) days or that are being contested in good faith and for which any reserves required by GAAP have been established; (c) pledges or deposits to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; (d) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (e) Liens to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature; (f) landlords’ Liens under leases to which such Person is a party; (g) Liens consisting of leases, subleases, licenses or sublicenses granted to others and not interfering in any material respect with the business of the Borrower and its Subsidiaries, taken as a whole, and any interest or title of a lessor or licensor under any lease or license, as applicable; (h) Liens arising solely by virtue of any statutory or common law provision relating to banker’s Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; (i) Liens securing judgments for the payment of money not constituting an Event of Default under clause (f) of Article VII or securing appeal or other surety bonds related to such judgments; (j) restrictions on funds held for payroll customers pursuant to obligations to such customers; and (k) Liens granted by a Finance Subsidiary on assets collateralizing any Structured Finance Transaction (and any back-up security interest granted in such assets by the relevant Originator in connection with the sale and securitization thereof) or granted by an Originator solely on Equity Interests in any Finance Subsidiary, to the extent such Equity Interests collateralize any Structured Finance Transaction, in each case, to the extent that such Liens are created by the agreements of such Originator or Finance Subsidiary in relation to such Structured Finance Transaction; provided, that, (i) such Liens extend only to the assets subject to such Structured Finance Transaction and the Equity Interests of Finance Subsidiaries and (ii) such Structured Finance Transaction is permitted pursuant to Section 6.04(f).

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

“Plan” means a Single Employer Plan or a Multiple Employer Plan.

“Platform” has the meaning specified in Section 5.09.

“Pounds Sterling” means the lawful currency of the United Kingdom.

“Prime Rate” means a rate of interest per annum set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

“Pro Forma Basis”, when used in reference to any computations, means that such computations are to be made on a basis that gives effect to the applicable acquisition or disposition as if such acquisition or disposition had occurred on the date specified, in a manner consistent with the requirements of the SEC for pro forma financial information set forth in Article 11 of Regulation S-X under the Securities Exchange

Act of 1934, as amended. If any indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedge Agreement applicable to such indebtedness).

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Lender” has the meaning specified in Section 5.09.

“Rate Determination Date” means, with respect to an Interest Period, the date that is two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Lead Administrative Agent; provided, that, to the extent such market practice is not administratively feasible for the Lead Administrative Agent, such other day as otherwise reasonably determined by the Lead Administrative Agent).

“Recipient” means (a) the Lead Administrative Agent, (b) any Lender or (c) any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder.

“Register” has the meaning assigned to such term in Section 9.04.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective partners, directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders at such time. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Response Date” has the meaning assigned to such term in Section 2.23.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of the Borrower, and solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of the Borrower, and solely purposes of delivering Borrowing Requests, Interest Election Requests or Notices of Loan Prepayment pursuant to Article II, any other officer or employee of the Borrower so designated by any of the foregoing officers in a notice to the Lead Administrative Agent or any other officer or employee of the Borrower designated in or pursuant to an agreement between the Borrower and the Lead Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

“Revolving Commitment” means, as to each Lender, its obligation to make Revolving Loans to the Borrower pursuant to Section 2.01(a), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the outstanding principal amount of such Lender’s Revolving Loans at such time.

“Revolving Loan” means a Loan made pursuant to Section 2.01(a).

“Revolving Maturity Date” means May 2, 2024, as extended pursuant to Section 2.23; provided, that, if such date is not a Business Day, the Revolving Maturity Date shall be the next preceding Business Day.

“Revolving Maturity Date Extension Request” means a request by the Borrower, in the form of Exhibit F or such other form as shall be approved by the Lead Administrative Agent, for the extension of the Revolving Maturity Date pursuant to Section 2.23.

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc.

“Sanctions” means any sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury (“HMT”), the Government of Canada or other relevant sanctions authority.

“Scheduled Unavailability Date” has the meaning assigned to such term in Section 2.14(c).

“SEC” means the United States Securities and Exchange Commission.

“Securitization Attributable Indebtedness” means, as of any date of determination, the amount of obligations outstanding on such date under the legal documents entered into as part of any Structured Finance Transaction that corresponds to the outstanding net investment (including loans) of, or cash purchase price paid by, the unaffiliated third party purchasers or financial institutions participating in such transaction and, as such, would be characterized as principal if such transaction were structured as a secured lending transaction rather than as a purchase (or, to the extent structured as a secured lending transaction, is principal).

“Singapore Dollars” means the lawful currency of Singapore.

“Single Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower or any ERISA Affiliate and no Person other than the Borrower and the ERISA Affiliates or (b) was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

“Solvent” means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.



“Special Notice Currency” means, at any time, an Agreed Currency other than the currency of a country that is a member of the Organization for Economic Cooperation and Development at such time located in North America or Europe.

“Structured Finance Transaction” means any securitization, warehouse financing, repurchase transaction, whole loan sale transaction or similar financing or monetization of loans or receivables originated by an Originator, or any secured or unsecured hedge or swap related thereto, however named or documented, that (a) is not guaranteed by the Borrower, or any Subsidiary of the Borrower (other than Finance Subsidiaries or with respect to customary guarantees of performance, an Originator), (b) does not create recourse or obligations to the Borrower or any Subsidiary of the Borrower (other than an Originator or any Finance Subsidiary), (c) is structured such that recourse and obligations to the relevant Originator in connection with such transactions shall be limited to the extent customary (as determined by the Borrower in good faith) for similar transactions in the applicable jurisdictions (including, to the extent applicable, in a manner consistent with the delivery of a “true sale”/“absolute transfer” opinion with respect to any transfer by such Originator to a Finance Subsidiary) and (d) none of the Borrower nor any of its Subsidiaries (other than any Finance Subsidiary or, as permitted in clause (c) of this definition, an Originator) shall have provided, either directly or indirectly, any credit support of any kind in connection with such Structured Finance Transaction.

“Subordinated Debt” means any Debt of the Borrower or any Subsidiary the payment of which is subordinated to payment of the obligations under the Loan Documents.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Borrower.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Facility” means, at any time, the aggregate principal amount of the Term Loans of all of the Lenders outstanding at such time.

“Term Loan” means a Loan made by any Lender under the Term Facility.

“Term Loan Commitment” means, as to each Lender, its obligation to make a Term Loan to the Borrower pursuant to Section 2.01(b), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01. The aggregate principal amount of the Term Loan Commitments of all of the Lenders as in effect on the Effective Date is FOUR HUNDRED MILLION DOLLARS (\$400,000,000).

“Term Maturity Date” means February 1, 2021; provided, that, if such date is not a Business Day, the Term Maturity Date shall be the next preceding Business Day.

“Total Credit Exposure” means, as to any Lender at any time, the aggregate amount of such Lender’s unused Revolving Commitment at such time, plus such Lender’s Revolving Credit Exposure at such time, plus outstanding amount of such Lender’s Term Loan at such time.

“Transactions” means, collectively, the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, and the use of the proceeds thereof.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to (a) clause (a) of the definition of LIBO Rate or (b) the Alternate Base Rate.

“United States” and “U.S.” mean the United States of America.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

“Voting Stock” means capital stock issued by a corporation, or equivalent interest in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “Eurocurrency Loan”) or by Class and Type (e.g., a “Eurocurrency Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Loan Borrowing”) or by Type (e.g., a “Eurocurrency Borrowing”) or by Class and Type (e.g., a “Eurocurrency Revolving Loan Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation” and the specific inclusion of such phrase in certain clauses shall not imply that such phrase is not included in others. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such

amendments, restatements, amendments and restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale or disposition, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, that, if the Borrower notifies the Lead Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change in GAAP occurring after the Effective Date or in the application thereof on the operation of such provision (or if the Lead Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made without giving effect to (a) any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Debt or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein, (b) any treatment of Debt in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Debt in a reduced or bifurcated manner as described therein, and such Debt shall at all times be valued at the full stated principal amount thereof, and (c) any change in accounting for leases pursuant to GAAP resulting from the implementation of Financial Accounting Standards Board ASU No. 2016-02, Leases (Topic 842).

SECTION 1.05. Status of Obligations. In the event that the Borrower shall at any time issue or have outstanding any Subordinated Debt, the Borrower shall take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Debt and to enable the Lead Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Debt. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Debt is outstanding and are further given all such other designations as shall be required under the terms of

any such Subordinated Debt in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Debt.

SECTION 1.06. Additional Agreed Currencies.

(a) The Borrower may from time to time request that Eurocurrency Loans be made in a currency other than those specifically listed in the definition of “Agreed Currency”; provided, that, such requested currency is an Eligible Currency. In the case of any such request with respect to the making of Eurocurrency Loans, such request shall be subject to the approval of the Lead Administrative Agent and the Lenders.

(b) Any such request shall be made to the Lead Administrative Agent not later than 11:00 a.m., New York City time, twenty (20) Business Days prior to the date of the desired Borrowing (or such other time or date as may be agreed by the Lead Administrative Agent). The Lead Administrative Agent shall promptly notify each Lender thereof. Each Lender shall notify the Lead Administrative Agent, not later than 11:00 a.m., New York City time, ten (10) Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Eurocurrency Loans in such requested currency.

(c) Any failure by a Lender to respond to such request within the time period specified in clause (b) shall be deemed to be a refusal by such Lender to permit Eurocurrency Loans to be made in such requested currency. If the Lead Administrative Agent and all of the Lenders consent to making Eurocurrency Loans in such requested currency and the Lead Administrative Agent and the Lenders reasonably determine that an appropriate interest rate is available to be used for such requested currency, the Lead Administrative Agent shall so notify the Borrower and (i) the Lead Administrative Agent, the Borrower and the Lenders may amend the definition of LIBO Rate for any Non-LIBOR Quoted Currency to the extent necessary to add the applicable LIBO Rate for such currency and (ii) to the extent the definition of LIBO Rate reflects the appropriate interest rate for such currency or has been amended to reflect the appropriate rate for such currency, such currency shall thereupon be deemed for all purposes to be an Agreed Currency for purposes of any Borrowings of Eurocurrency Loans. If the Lead Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.06, the Lead Administrative Agent shall promptly so notify the Borrower.

SECTION 1.07. Change of Currency.

(a) Each obligation of the Borrower to make a payment denominated in the national currency unit of any member state of the European Union that adopts the euro as its lawful currency after the Effective Date shall be redenominated into euro at the time of such adoption. If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the euro as its lawful currency; provided, that, if any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Lead Administrative Agent may from time to time specify to be appropriate to

reflect the adoption of the euro by any member state of the European Union and any relevant market conventions or practices relating to the euro.

(c) Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Lead Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

## ARTICLE II

### The Credits

#### SECTION 2.01. Loans.

(a) Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrower in Agreed Currencies from time to time during the Availability Period in an aggregate principal amount that will not result in (a) subject to Sections 2.04 and 2.11(b), the Dollar Amount of such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Commitment, (b) subject to Sections 2.04 and 2.11(b), the sum of the Dollar Amount of the total Revolving Credit Exposures of all Lenders exceeding the Aggregate Revolving Commitments or (c) subject to Sections 2.04 and 2.11(b), the Dollar Amount of the total outstanding principal amount of the Revolving Loans denominated in Foreign Currencies exceeding the Foreign Currency Sublimit. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) Subject to the terms and conditions set forth herein, each Lender agrees to make a Term Loan to the Borrower in Dollars on the Effective Date in an amount not to exceed such Lender's Applicable Percentage of the Term Facility. A Lender shall make its Term Loan to the Borrower by (i) continuing the portion of its term loan outstanding under the Existing Credit Agreement immediately prior to the Effective Date (including pursuant to a cashless settlement mechanism approved by the Lead Administrative Agent and such Lender), and/or (ii) advancing additional amounts on the Effective Date that shall constitute all or a portion of its Term Loan hereunder. Term Loans repaid or prepaid may not be reborrowed.

#### SECTION 2.02. Borrowings.

(a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided, that, the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as the Borrower may request in accordance herewith; provided, that, each ABR Loan shall only be made in Dollars. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided, that, any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY100,000,000 or (ii) a Foreign Currency other than Japanese Yen, 1,000,000 units of such currency) and not less than \$5,000,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY500,000,000 or (ii) a Foreign Currency other than Japanese Yen, 5,000,000 units of such currency). At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; provided, that, an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Revolving Commitments. Borrowings of more than one Type and Class may be outstanding at the same time; provided, that, (x) there shall not at any time be more than a total of six (6) Interest Periods outstanding with respect to all Revolving Loan Borrowings and (y) there shall not at any time be more than a total of six (6) Interest Periods outstanding with respect to the Term Facility.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Revolving Maturity Date or the Term Maturity Date, as applicable.

(e) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all of the portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Lead Administrative Agent and such Lender.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Lead Administrative Agent of such request by irrevocable notice which may be given by a Borrowing Request or by telephone (provided, that, any telephonic notice must be confirmed immediately by delivery to the Lead Administrative Agent of a Borrowing Request) (a) in the case of a Eurocurrency Borrowing denominated in Dollars, not later than 12:00 noon, Local Time, three (3) Business Days before the date of such proposed Borrowing, (b) in the case of a Eurocurrency Borrowing denominated in a Foreign Currency, not later than 12:00 noon, Local Time, four (4) Business Days (or five (5) Business Days in the case of a Special Notice Currency) before the date of the proposed Borrowing or (c) in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, one (1) Business Day before the date of the proposed Borrowing; provided, that, if the Borrower wishes to request a Eurocurrency Borrowing having an Interest Period other than one, two, three or six months in duration as provided in the definition of "Interest Period," the applicable notice must be received by the Lead Administrative Agent not later than 12:00 noon, Local Time, (i) in the case of a Eurocurrency Borrowing denominated in Dollars, four (4) Business Days before the date of such proposed Borrowing or (ii) in the case of a Eurocurrency Borrowing denominated in a Foreign Currency, five (5) Business Days (or six (6) Business Days in the case of a Special Notice Currency) before the date of the proposed Borrowing, whereupon the Lead Administrative Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 12:00 noon, Local Time, (A) three (3) Business Days before the requested date of such Eurocurrency Borrowing denominated in Dollars, or (B) four (4) Business Days (or five (5) Business Days in the case of a Special Notice Currency) prior to the requested date of such Eurocurrency Borrowing denominated a Foreign Currency, the Lead Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each Borrowing Request shall specify the following information in compliance with Section 2.02: (1) the aggregate amount of the requested Borrowing; (2) the date of such Borrowing, which shall be a Business Day; (3) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; (4) in the case of a Eurocurrency Borrowing, the Agreed Currency and initial

Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period;” and (5) the location and number of the Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07. If no election as to the Type of Borrowing is specified, then, in the case of a Borrowing denominated in Dollars, the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Lead Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

SECTION 2.04. Determination of Dollar Amounts. The Lead Administrative Agent will determine the Dollar Amount of: (a) each Eurocurrency Borrowing as of the date two (2) Business Days prior to the date of such Borrowing or, if applicable, the date of conversion/continuation of any Borrowing as a Eurocurrency Borrowing, and (b) all outstanding Borrowings on and as of the last Business Day of each calendar quarter and, during the continuation of an Event of Default, on any other Business Day elected by the Lead Administrative Agent in its discretion or upon instruction by the Required Lenders. Each day upon or as of which the Lead Administrative Agent determines Dollar Amounts as described in the preceding clauses (a) and (b) is herein described as a “Computation Date” with respect to each Borrowing for which a Dollar Amount is determined on or as of such day.

SECTION 2.05. Intentionally Omitted.

SECTION 2.06. Intentionally Omitted.

SECTION 2.07. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars, by 12:00 noon, New York City time, to the account of the Lead Administrative Agent most recently designated by it for such purpose by notice to the Lenders and (ii) in the case of each Loan denominated in a Foreign Currency, by 12:00 noon, Local Time, in the city of the Lead Administrative Agent’s Eurocurrency Payment Office for such currency and at such Eurocurrency Payment Office for such currency. The Lead Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to (x) an account of the Borrower maintained with the Lead Administrative Agent in the United States and designated by the Borrower in the applicable Borrowing Request, in the case of Loans denominated in Dollars and (y) an account of the Borrower in the relevant jurisdiction and designated by the Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign Currency.

(b) Unless the Lead Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Lead Administrative Agent such Lender’s share of such Borrowing, the Lead Administrative Agent may assume that such Lender has made such share available on such date in accordance with clause (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Lead Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Lead Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Lead Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Lead Administrative Agent in accordance with banking industry rules on

interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency) or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Lead Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections.

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Lead Administrative Agent of such election by irrevocable notice which may be given by an Interest Election Request or by telephone (~~provided, that~~, any telephonic notice must be confirmed immediately by delivery to the Lead Administrative Agent of an Interest Election Request) by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Notwithstanding any contrary provision herein, this Section shall not be construed to permit the Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans that does not comply with Section 2.02(d), or (iii) convert any Borrowing to a Borrowing of a Type not available under such Borrowing.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02: (i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing); (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day; (iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and (iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period and Agreed Currency to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period". If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Lead Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period (i) in the case of a Borrowing denominated in Dollars, such Borrowing shall be converted to an ABR Borrowing and (ii) in the case of a Borrowing denominated in a Foreign Currency in respect of which the Borrower shall have failed to deliver an Interest Election Request prior to the third (3<sup>rd</sup>) Business Day



preceding the end of such Interest Period, such Borrowing shall automatically continue as a Eurocurrency Borrowing in the same Agreed Currency with an Interest Period of one month unless such Eurocurrency Borrowing is or was repaid in accordance with Section 2.11. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Lead Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (A) no outstanding Borrowing denominated in Dollars may be converted to or continued as a Eurocurrency Borrowing, (B) unless repaid, each Eurocurrency Borrowing denominated in Dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (C) unless repaid, each Eurocurrency Borrowing denominated in a Foreign Currency shall automatically be continued as a Eurocurrency Borrowing with an Interest Period of one month.

**SECTION 2.09. Termination and Reduction of Commitments.**

- (a) Unless previously terminated, the Aggregate Revolving Commitments shall terminate on the Revolving Maturity Date.
- (b) The aggregate Term Loan Commitments shall be automatically and permanently reduced to zero on the Effective Date following the Borrowing of Term Loans on the Effective Date pursuant to Section 2.01(b).
- (c) The Borrower may at any time terminate, or from time to time reduce, the Aggregate Revolving Commitments; provided, that, (i) each reduction of the Aggregate Revolving Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) the Borrower shall not terminate or reduce the Aggregate Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.11, the Dollar Amount of the sum of the Revolving Credit Exposures of all Lenders would exceed the Aggregate Revolving Commitments.
- (d) The Borrower shall notify the Lead Administrative Agent of any election to terminate or reduce the Aggregate Revolving Commitments under clause (c) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Lead Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided, that, a notice of termination of the Aggregate Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of a specified transaction, in which case such notice may be revoked by the Borrower (by notice to the Lead Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Aggregate Revolving Commitments shall be permanent. Each reduction of the Aggregate Revolving Commitments shall be applied to the Revolving Commitment of each Lender according to its Applicable Percentage of the Aggregate Revolving Commitments.
- (e) If after giving effect to any reduction or termination of the Aggregate Revolving Commitments under this Section 2.09, the Foreign Currency Sublimit exceeds the Aggregate Revolving Commitments at such time, the Foreign Currency Sublimit shall be automatically reduced by the amount of such excess.

**SECTION 2.10. Repayment of Loans; Evidence of Debt.**

(a) The Borrower hereby unconditionally promises to pay to the Lead Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Revolving Maturity Date in the currency of such Loan.

(b) The Borrower hereby unconditionally promises to pay to the Lead Administrative Agent for the account of each Lender the aggregate principal amount of all Term Loans outstanding in installments on the last Business Day of each of January, April, July and October and on the Term Maturity Date, in each case, in the respective amounts set forth in the table below (as such installments may hereafter be adjusted as a result of prepayments made pursuant hereto), unless accelerated sooner pursuant to Article VII:

Payment Date	Amortization Payment
July, 2019	\$12,500,000
October, 2019	\$12,500,000
January, 2020	\$12,500,000
April, 2020	\$12,500,000
July, 2020	\$12,500,000
October, 2020	\$12,500,000
Term Maturity Date	Outstanding Principal Balance of all Term Loans

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) The Lead Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Agreed Currency and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Lead Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(e) The entries made in the accounts maintained pursuant to clauses (c) and (d) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided, that, the failure of any Lender or the Lead Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(f) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Lead Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

#### SECTION 2.11. Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice and delivery of a Notice of Loan Prepayment in accordance with the provisions of this Section 2.11(a). The Borrower shall notify the Lead Administrative Agent by delivery of a Notice of Loan Prepayment of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing, not later than 12:00 noon, Local Time, three (3) Business Days before the date of prepayment of any Eurocurrency Borrowing denominated in Dollars or (x) four (4) Business Days in the case of prepayment of any Eurocurrency Borrowing denominated in a Foreign Currency, or (y) five (5) Business Days in the case of prepayment of any Eurocurrency Borrowing denominated in a Special Notice Currency) or (ii) in the case of prepayment of an ABR Borrowing, not later than 12:00 noon, New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided, that, if a notice of prepayment is given in connection with a conditional notice of termination of the Aggregate Revolving Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Any prepayment of (A) a Eurocurrency Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 (or, if such Eurocurrency Borrowing is denominated in (i) Japanese Yen, JPY100,000,000 or (ii) a Foreign Currency other than Japanese Yen, 1,000,000 units of such currency) and not less than \$5,000,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY500,000,000 or (ii) a Foreign Currency other than Japanese Yen, 5,000,000 units of such currency), or (B) an ABR Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000, or, in each case, if less, the entire principal amount thereof then outstanding. Promptly following receipt of any such notice relating to a Borrowing, the Lead Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16.

(b) If at any time, (i) other than as a result of fluctuations in currency exchange rates, (A) the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures of all of the Lenders (calculated, with respect to those Borrowings denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Borrowing) exceeds the Aggregate Revolving Commitments or (B) the sum of the aggregate principal Dollar Amount of all of the outstanding Revolving Credit Exposures of all of the Lenders denominated in Foreign Currencies (the “Foreign Currency Exposure”) (so calculated), as of the most recent Computation Date with respect to each such Borrowing, exceeds the Foreign Currency Sublimit or (ii) solely as a result of fluctuations in currency exchange rates, (A) the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures of all of the Lenders (so calculated) exceeds 105% of the Aggregate Revolving Commitments or (B) the Foreign Currency Exposure, as of the most recent Computation Date with respect to each such Borrowing, exceeds 105% of the Foreign Currency Sublimit, the Borrower shall in each case immediately repay Borrowings in an aggregate principal amount sufficient to cause (x) the aggregate Dollar Amount of all Revolving Credit Exposures of all of the Lenders (so calculated) to be less than or equal to the Aggregate Revolving Commitments and (y) the Foreign Currency Exposure to be less than or equal to the Foreign Currency Sublimit, as applicable.

#### SECTION 2.12. Fees.

(a) The Borrower agrees to pay to the Lead Administrative Agent for the account of each Lender a facility fee, which shall accrue at the Applicable Rate on the daily amount of the Revolving Commitment of such Lender (whether used or unused) during the period from and including the Effective Date to but excluding the date on which such Revolving Commitment terminates; provided, that, if such Lender continues to have any Revolving Credit Exposure after its Revolving Commitment terminates, then such facility fee shall continue to accrue on the daily amount of such Lender's Revolving Credit Exposure from and including the date on which its Revolving Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Credit Exposure. Accrued facility fees shall be payable in arrears on the last Business Day of January, April, July and October of each year and on the date on which the Aggregate Revolving Commitments terminate, commencing on the first such date to occur after the Effective Date; provided, that, any facility fees accruing after the date on which the Aggregate Revolving Commitments terminate shall be payable on demand. All facility fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Lead Administrative Agent and MLPFS, for their own respective accounts, fees payable in the amounts and at the times specified in the Fee Letter. The Borrower agrees to pay to each Lead Arranger (other than MLPFS) such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified.

(c) All fees payable hereunder shall be paid on the dates due, in Dollars and immediately available funds, to the applicable party (or, in the case of facility fees, to the Lead Administrative Agent for distribution to the Lenders). Fees paid shall not be refundable under any circumstances.

#### SECTION 2.13. Interest.

(a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in clause (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided, that, (i) interest accrued pursuant to clause (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) Computations of interest for ABR Loans (including ABR Loans determined by reference to the LIBO Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year), or, in the case of interest in respect of Loans denominated in Agreed Currencies as to which market practice differs from the foregoing, in accordance with such market practice. The applicable Alternate Base Rate or LIBO Rate shall be determined by the Lead Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest; Illegality; Successor LIBOR.

(a) If in connection with any request for a Loan or a conversion to or continuation thereof:

(i) the Lead Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) adequate and reasonable means do not exist for ascertaining the LIBO Rate for any requested Interest Period with respect to a proposed Eurocurrency Loan (whether denominated in Dollars or a Foreign Currency) or in connection with an existing or proposed ABR Loan, and (B) the circumstances described in Section 2.14(c) do not apply;

(ii) the Lead Administrative Agent determines that a fundamental change has occurred in the foreign exchange or interbank markets with respect to an Agreed Currency (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls);

(iii) the Lead Administrative Agent determines that deposits (whether in Dollars or a Foreign Currency) are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of the applicable Loan; or

(iv) the Lead Administrative Agent is advised by the Required Lenders that the LIBO Rate for the applicable Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in the applicable Borrowing for such Interest Period;

then the Lead Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable and thereafter, (A) the obligation of the Lenders to make or maintain Eurocurrency Loans in the affected currency or currencies shall be suspended (to the extent of the affected Eurocurrency Loans or Interest Periods), and (B) in the event of a determination described in the foregoing with respect to the LIBO Rate component of the Alternate Base Rate, the utilization of the LIBO Rate component in determining the Alternate Base Rate shall be suspended, in each case until the Lead Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Loans in the affected currency or currencies (to the extent of the affected Eurocurrency Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of ABR Loans in Dollars in the amount specified therein.

Notwithstanding the foregoing, if the Lead Administrative Agent has made the determination described in clauses (a)(i), (a)(ii) or (a)(iii) of this Section and the Borrower shall so request, the Lead Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend the definition of “LIBO Rate” and other applicable provisions to preserve the original intent thereof in light of such change; provided, that, until so amended, such Loans will be handled as otherwise provided pursuant to the terms of this Section.

(b) If any Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender to perform any of its obligations hereunder or make, maintain or fund or charge interest with respect to any Borrowing or to determine or charge interest rates based upon the LIBO Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars or any Agreed Currency in the applicable interbank market, then, on notice thereof by such Lender to the Borrower through the Lead Administrative Agent, (i) any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such Borrowing or to make or continue Eurocurrency Loans in the affected currency or currencies or, to convert ABR Loans to Eurocurrency Loans, shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining ABR Loans the interest rate on which is determined by reference to the LIBO Rate component of the Alternate Base Rate, the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Lead Administrative Agent without reference to the LIBO Rate component of the Alternate Base Rate, in each case until such Lender notifies the Lead Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Lead Administrative Agent), prepay or, if applicable and such Loans are denominated in Dollars, convert all Eurocurrency Loans of such Lender to ABR Loans (the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Lead Administrative Agent without reference to the LIBO Rate component of the Alternate Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the LIBO Rate, the Lead Administrative Agent shall during the period of such suspension compute the Alternate Base Rate applicable to such Lender without reference to the LIBO Rate component thereof until the Lead Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the LIBO Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

(c) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Lead Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify the Lead Administrative Agent (with, in the case of the Required Lenders, a copy to Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

- (i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or
- (ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Lead Administrative Agent has made a public statement

identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the “Scheduled Unavailability Date”); or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section 2.14, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR;

then, reasonably promptly after such determination by the Lead Administrative Agent or receipt by the Lead Administrative Agent of such notice, as applicable, the Lead Administrative Agent and the Borrower may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein) (any such proposed rate, a “LIBOR Successor Rate”), together with any proposed LIBOR Successor Rate Conforming Changes and any such amendment shall become effective at 5:00 p.m., New York City time, on the fifth Business Day after the Lead Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Lead Administrative Agent written notice that such Required Lenders do not accept such amendment. Such LIBOR Successor Rate shall be applied in a manner consistent with market practice; provided, that, to the extent such market practice is not administratively feasible for the Lead Administrative Agent, such LIBOR Successor Rate shall be applied in a manner as otherwise reasonably determined by the Lead Administrative Agent.

If no LIBOR Successor Rate has been determined and the circumstances under Section 2.14(c)(i) exist or the Scheduled Unavailability Date has occurred (as applicable), the Lead Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Loans shall be suspended (to the extent of the affected Eurocurrency Loans or Interest Periods), and (y) the LIBO Rate component shall no longer be utilized in determining the Alternate Base Rate. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Loans (to the extent of the affected Eurocurrency Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of ABR Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

#### SECTION 2.15. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement contemplated by Section 2.15(e));

(ii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making or maintaining any Loan or of maintaining its obligation to make any such Loan (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency) or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder, whether of principal, interest or otherwise (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency), then the Borrower will pay to such Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender determines in good faith that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in clause (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof; provided, that, a Lender shall not be entitled to any compensation pursuant to Section 2.15(a) or (b) to the extent such Lender is not generally imposing such changes or requesting such compensation from other similarly situated borrowers under similar circumstances.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to clause (a) or (b) of this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided, that, the Borrower shall not be required to compensate a Lender pursuant to clause (a) or (b) of this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided, further, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) The Borrower shall pay to each Lender, (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurocurrency Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), and (ii) as long as such Lender shall be required to comply with any reserve ratio



requirement or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error), which in each case shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least ten (10) days' prior notice (with a copy to the Lead Administrative Agent) of such additional interest or costs from such Lender in the form of a certificate of such Lender setting forth the amount of such additional interest or costs and the computation (in reasonable detail) thereof. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

(f) If any Lender incurs any Mandatory Costs attributable to the Obligations, then from time to time the Borrower will pay to such Lender such Mandatory Costs. Such amount shall be expressed as a percentage rate per annum and shall be payable on the full amount of the applicable Obligations. A certificate of a Lender setting forth such amount and the computation (in reasonable detail) thereof shall be delivered to the Borrower and shall be conclusive absent manifest error.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith) or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant currency of a comparable amount and period from other banks in the eurocurrency market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 2.17. Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of the Lead Administrative Agent) requires the deduction or withholding of any Tax from any such payment by the Lead Administrative Agent or the Borrower, then the

Lead Administrative Agent or the Borrower shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (f) below.

(ii) If the Borrower or the Lead Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Lead Administrative Agent shall withhold or make such deductions as are determined by the Lead Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (f) below, (B) the Lead Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 2.17) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If the Borrower or the Lead Administrative Agent shall be required by any applicable laws other than the Code to withhold or deduct any Taxes from any payment, then (A) the Borrower or the Lead Administrative Agent, as required by such laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (f) below, (B) the Borrower or the Lead Administrative Agent, to the extent required by such laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 2.17) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Lead Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.17, the Borrower shall deliver to the Lead Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lead Administrative Agent.

(d) Indemnification by the Borrower. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Lead Administrative Agent), or by the Lead Administrative Agent on

its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. The Borrower shall indemnify the Lead Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Lead Administrative Agent as required pursuant to Section 2.17(e) below. To the extent that the Borrower indemnifies the Lead Administrative Agent pursuant to the immediately preceding sentence for (A) an amount described in Section 2.17(e)(ii) or 2.17(e)(iii) or (B) an amount described in Section 2.17(e)(i) for which the Borrower has already indemnified an applicable Lender, the applicable Lender shall indemnify the Borrower to the extent of such payment.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Lead Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Lead Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Lead Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Lead Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Lead Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Lead Administrative Agent to the Lender from any other source against any amount due to the Lead Administrative Agent under this subsection (e).

(f) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Lead Administrative Agent, at the time or times reasonably requested by the Borrower or the Lead Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Lead Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Lead Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Lead Administrative Agent as will enable the Borrower or the Lead Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation either (A) set forth in Section 2.17(f)(ii)(A), (ii)(B) and below or (B) required by applicable law other than the Code or required by the taxing authorities of the non-U.S. jurisdiction pursuant to such applicable law to comply with the requirements for exemption or reduction of withholding tax in that jurisdiction) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Lead Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Lead Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Lead Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Lead Administrative Agent), whichever of the following is applicable;

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided, that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Lead Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such

Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Lead Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Lead Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Lead Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Lead Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Lead Administrative Agent as may be necessary for the Borrower and the Lead Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Effective Date.

(iii) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Lead Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. Unless required by applicable laws, at no time shall the Lead Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.17, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided, that, the Borrower, upon the request of the Recipient, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Borrower pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

(h) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Lead Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

**SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs**

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to (i) in the case of payments denominated in Dollars, 12:00 noon, New York City time and (ii) in the case of payments denominated in a Foreign Currency, 12:00 noon, Local Time, in the city of the Lead Administrative Agent's Eurocurrency Payment Office for such currency, in each case on the date when due, in immediately available funds, free and clear of and without condition or deduction for any counterclaim, defense, recoupment or set-off. Any amounts received after such time on any date may, in the discretion of the Lead Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (A) in the same currency in which the applicable Borrowing was made (or where such currency has been converted to euro, in euro) and (B) to the Lead Administrative Agent at its offices at 2380 Performance Drive, Building C, Mail Code: TX2-984-03-23 Richardson, Texas 75082, or, in the case of a Borrowing denominated in a Foreign Currency, the Lead Administrative Agent's Eurocurrency Payment Office for such currency, except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Lead Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Borrowing in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Borrowing was made (the "Original Currency") no longer exists or the Borrower is not able to make payment to the Lead Administrative Agent for the account of the Lenders in such Original Currency, then all payments to be made by the Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrower takes all risks of the imposition of any such currency control or exchange regulations.

(b) If at any time insufficient funds are received by and available to the Lead Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of any fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Lead Administrative Agent) payable to the Lead Administrative Agent in its capacity as such, (ii) second, towards payment of interest and other fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and such fees then due to such parties, and (iii) third, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater

proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided, that, (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Lead Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lead Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Lead Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Lead Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Lead Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Lead Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency).

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.07(b), 2.18(d) or 9.03(c), then the Lead Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Lead Administrative Agent for the account of such Lender and for the benefit of the Lead Administrative Agent to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section; in the case of each of clauses (i) and (ii) above, in any order as determined by the Lead Administrative Agent in its discretion.

(f) To the extent that any payment by or on behalf of the Borrower is made to the Lead Administrative Agent or any Lender, or the Lead Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lead Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any debtor relief law or otherwise, then (i) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (ii) each Lender severally agrees to pay to the Lead Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Lead Administrative Agent, plus interest thereon

from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under clause (ii) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.15, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Section 2.15, (ii) the Borrower is required to pay Indemnified Taxes or any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, (iii) any Lender becomes a Defaulting Lender or (iv) any Lender is a Declining Lender under Section 2.23, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Lead Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 2.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided, that, (i) the Borrower shall have received the prior written consent of the Lead Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.20. Expansion Option. The Borrower may from time to time elect to increase the Aggregate Revolving Commitments and/or enter into one or more tranches of term loans (each, an "Incremental Term Loan"), in each case in minimum increments of \$25,000,000, so long as, after giving effect thereto, (x) the aggregate amount of all such increases of the Aggregate Revolving Commitments does not exceed \$250,000,000 and (y) the aggregate initial principal amount of all such Incremental Term Loans does not exceed \$400,000,000. The Borrower may arrange for any such increase or tranche to be provided by one or more Lenders (each Lender so agreeing to an increase in its Revolving Commitment, or to participate in such Incremental Term Loans, an "Increasing Lender"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "Augmenting Lender"; provided, that, none of the Borrower or any of its Subsidiaries or Affiliates or a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person) may be an Augmenting Lender), to increase their existing Revolving Commitments, or to participate in such Incremental Term Loans, or extend new Revolving Commitments,



as the case may be; provided, that, (i) each Augmenting Lender shall be subject to the approval of the Borrower and the Lead Administrative Agent and (ii) (x) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit C, and (y) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit D. No consent of any Lender (other than the Augmenting Lenders and Increasing Lenders participating in the increase or any Incremental Term Loan) shall be required for any increase in the Aggregate Revolving Commitments or Incremental Term Loan pursuant to this Section 2.20. Increases and new Revolving Commitments and Incremental Term Loans created pursuant to this Section 2.20 shall become effective on the date agreed by the Borrower, the Lead Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Lead Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Aggregate Revolving Commitments (or in the Revolving Commitment of any Lender) or tranche of Incremental Term Loans shall become effective under this paragraph unless, (i) on the proposed date of the effectiveness of such increase or Incremental Term Loans, (A) the conditions set forth in clauses (a) and (b), Section 4.02 shall be satisfied or waived by the Required Lenders and the Lead Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer who is a Responsible Officer of the Borrower and (B) the Borrower shall be in compliance (on a pro forma basis) with the covenants contained in Section 6.07 (and assuming for such purposes that any increase in the Aggregate Revolving Commitments is fully drawn) and (ii) the Lead Administrative Agent shall have received documents consistent with those delivered on the Effective Date as to the corporate power and authority of the Borrower to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Aggregate Revolving Commitments or any Incremental Term Loans being made, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Lead Administrative Agent such amounts in immediately available funds as the Lead Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) except in the case of any Incremental Term Loans, the Borrower shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Aggregate Revolving Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurocurrency Loan, shall be subject to indemnification by the Borrower pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. The Incremental Term Loans (a) shall rank pari passu in right of payment with the Revolving Loans and the Term Loans, (b) shall not mature earlier than the Latest Maturity Date (but may have amortization prior to such date) and (c) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans and the Term Loans; provided, that, (i) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the Latest Maturity Date may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the Latest Maturity Date and (ii) the Incremental Term Loans may be priced differently than the Revolving Loans and the Term Loans. Incremental Term Loans shall be made hereunder pursuant to an amendment or restatement (an "Incremental Term Loan Amendment") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Lead Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Lead Administrative Agent, to effect the provisions of this Section 2.20. Nothing contained in this Section 2.20 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Revolving Commitment hereunder, or provide Incremental Term Loans, at any time.

SECTION 2.21. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower hereunder in the currency expressed to be payable herein (the “specified currency”) into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lead Administrative Agent could purchase the specified currency with such other currency at the Lead Administrative Agent’s main New York City office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of the Borrower in respect of any sum due to any Lender or the Lead Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Lead Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Lead Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Lead Administrative Agent, as the case may be, in the specified currency, the Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Lead Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Lead Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Lead Administrative Agent, as the case may be, agrees to remit such excess to the Borrower.

SECTION 2.22. Defaulting Lenders.

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Such Defaulting Lender’s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of “Required Lenders” and Section 9.02.

(ii) Any payment of principal, interest, fees or other amounts received by the Lead Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Lead Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Lead Administrative Agent as follows: first, to the payment on any amounts owing by such Defaulting Lender to the Lead Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Borrowing in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Lead Administrative Agent; third, if so determined by the Lead Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender’s potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender’s breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender’s breach of its obligations under this

Agreement; and sixth, to such Defaulting Lender or as otherwise as may be required under the Loan Documents in connection with any Lien conferred thereunder or directed by a court of competent jurisdiction; provided, that, if (1) such payment is a payment of the principal amount of any Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (2) such Borrowings were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of owed to such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) (A) Each Defaulting Lender shall be entitled to receive fees payable under Section 2.12(a) for any period during which that Lender is a Defaulting Lender only to the extent allocable to the sum of the outstanding principal amount of the Revolving Loans funded by it.

(B) With respect to any fee payable under Section 2.12(a) not required to be paid to any Defaulting Lender pursuant to clause (A) above, the Borrower shall not be required to pay the remaining amount of any such fee.

(b) If the Borrower and the Lead Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Lead Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Lead Administrative Agent may determine to be necessary to cause the Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages, whereupon such Lender will cease to be a Defaulting Lender; provided, that, no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; provided, further, that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

#### SECTION 2.23. Extension of Revolving Maturity Date.

(a) The Borrower may, by delivery of a Revolving Maturity Date Extension Request to the Lead Administrative Agent (which shall promptly deliver a copy thereof to each of the Lenders) not less than forty-five (45) days, and not more than seventy-five (75) days, prior to the then existing Revolving Maturity Date (the "Existing Revolving Maturity Date"), request that the Lenders extend the Existing Revolving Maturity Date in accordance with this Section 2.23; provided, that, (i) the Borrower shall not be permitted to submit more than two (2) Revolving Maturity Date Extension Requests during the term of this Agreement and (ii) no such Revolving Maturity Date Extension Request shall be effective unless the total Revolving Commitments of the Consenting Lenders (as defined below) and the total Revolving Commitments of the Replacement Lenders (as defined below) shall be more than 50% of the Aggregate Revolving Commitments in effect immediately prior to the applicable Existing Revolving Maturity Date. Each Revolving Maturity Date Extension Request shall specify (A) the date to which the Revolving Maturity Date is sought to be extended (which shall in no event be later than the date that is one year after the Existing Revolving Maturity Date), (B) the changes, if any, to the Applicable Rate to be applied in

determining the interest payable on Revolving Loans of, and fees payable hereunder to, Consenting Lenders in respect of that portion of their Revolving Commitments (and related Revolving Loans) extended to such new Revolving Maturity Date and the time as of which such changes will become effective (which may be prior to the Existing Revolving Maturity Date), and (C) any other amendments or modifications to this Agreement to be effected in connection with such Revolving Maturity Date Extension Request; provided, that, no such changes or modifications requiring approvals pursuant to Section 9.02(b) shall become effective prior to the then existing Revolving Maturity Date unless such other approvals have been obtained. In the event a Revolving Maturity Date Extension Request shall have been delivered by the Borrower, each Lender shall have the right (but not the obligation) to agree to the extension of the Existing Revolving Maturity Date and other matters contemplated thereby on the terms and subject to the conditions set forth therein (each Lender agreeing to the Revolving Maturity Date Extension Request being referred to herein as a “Consenting Lender” and each Lender not agreeing thereto being referred to herein as a “Declining Lender”), which right may be exercised by written notice thereof, specifying the maximum amount of the Revolving Commitment of such Lender with respect to which such Lender agrees to the extension of the Revolving Maturity Date, delivered to the Borrower (with a copy to the Lead Administrative Agent) not later than a date (a “Response Date”) to be agreed upon by the Borrower and the Lead Administrative Agent following the date on which the Revolving Maturity Date Extension Request shall have been delivered by the Borrower (it being understood that (x) any Lender that shall have failed to exercise such right as set forth above shall be deemed to be a Declining Lender and (y) any Response Date shall be no earlier than fourteen (14) days after the applicable Revolving Maturity Date Extension Request has been delivered to the Lenders). If a Lender elects to extend only a portion of its then existing Revolving Commitment, it will be deemed for purposes hereof to be a Consenting Lender in respect of such extended portion and a Declining Lender in respect of the remaining portion of its Revolving Commitment. If Consenting Lenders shall have agreed to such Revolving Maturity Date Extension Request in respect of Revolving Commitments held by them, then, subject to clause (d) of this Section, on the date specified in the Revolving Maturity Date Extension Request as the effective date thereof (the “Extension Effective Date”), (1) the Existing Revolving Maturity Date of the applicable Revolving Commitments shall, as to the Consenting Lenders, be extended to such date as shall be specified therein, (2) the terms and conditions of the Revolving Commitments of the Consenting Lenders (including interest and fees in respect thereof), shall be modified as set forth in the Revolving Maturity Date Extension Request and (3) such other modifications and amendments hereto specified in the Revolving Maturity Date Extension Request shall (subject to any required approvals (including those of the Required Lenders) having been obtained) become effective.

(b) Notwithstanding the foregoing, the Borrower shall have the right, in accordance with the provisions of Sections 2.19 and 9.04, at any time prior to the Existing Revolving Maturity Date, to replace a Declining Lender (for the avoidance of doubt, only in respect of that portion of such Lender’s Revolving Commitments subject to a Revolving Maturity Date Extension Request that it has not agreed to extend) with a Lender, or other financial institution approved by the Lead Administrative Agent (such approval not to be unreasonably withheld or delayed) (any such Lender or other financial institution, a “Replacement Lender”), that will agree to such Revolving Maturity Date Extension Request, and any such Replacement Lender shall for all purposes constitute a Consenting Lender in respect of the Revolving Commitment assigned to and assumed by it on and after the effective time of such replacement.

(c) If a Revolving Maturity Date Extension Request has become effective hereunder:

(i) not later than the fifth (5<sup>th</sup>) Business Day prior to the Existing Revolving Maturity Date, the Borrower shall make prepayments of Revolving Loans in the manner

set forth in Section 2.11 such that, after giving effect to such prepayments, the aggregate Revolving Credit Exposures of all of the Lenders outstanding as of such date will not exceed the Revolving Commitments of the Consenting Lenders extended pursuant to this Section 2.23 (and the Borrower shall not be permitted thereafter to request any Revolving Loan if, after giving effect thereto, the aggregate Revolving Credit Exposures of all of the Lenders outstanding would exceed the aggregate amount of the Revolving Commitments so extended); and

(ii) on the Existing Revolving Maturity Date, the Revolving Commitment of each Declining Lender shall, to the extent not assumed, assigned or transferred as provided in clause (b) of this Section, terminate, and the Borrower shall repay all of the Revolving Loans of each Declining Lender, to the extent such Revolving Loans shall not have been so purchased, assigned and transferred, in each case together with accrued and unpaid interest and all fees and other amounts owing to such Declining Lender hereunder (accordingly, the Revolving Commitment of any Consenting Lender shall, to the extent the amount of such Revolving Commitment exceeds the amount set forth in the notice delivered by such Lender pursuant to clause (a) of this Section, be permanently reduced by the amount of such excess, and the Borrower shall prepay the proportionate part of the outstanding Revolving Loans of such Consenting Lender, in each case together with accrued and unpaid interest thereon to but excluding the Existing Revolving Maturity Date and all fees and other amounts payable in respect thereof on or prior to the Existing Revolving Maturity Date), it being understood that such repayments may be funded with the proceeds of new Revolving Borrowings made simultaneously with such repayments by the Consenting Lenders, which such Revolving Borrowings shall be made ratably by the Consenting Lenders in accordance with their extended Revolving Commitments.

(d) Notwithstanding the foregoing, no Revolving Maturity Date Extension Request shall become effective hereunder unless, on the Extension Effective Date, (i) the conditions set forth in Section 4.02 shall be satisfied (with all references in such Section to a Borrowing being deemed to be references to such Revolving Maturity Date Extension Request) and the Lead Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer who is a Responsible Officer of the Borrower and (ii) the Lead Administrative Agent shall have received customary corporate authorization documents (including an opinion of counsel as to due authorization and enforceability) to the extent reasonably required by the Lead Administrative Agent.

(e) Notwithstanding any provision of this Agreement to the contrary, it is hereby agreed that no extension of an Existing Revolving Maturity Date in accordance with the express terms of this Section 2.23, or any amendment or modification of the terms and conditions of the Revolving Commitments and Revolving Loans of the Consenting Lenders effected pursuant thereto, shall be deemed to (i) violate the last sentence of Section 2.09(d) or Section 2.18(b) or (d) or any other provision of this Agreement requiring the ratable reduction of Aggregate Revolving Commitments or the ratable sharing or making of payments or (ii) require the consent of all Lenders or all affected Lenders under Section 9.02(b).

(f) The Borrower, the Lead Administrative Agent and the Consenting Lenders may enter into an amendment to this Agreement to effect such modifications as may be necessary to reflect the terms of any Revolving Maturity Date Extension Request that has become effective in accordance with the provisions of this Section 2.23.

## ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Good Standing. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

SECTION 3.02. Authorization; No Conflicts. The execution, delivery and performance by the Borrower of this Agreement and the Notes to be delivered by it, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws or (ii) law or any contractual restriction binding on or affecting the Borrower, other than violations of contractual restrictions that could not reasonably be expected to result in a Material Adverse Effect or result in the imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 3.03. Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Borrower of this Agreement or the Notes to be delivered by it.

SECTION 3.04. Enforceability. This Agreement has been, and each of the Notes to be delivered by it hereunder will have been, duly executed and delivered by the Borrower. This Agreement is, and each of the Notes when delivered hereunder will be, the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with their respective terms subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors and (ii) general principles of equity, regardless of whether applied in proceedings in equity or at law.

SECTION 3.05. Financial Condition; No Material Adverse Change.

(a) The Consolidated balance sheet of the Borrower and its Subsidiaries as at July 31, 2018, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of Ernst & Young LLP, independent public accountants, and the Consolidated balance sheet of the Borrower and its Subsidiaries as at January 31, 2019, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the six months then ended, duly certified by the chief financial officer of the Borrower as contemplated by Item 601(b)(3)(i) of Regulation S-K under the Securities Exchange Act of 1934, as amended, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at January 31, 2019, and said statements of income and cash flows for the six months then ended, to year-end audit adjustments, the Consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the Consolidated results of the operations of the Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with GAAP consistently applied.

(b) Since July 31, 2018, there has been no Material Adverse Change.

SECTION 3.06. Litigation and Environmental Matters. There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator that

(i) would have a Material Adverse Effect (other than the Disclosed Litigation), and there has been no adverse change in the status, or financial effect on the Borrower or any of its Subsidiaries, of the Disclosed Litigation from that described in the Borrower's filings made prior to the Effective Date with the SEC under the Securities Exchange Act of 1934, as amended, that has resulted in or would have a Material Adverse Effect, or (ii) could reasonably be expected to affect the legality, validity or enforceability of this Agreement or any Note or the consummation of the transactions contemplated hereby.

SECTION 3.07. Federal Reserve Regulations. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board). Following application of the proceeds of each Loan, not more than twenty-five percent (25%) of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a Consolidated basis) subject to the provisions of Section 6.01 or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Debt and within the scope of clause (d) of Article VII will be margin stock (within the meaning of Regulation U issued by the Board).

SECTION 3.08. Investment Company Status. The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

SECTION 3.09. Disclosure. Neither the Information Memorandum nor any other information, exhibits or reports furnished by or on behalf of the Borrower to the Lead Administrative Agent or any Lender in connection with the negotiation and syndication of this Agreement or pursuant to the terms of this Agreement, when taken as a whole, as and when furnished, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein not misleading in any material respect in light of the circumstances in which made; provided, that, with respect to any projected financial information, the Borrower represents only that such information was prepared in good faith based on assumptions believed to be reasonable at the time made. As of the Effective Date, the information included in any Beneficial Ownership Certification, if applicable, is true and correct in all respects.

SECTION 3.10. Solvency. The Borrower is, individually and together with its Subsidiaries, Solvent.

SECTION 3.11. OFAC. Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, any director, officer, or employee thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (a) currently the subject or target of any Sanctions, (b) included on OFAC's List of Specially Designated nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (c) located, organized or resident in a Designated Jurisdiction in violation of any Sanctions. The Borrower and its Subsidiaries have conducted their businesses in compliance in all material respects with all laws and regulations pursuant to which any applicable Sanctions have been administered and have instituted and maintained policies and procedures designed to promote and achieve compliance by the Borrower and its Subsidiaries with such laws and regulations.

SECTION 3.12. Anti-Corruption Laws. The Borrower and its Subsidiaries have conducted their businesses in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

SECTION 3.13. EEA Financial Institution. The Borrower is not an EEA Financial Institution.

SECTION 3.14. ERISA. As of the Effective Date, the Borrower is not and will not be using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise) of one or more Benefit Plans in connection with the Loans or the Commitments.

#### ARTICLE IV

##### Conditions

SECTION 4.01. Effective Date. This Agreement, and the obligations of the Lenders to make Loans hereunder, shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Lead Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Lead Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Loan Documents and such other legal opinions, certificates, documents, instruments and agreements as the Lead Administrative Agent shall reasonably request in connection with the Transactions, all in form and substance satisfactory to the Lead Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(b) The Lead Administrative Agent shall have received a favorable written opinion (addressed to the Lead Administrative Agent and the Lenders and dated the Effective Date) of Winston & Strawn LLP, counsel for the Borrower, substantially in the form of Exhibit B, and covering such other matters relating to the Borrower, the Loan Documents or the Transactions as the Lead Administrative Agent shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Lead Administrative Agent shall have received such documents and certificates as are customary for transactions of this type relating to the organization, existence and good standing of the Borrower, the authorization of the Transactions and any other legal matters relating to the Borrower, the Loan Documents or the Transactions, all in form and substance satisfactory to the Lead Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(d) The Lead Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Responsible Officer of the Borrower, confirming compliance with the conditions set forth in clauses (a) and (b) of Section 4.02.

(e) The Borrower shall have prepaid any revolving loans outstanding under the Existing Credit Agreement to the extent necessary to keep the outstanding Revolving Loans ratable with the revised Revolving Commitments as of the Effective Date.

(f) The Lead Administrative Agent shall have received evidence reasonably satisfactory to it that all governmental and third party approvals necessary or, in the reasonable discretion of the Lead Administrative Agent, advisable in connection with the Transactions have been obtained and are in full force and effect.

(g) The Lead Administrative Agent shall have received (i) audited Consolidated financial statements of the Borrower and its Subsidiaries for the fiscal years ended July 31, 2018



and July 31, 2017, and (ii) unaudited interim Consolidated financial statements of the Borrower and its Subsidiaries for the fiscal quarters ended October 31, 2018 and January 31, 2019.

(h) Each Lender shall have received all documentation and other information that it has reasonably requested in writing at least ten (10) days prior to the Effective Date and that it has reasonably determined is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the Patriot Act. To the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, the Borrower shall have delivered, to each Lender that so requests, a Beneficial Ownership Certification.

(i) The Lead Administrative Agent, the Lead Arrangers and the Lenders shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

For purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Lead Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto. The Lead Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Borrowing. The obligation of each Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement (other than, after the Effective Date, those set forth in Sections 3.05(b) and 3.06) shall be true and correct on and as of the date of such Borrowing.

(b) At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred and be continuing.

(c) In the case of a Borrowing to be denominated in a Foreign Currency, (i) such currency remains an Eligible Currency, and (ii) there shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Lead Administrative Agent or the Required Lenders would make it impracticable for such Borrowing to be denominated in the relevant Foreign Currency.

Each borrowing (other than a conversion of Loans to the other Type or a continuation of Eurocurrency Loans) shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in clauses (a) and (b) of this Section.

## ARTICLE V

### Affirmative Covenants

Until the Aggregate Revolving Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Compliance with Laws, etc. The Borrower will comply, and cause each of its Subsidiaries to comply, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA, Environmental Laws and the Patriot Act, except in such instances in which the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.02. Payment of Taxes, etc. The Borrower will pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all material taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; provided, that, neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves under generally applicable accounting principles are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

SECTION 5.03. Maintenance of Insurance. Except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Borrower will maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates; provided, that, the Borrower and its Subsidiaries may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates and to the extent consistent with prudent business practice.

SECTION 5.04. Preservation of Corporate Existence, etc. The Borrower will preserve and maintain, and cause each of its Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided, that, the Borrower and its Subsidiaries may consummate any merger or consolidation permitted under Section 6.02; provided, further, that, neither the Borrower nor any of its Subsidiaries shall be required to preserve any right or franchise, or the corporate existence of any Subsidiary, if the Borrower or such Subsidiary shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower, such Subsidiary or the Lenders.

SECTION 5.05. Visitation Rights. The Borrower will, at any reasonable time and from time to time, permit the Lead Administrative Agent or any of the Lenders or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants.

SECTION 5.06. Keeping of Books. The Borrower will keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Subsidiary in accordance with, and to the extent required by, GAAP in effect from time to time (or local accounting requirements).

SECTION 5.07. Maintenance of Properties, etc. The Borrower will maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties in good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

SECTION 5.08. Transactions with Affiliates. The Borrower will conduct, and cause each of its Subsidiaries to conduct, all material transactions otherwise permitted under this Agreement with any of their Affiliates on terms that are fair and reasonable and no less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate, other than (a) transactions between the Borrower and its Subsidiaries, or between two or more Subsidiaries, (b) compensation arrangements for directors or executive officers approved by the board of directors or the compensation committee of the board of directors and (c) transactions incurred in the ordinary course of business with Persons that have directors or executive officers who are also directors or executive officers of the Borrower; provided, that, nothing contained in this Section 5.08 shall prevent the Borrower from paying dividends or making other cash distributions to its stockholders.

SECTION 5.09. Reporting Requirements. The Borrower will furnish to the Lead Administrative Agent:

(a) as soon as available and in any event within forty-five (45) days after the end of each of the first three quarters of each fiscal year of the Borrower, the Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by a Financial Officer who is a Responsible Officer of the Borrower as having been prepared in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes) and certificates of the chief financial officer, chief accounting officer, controller or treasurer who is a Responsible Officer of the Borrower as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 6.07; provided, that, in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 6.07, a statement of reconciliation conforming such financial statements to GAAP;

(b) as soon as available and in any event within ninety (90) days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing the Consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by an opinion by Ernst & Young LLP or other independent public accountants of recognized national standing that does not include any "going concern" or similar qualification, or any qualification as to the scope of their audit and certificates of the chief financial officer, chief accounting officer, controller or treasurer who is a Responsible Officer of the Borrower as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 6.07; provided, that, in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 6.07, a statement of reconciliation conforming such financial statements to GAAP;

(c) as soon as possible and in any event within five (5) days after the occurrence of each Default continuing on the date of such statement, a statement of a Financial Officer who is a

Responsible Officer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(d) promptly after the sending or filing thereof, copies of all reports that the Borrower sends to its securityholders generally, and copies of all reports on Form 10-K, 10-Q or 8-K (other than pursuant to Rule 14a-12 of the Securities Exchange Act of 1934, as amended) and registration statements for the public offering (other than pursuant to employee Plans) of securities of the Borrower that the Borrower or any Subsidiary files with the SEC or any national securities exchange;

(e) promptly after Moody's or S&P shall have announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change;

(f) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator affecting the Borrower or any of its Subsidiaries of the type described in Section 3.06;

(g) promptly following any request by the Lead Administrative Agent or any Lender, provide all such documentation and information that the Lead Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation; and

(h) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Lead Administrative Agent may from time to time reasonably request.

Documents required to be delivered pursuant to clauses (a), (b) and (d) of this Section 5.09 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System; provided, that, the Borrower shall notify (which may be by facsimile or electronic mail) the Lead Administrative Agent of the filing of any such documents and provide to the Lead Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the statements required by clause (c) of this Section 5.09 to the Lead Administrative Agent. The Lead Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Lead Administrative Agent and/or the Lead Arrangers may, but shall not be obligated to, make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar, or a substantially similar electronic transmission system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the

word “PUBLIC” shall appear prominently on the first page thereof, (x) by marking Borrower Materials “PUBLIC,” the Borrower shall be deemed to have authorized the Lead Administrative Agent, the Lead Arrangers, and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, that, to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 9.12), (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Side Information,” and (z) the Lead Administrative Agent and the Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Side Information.” Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials as “PUBLIC”.

## ARTICLE VI

### Negative Covenants

Until the Aggregate Revolving Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Liens, etc. The Borrower will not create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, other than:

(a) Permitted Liens;

(b) purchase money Liens (including Liens securing capital leases) upon or in any real property or equipment acquired or held by the Borrower or any Subsidiary to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment and related expenses, or Liens existing on any property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property) or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount; provided, that, no such Lien shall extend to or cover any properties of any character other than the real property or equipment being acquired (and accessions thereto), and no such extension, renewal or replacement shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced;

(c) the Liens existing on the Effective Date and described on Schedule 6.01;

(d) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Borrower or any Subsidiary of the Borrower or becomes a Subsidiary of the Borrower; provided, that, such Liens were not created in contemplation of such merger, consolidation or acquisition and do not extend to any assets other than those of the Person so merged into or consolidated with the Borrower or such Subsidiary or acquired by the Borrower or such Subsidiary;

(e) Liens on cash collateral (excluding cash representing collections on or proceeds of loans or receivables comprising collateral for any Structured Finance Transaction) or government securities to secure obligations under Hedge Agreements and letters of credit; provided, that, the

aggregate value of any collateral so pledged does not exceed \$50,000,000 in the aggregate at any time;

(f) assignments of the right to receive income effected as a part of the sale of a business unit or for collection purposes;

(g) other Liens securing Debt in an aggregate principal amount not to exceed the amount specified in Section 6.04(g) at any time outstanding; and

(h) the replacement, extension or renewal of any Lien permitted by clause (c) or (d) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

SECTION 6.02. Mergers, etc. The Borrower will not merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person, or permit any of its Subsidiaries to do so, except that (a) any Subsidiary of the Borrower may merge or consolidate with or into, or dispose of assets to, any other Subsidiary of the Borrower, (b) any Subsidiary of the Borrower may merge into the Borrower (provided, that, the Borrower is the surviving corporation of any such merger) or dispose of assets to the Borrower, (c) any Subsidiary of the Borrower may merge into or dispose of assets to any other Person so long as the Borrower delivers to the Lead Administrative Agent a certificate from a Responsible Officer of the Borrower demonstrating pro forma compliance with Section 6.07 after giving effect to such transaction, (d) any Subsidiary of the Borrower may merge with any other Person so long as such Subsidiary (or another wholly-owned Subsidiary of the Borrower) is the surviving corporation, (e) any Finance Subsidiary may merge with any other Person in connection with the consummation of a Structured Finance Transaction so long as the surviving entity is a Finance Subsidiary and (f) the Borrower may merge with any other Person so long as the Borrower is the surviving corporation; provided, that, in each case, no Default or Event of Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

SECTION 6.03. Accounting Changes. The Borrower will not make or permit, or permit any of its Subsidiaries to make or permit, any change in accounting policies or reporting practices, except as required or permitted by GAAP.

SECTION 6.04. Subsidiary Debt. The Borrower will not permit any of its Subsidiaries to create or suffer to exist, any Debt other than:

(a) Debt owed to the Borrower or to a wholly owned Subsidiary of the Borrower;

(b) Debt existing on the Effective Date and described on Schedule 6.04 (the “Existing Debt”), and any Debt extending the maturity of, or refunding or refinancing, in whole or in part, the Existing Debt; provided, that, the principal amount of such Existing Debt shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing, and the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding or refinancing;

(c) Debt of a Person existing at the time such Person is merged into or consolidated with any Subsidiary of the Borrower or becomes a Subsidiary of the Borrower (the “Assumed Debt”) and any Debt extending the maturity of, or refunding or refinancing, in whole or in part, the Assumed Debt; provided, that, (i) such Debt was not created in contemplation of such merger,

consolidation or acquisition and (ii) that the principal amount of such Assumed Debt shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing, and the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding or refinancing;

(d) Debt of the type permitted to be secured by Liens pursuant to Section 6.01(b);

(e) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(f) Debt of any Finance Subsidiary or an Originator (solely with respect to recourse permitted under clause (c) of the definition of Structured Finance Transaction), issued or undertaken in any Structured Finance Transaction; provided, that, the aggregate amount of such Debt issued or undertaken in any Structured Finance Transaction shall not exceed \$1,000,000,000 at any time outstanding; and

(g) other Debt aggregating for all of the Subsidiaries of the Borrower (other than Debt issued or undertaken in any Structured Finance Transaction permitted pursuant to Section 6.04(f)), together with Debt secured by Liens permitted under Section 6.01(g), in an amount not to exceed ten percent (10%) of Consolidated total assets of the Borrower at any time outstanding (determined as of the date such Debt or Lien was incurred by reference to the Consolidated total assets of the Borrower as of the last day of the fiscal quarter of the Borrower most recently ended for which financial statements have been delivered pursuant to Section 5.09(a) or Section 5.09(b)).

SECTION 6.05. Speculative Transactions. The Borrower will not engage, or permit any of its Subsidiaries to engage, in any transaction involving commodity options or futures contracts or Hedge Agreements except in the ordinary course of business and not for speculative purposes.

SECTION 6.06. Change in Nature of Business. The Borrower will not, and will not permit any of its Subsidiaries to, engage to any extent material to the Borrower and its Subsidiaries on a consolidated basis in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the Effective Date and businesses reasonably related or complementary thereto.

SECTION 6.07. Financial Covenants.

(a) Maximum Leverage Ratio. The Borrower will not permit, as of the end of any period of four (4) consecutive fiscal quarters ending as of the last day of any fiscal quarter of the Borrower, the ratio of Consolidated Debt for Borrowed Money as at such date to Consolidated EBITDA of the Borrower and its Subsidiaries for such period of four (4) consecutive fiscal quarters then ended, to be greater than 3.25 to 1.00.

(b) Minimum Interest Coverage Ratio. The Borrower will not permit, as of the end of any period of four (4) consecutive fiscal quarters ending as of the last day of any fiscal quarter of the Borrower, the ratio of Consolidated EBITDA of the Borrower and its Subsidiaries for such period of four (4) consecutive fiscal quarters then ended to Consolidated Interest Charges for such period of four (4) consecutive fiscal quarters then ended, to be less than 3.00 to 1.00.

SECTION 6.08. Sanctions. The Borrower will not, nor will it permit any of its Subsidiaries to, directly or indirectly, use the proceeds of any Loan, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding,

is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Lead Arranger, Co-Administrative Agent, or otherwise) of Sanctions.

SECTION 6.09. Anti-Corruption Laws. The Borrower will not, nor will it permit any of its Subsidiaries to, directly or indirectly, use the proceeds of any Loan for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions.

## ARTICLE VII

### Events of Default

If any of the following events (each, an “Event of Default”) shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when the same becomes due and payable; or the Borrower shall fail to pay any interest on any Loan or make any other payment of fees or other amounts payable under this Agreement or any Note within three (3) Business Days after the same becomes due and payable;

(b) any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made;

(c) (i) the Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.04, 5.05, 5.08, 5.09 or Article VI, or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if such failure shall remain unremedied for thirty (30) days after written notice thereof shall have been given to the Borrower by the Lead Administrative Agent or any Lender;

(d) the Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt that is outstanding in a principal or notional amount of at least \$100,000,000 in the aggregate (but excluding Debt outstanding hereunder) of the Borrower or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof;

(e) the Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of



debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such 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, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this clause (e);

(f) judgments or orders for the payment of money in excess of \$100,000,000 in the aggregate shall be rendered against the Borrower or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; provided, that, any such judgment or order shall not be an Event of Default under this clause (f), if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least “A” by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order;

(g) (i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of Voting Stock of the Borrower representing 35% or more of the aggregate voting power represented by the issued and outstanding Equity Interests of the Borrower on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or (ii) during any period of up to twenty-four (24) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (ii)(A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (ii)(A) and (ii)(B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or (iii) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of the power to direct the management or policies of the Borrower;

(h) the Borrower or any of its ERISA Affiliates shall incur, or shall be reasonably likely to incur liability in excess of \$100,000,000 in the aggregate as a result of one or more of the following: (i) the occurrence of any ERISA Event; (ii) the partial or complete withdrawal of the Borrower or any of its ERISA Affiliates from a Multiemployer Plan; or (iii) the insolvency or termination of a Multiemployer Plan; or

- (i) the Borrower shall fail to comply with Section 2.23(c);

then, and in every such event (other than an event with respect to the Borrower described in clause (e) of this Article), and at any time thereafter during the continuance of such event, the Lead Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (1) terminate the Aggregate Revolving Commitments, and thereupon the Aggregate Revolving Commitments shall terminate immediately, and (2) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrower accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (e) of this Article, the Aggregate Revolving Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the Lead Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Lead Administrative Agent under the Loan Documents or at law or equity.

## ARTICLE VIII

### The Lead Administrative Agent

SECTION 8.01. Appointment and Authority. Each of the Lenders hereby irrevocably appoints the Lead Administrative Agent as its agent and authorizes the Lead Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Lead Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Lead Administrative Agent and the Lenders, and the Borrower shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Lead Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

SECTION 8.02. Rights as a Lender. The Person serving as the Lead Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Lead Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as the Lead Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Lead Administrative Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 8.03. Exculpatory Provisions. The Lead Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents, and their duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, (a) the Lead Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Lead Administrative Agent shall not have any duty to take

any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Lead Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02); provided, that, the Lead Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Lead Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any debtor relief law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any debtor relief law, and (c) except as expressly set forth in the Loan Documents, the Lead Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by any Person serving as the Lead Administrative Agent or any of its Affiliates in any capacity. The Lead Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. The Lead Administrative Agent shall not be deemed to have knowledge of any Default unless and until written notice thereof is given to the Lead Administrative Agent by the Borrower or a Lender, and the Lead Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Lead Administrative Agent.

SECTION 8.04. Reliance by Administrative Agent. The Lead Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Lead Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Lead Administrative Agent may presume that such condition is satisfactory to such Lender unless the Lead Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Lead Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.05. Delegation of Duties. The Lead Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Lead Administrative Agent. The Lead Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Lead Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Lead Administrative Agent. The Lead Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that the Lead Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 8.06. Resignation of Administrative Agent. The Lead Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such resignation notice, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Lead Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders, the “Resignation Effective Date”), then the retiring Lead Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Lead Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank (provided, that in no event shall any such successor Lead Administrative Agent be a Defaulting Lender). Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date. With effect from the Resignation Effective Date, (a) the retiring Lead Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (b) except for any indemnity payments or other amounts then owed to the retiring Lead Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Lead Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Lead Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as the Lead Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Lead Administrative Agent (other than as provided hereunder and other than any rights to indemnity payments or other amounts owed to the retiring Lead Administrative Agent as of the Resignation Effective Date), and the retiring Lead Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Lead Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Lead Administrative Agent’s resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Lead Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring Lead Administrative Agent was acting as the Lead Administrative Agent and (ii) after such resignation for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including in respect of any actions taken in connection with transferring the agency to any successor Lead Administrative Agent.

SECTION 8.07. Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Lead Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Lead Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 8.08. No Other Duties, Etc.

(a) None of the Lenders, if any, identified in this Agreement as a Lead Arranger, Co-Administrative Agent (other than the Lead Administrative Agent) or Co-Syndication Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as

Lead Arranger, Co-Administrative Agent (other than the Lead Administrative Agent) or Co-Syndication Agents, as applicable, as it makes with respect to the Lead Administrative Agent in the preceding paragraph.

(b) The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Lead Administrative Agent) authorized to act for, any other Lender. The Lead Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

SECTION 8.09. Certain ERISA Matters. Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Lead Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(a) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(b) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(c) (i) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (ii) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (iii) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(d) such other representation, warranty and covenant as may be agreed in writing between the Lead Administrative Agent, in its sole discretion, and such Lender.

In addition, unless either (A) clause (a) above is true with respect to a Lender or (B) a Lender has provided another representation, warranty and covenant in accordance with clause (d) above, such Lender further (1) represents and warrants, as of the date such Person became a Lender party hereto, to, and (2) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Lead Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that the Lead Administrative Agent is not a fiduciary with respect to

the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Lead Administrative Agent under this Agreement, any other Loan Document or any documents related hereto or thereto).

## ARTICLE IX

### Miscellaneous

#### SECTION 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to it at Intuit Inc., 2700 Coast Avenue, Mountain View, California 94043, Attention of Bill Bascom (Email: [Bill\\_Bascom@intuit.com](mailto:Bill_Bascom@intuit.com); Telecopy No. (650) 963-2913);

(ii) if to the Lead Administrative Agent, (A) for operational notices (i.e. borrowings, payments, interest, fees, etc.), to Bank of America, N.A., as Administrative Agent, 2380 Performance Drive, Building C, TX2-984-03-23, Richardson, TX 75082, Attention of Bradley Edwards (Telephone No.: 469-201-7317; Facsimile No.: 214-530-2797; Email: [Bradley.edwards2@baml.com](mailto:Bradley.edwards2@baml.com)), and (B) for any other notice to the Lead Administrative Agent, to Bank of America, N.A., as Administrative Agent, 900 W. Trade Street, 6th Floor, Mail Code: NC1-026-06-03, Charlotte, North Carolina 28255, Attention of Melissa Mullis (Email: [melissa.mullis@baml.com](mailto:melissa.mullis@baml.com); Telephone No. 980-386-9372; Telecopy No. 704-409-0617); and

(iii) if to any Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in clause (b) below, shall be effective as provided in such clause (b).

(b) Notwithstanding anything to the contrary herein (but subject to the second to last paragraph of Section 5.09), notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including email, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Lead Administrative Agent; provided, that, the foregoing shall not apply to notices pursuant to Article II to any Lender if such Lender has advised the Lead Administrative Agent that it is not capable of receiving such notices under such Article by electronic communication. The Lead Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by the recipient thereof prior thereto; provided, that, approval of such procedures may be limited to particular notices or communications.

Unless the Lead Administrative Agent otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided, that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Lead Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Lead Administrative Agent's transmission of Borrower Materials or notices through the platform, any other electronic platform or electronic messaging service, or through the Internet.

(d) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. In addition, each Lender agrees to notify the Lead Administrative Agent from time to time to ensure that the Lead Administrative Agent have on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) The Lead Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices, Borrowing Requests, and Interest Election Requests) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Lead Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Lead Administrative Agent

may be recorded by the Lead Administrative Agent, and each of the parties hereto hereby consents to such recording.

SECTION 9.02. Waivers; Amendments.

(a) No failure or delay by the Lead Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Lead Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by clause (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Lead Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Borrower shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Lead Administrative Agent in accordance with Article VII for the benefit of all the Lenders; provided, that, the foregoing shall not prohibit (a) the Lead Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as the Lead Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from exercising setoff rights in accordance with the provisions hereof, or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to the Borrower under any debtor relief law; provided, further, that, if at any time there is no Person acting as the Lead Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Lead Administrative Agent pursuant to Article VII and (ii) subject to the provisions hereof, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

(b) Except as provided (x) in Section 2.14 with respect to an amendment implementing a LIBOR Successor Rate, (y) in Section 2.20 with respect to an Incremental Term Loan Amendment or (z) in Section 2.23 with respect to the extension of the Revolving Maturity Date, neither this Agreement, any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Lead Administrative Agent with the consent of the Required Lenders; provided, that, no such agreement shall:

- (i) extend or increase the Commitment of any Lender without the written consent of such Lender;
- (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby;



(iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby;

(iv) change Section 2.18(b), (c) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender;

(v) change any of the provisions of this Section 9.02(b) or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender (it being understood that, solely with the consent of the parties prescribed by Section 2.20 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the Commitments and the Loans are included on the Effective Date); or

(vi) amend Section 1.06 or the definition of “Agreed Currency” without the written consent of each Lender;

provided, further, that, (A) the Fee Letter may be amended, or the rights and privileges thereunder waived, in a writing executed only by the parties thereto, (B) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender, and (C) no such agreement shall amend, modify or otherwise affect the rights or duties of the Lead Administrative Agent hereunder without the prior written consent of the Lead Administrative Agent.

(c) Notwithstanding the foregoing, (i) this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Lead Administrative Agent and the Borrower (x) to add one or more credit facilities (in addition to the Incremental Term Loans pursuant to an Incremental Term Loan Amendment) to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Loans, Incremental Term Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders, and (ii) as to any amendment, amendment and restatement or other modifications requiring the consent of all Lenders or each affected Lender otherwise approved in accordance with Section 9.02(b), it shall not be necessary to obtain the consent or approval of any Lender that, upon giving effect to such amendment, amendment and restatement or other modification, would have no Commitment or outstanding Loans so long as such Lender receives payment in full of the principal of and interest accrued on each Loan made by, and all other amounts owing to, such Lender or accrued for the account of such Lender under this Agreement and the other Loan Documents at the time such amendment, amendment and restatement or other modification becomes effective.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender” or “each Lender directly affected thereby,” the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a “Non-Consenting Lender”), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement; provided, that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Lead Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (A) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (B) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(e) Notwithstanding anything to the contrary herein, the Lead Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

#### SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Lead Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Lead Administrative Agent, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Lead Administrative Agent, or any Lender, including the fees, charges and disbursements of any counsel for the Lead Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Lead Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, penalties and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation

or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any of its Subsidiaries, and regardless of whether any Indemnatee is a party thereto, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE;** provided, that, such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities, penalties or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (i) the gross negligence, willful misconduct or fraud of such Indemnatee or any of its Related Parties or (ii) the material breach by such Indemnatee of its express obligations under this Agreement or any other Loan Document pursuant to a claim initiated by the Borrower. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Lead Administrative Agent (or any sub-agent thereof) or any Related Party thereof under clause (a) or (b) of this Section, each Lender severally agrees to pay to the Lead Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Borrower's failure to pay any such amount shall not relieve the Borrower of any default in the payment thereof); provided, that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Lead Administrative Agent (or any such sub-agent) or against any Related Party acting for the Lead Administrative Agent (or any such sub-agent) in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnatee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than fifteen (15) days after written demand therefor.

#### SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in clause (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of the Lead Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in ~~clause (b)(ii)~~ below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower (~~provided, that~~, the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Lead Administrative Agent within ten (10) Business Days after having received notice thereof); ~~provided, further, that~~, no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Lead Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Lead Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Lead Administrative Agent otherwise consent; ~~provided, that~~, no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; ~~provided, that~~, this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Lead Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders; ~~provided, that~~, the Lead Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment;

(D) the assignee, if it shall not be a Lender, shall deliver to the Lead Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws; and

(E) the assignee shall not be (x) the Borrower or any Subsidiary or Affiliate of the Borrower, (y) a Defaulting Lender or any of its subsidiaries, or any

Person who, upon becoming a Lender hereunder, would constitute any of the foregoing or (z) any natural person (or to a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person).

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(vi) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section.

(iv) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Lead Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Lead Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Lead Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(v) The Lead Administrative Agent, acting for this purpose as an agent of the Borrower (and such agency being solely for Tax purposes), shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Lead Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(vi) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing

and recordation fee referred to in clause (b) of this Section (if any such processing and recordation fee is required to be paid pursuant hereto) and any written consent to such assignment required by clause (b) of this Section, the Lead Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided, that, if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.07(b), 2.18(d) or 2.03(c), the Lead Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower or the Lead Administrative Agent, sell participations to any Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person), a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided, that, (i) such Lender's obligations under this Agreement shall remain unchanged; (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) the Borrower, the Lead Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided, that, such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section; provided, that, such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under clause (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided, that, no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of

this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Lead Administrative Agent (in its capacity as Lead Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided, that, no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrower in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Lead Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Aggregate Revolving Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Obligations, the expiration or termination of the Aggregate Revolving Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Lead Administrative Agent or the Lead Arrangers constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Lead Administrative Agent and when the Lead Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all of

the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Lead Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in clause (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.



SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. The Lead Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates, its auditors and to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, (ii) becomes available to the Lead Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower that is not known to the Lead Administrative Agent or such Lender to be subject to a duty of confidentiality to the Borrower, or (iii) is independently discovered or developed by a party hereto without utilizing any Information received from the Borrower or without violating the terms of this Section 9.12. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Lead Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. Patriot Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act. The Borrower agrees to, promptly following a request by the Lead Administrative Agent or any Lender, provide all such documentation and information that the Lead Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

SECTION 9.14. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect

of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.15. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the arranging and other services regarding this Agreement provided by the Lead Administrative Agent, the Lead Arrangers, and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Lead Administrative Agent, the Lead Arrangers, and the Lenders and their respective Affiliates, on the other hand, (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b) (i) the Lead Administrative Agent, each Lead Arranger and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (ii) neither the Lead Administrative Agent, any Lead Arranger, any Lender nor any of their respective Affiliates has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Lead Administrative Agent, the Lead Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Lead Administrative Agent, any Lead Arranger, any Lender nor any of their respective Affiliates has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Lead Administrative Agent, any Lead Arranger, any Lender or any of their respective Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.16. Electronic Execution. The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, Borrowing Requests, Interest Election Requests, Notices of Loan Prepayment, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lead Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided, that, notwithstanding anything contained herein to the contrary the Lead Administrative Agent is not under any obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Lead Administrative Agent pursuant to procedures approved by it.

SECTION 9.17. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: (a) the application of any Write-

Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and (b) the effects of any Bail-in Action on any such liability, including, if applicable (i) a reduction in full or in part or cancellation of any such liability; (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

SECTION 9.18. ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

SECTION 9.19. Amendment and Restatement. The parties hereto agree that, on and as of the Effective Date, the following transactions shall be deemed to occur automatically, without further action by any party hereto: (a) the Existing Credit Agreement shall be deemed to be amended and restated in its entirety pursuant to this Agreement; (b) all obligations outstanding on and as of the Effective Date in connection with the Existing Credit Agreement shall in all respects be continuing and shall be deemed to be Obligations; (c) the revolving loans made by, and revolving commitments provided by, lenders under the Existing Credit Agreement shall be re-allocated and restated among the Lenders so that, as of the Effective Date, each Lender's Applicable Percentage of the Aggregate Revolving Commitments, and each Lender's Revolving Commitment, shall be as set forth on Schedule 2.01; and (d) the term loans made by lenders under the Existing Credit Agreement shall be re-allocated and restated among the Lenders such that, as of the Effective Date, the outstanding principal amount of each Lender's Term Loan shall be equal to an amount equal to such Lender's Applicable Percentage of the Term Facility set forth on Schedule 2.01. The parties hereto agree that this Agreement constitutes an amendment to the Existing Credit Agreement pursuant to Section 9.02(b) of the Existing Credit Agreement.

[Signature Pages Follow]

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

BORROWER:

INTUIT INC.,

a Delaware corporation

By: /s/ MICHELLE M. CLATTERBUCK

Name: Michelle M. Clatterbuck

Title: Executive Vice President and Chief Financial Officer

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CO-ADMINISTRATIVE AGENTS:

BANK OF AMERICA, N.A.,  
as Lead Administrative Agent

By: /s/ MELISSA MULLIS  
Name: Melissa Mullis  
Title: Assistant Vice President

JP MORGAN CHASE BANK, N.A.,  
as a Co-Administrative Agent

By: /s/ TIMOTHY LEE  
Name: Timothy Lee  
Title: Executive Director

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LENDERS:

BANK OF AMERICA, N.A.,  
as Lender

By: /s/ CASEY RICHARDSON  
Name: Casey Richardson  
Title: Vice President

JP MORGAN CHASE BANK, N.A.,  
as Lender

By: /s/ TIMOTHY LEE  
Name: Timothy Lee  
Title: Executive Director

U.S. BANK NATIONAL ASSOCIATION,  
as Lender

By: /s/ LUKAS COLEMAN  
Name: Lukas Coleman  
Title: Vice President

MUFG BANK, LTD.,  
as Lender

By: /s/ LILLIAN KIM  
Name: Lillian Kim  
Title: Director

THE BANK OF NOVA SCOTIA,  
as Lender

By: /s/ JASON RINNE  
Name: Jason Rinne  
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Lender

By: /s/ JESSE MASON  
Name: Jesse Mason  
Title: Director

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BARCLAYS BANK PLC,  
as Lender

By: /s/ AMIR BARASH  
Name: Amir Barash  
Title: Director  
Executed in New York

HSBC BANK USA, NATIONAL ASSOCIATION,  
as Lender

By: /s/ JEFF FRENCH  
Name: Jeff French  
Title: Managing Director

THE NORTHERN TRUST COMPANY,  
as Lender

By: /s/ JEFFREY LEETS  
Name: Jeffrey Leets  
Title: Officer

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## SCHEDULE 2.01

Commitments

Lender	Revolving Commitment	Applicable Percentage of Aggregate Revolving Commitments	Term Loan Commitment	Applicable Percentage of Term Facility
Bank of America, N.A.	\$160,000,000.00	16.000000000%	\$64,000,000.00	16.000000000%
JPMorgan Chase Bank, N.A.	\$160,000,000.00	16.000000000%	\$64,000,000.00	16.000000000%
U.S. Bank National Association	\$160,000,000.00	16.000000000%	\$64,000,000.00	16.000000000%
MUFG Bank, Ltd.	\$160,000,000.00	16.000000000%	\$64,000,000.00	16.000000000%
The Bank of Nova Scotia	\$105,000,000.00	10.500000000%	\$42,000,000.00	10.500000000%
Wells Fargo Bank, National Association	\$105,000,000.00	10.500000000%	\$42,000,000.00	10.500000000%
Barclays Bank PLC	\$50,000,000.00	5.000000000%	\$20,000,000.00	5.000000000%
HSBC Bank USA, National Association	\$50,000,000.00	5.000000000%	\$20,000,000.00	5.000000000%
The Northern Trust Company	\$50,000,000.00	5.000000000%	\$20,000,000.00	5.000000000%
TOTAL	\$1,000,000,000.00	100.000000000%	\$400,000,000.00	100.000000000%



SCHEDULE 6.01

Existing Liens

None.

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SCHEDULE 6.04

Existing Subsidiary Debt

None.

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## EXHIBIT A

## [FORM OF] ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the “Assignor”) and [Insert name of Assignee] (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Lead Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount[s] and percentage interest[s] identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: \_\_\_\_\_  
[Assignor [is][is not] a Defaulting Lender.]
  2. Assignee: \_\_\_\_\_  
an [Affiliate][Approved Fund] of [identify Lender]
  3. Borrower: Intuit Inc., a Delaware corporation
  4. Co-Administrative  
Agents: Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents under the Credit Agreement
  5. Credit Agreement: The Amended and Restated Credit Agreement dated as of May 2, 2019 by and among Intuit Inc., a Delaware corporation, the Lenders from time to time party thereto, and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents
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## 6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitments/Loans for all Lenders	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/Loans
	\$	\$	%
	\$	\$	%
	\$	\$	%

Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY LEAD ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

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The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

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

Name:

Title:

ASSIGNEE

[NAME OF ASSIGNEE]

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

Name:

Title:

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Consented to and Accepted:

BANK OF AMERICA, N.A..  
as Lead Administrative Agent

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

Name:

Title:

[Consented to:]

INTUIT INC.,  
a Delaware corporation

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

Name:

Title:

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## ANNEX I

## STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby, and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.09 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Lead Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Lead Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Lead Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Lead Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to the Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption

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may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

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EXHIBIT B  
[FORM OF] OPINION OF THE BORROWER'S COUNSEL  
[Attached]

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May 2, 2019

To the Co-Administrative Agents and Lenders  
party on the date hereof to the Credit Agreement  
referred to below

**Re: Intuit Inc.**

Ladies and Gentlemen:

We have acted as counsel to Intuit Inc., a Delaware corporation (the "Borrower"), in connection with that certain Amended and Restated Credit Agreement dated as of May 2, 2019 (the "Credit Agreement"), among the Borrower, Bank of America, N.A. and JPMorgan Chase Bank, N.A., as co-administrative agents (the "Co-Administrative Agents"), and the several banks and other financial institutions parties thereto (the "Lenders"). Capitalized terms used herein, but not otherwise defined herein, shall have the respective meanings ascribed to such terms in the Credit Agreement. This opinion letter is delivered to you at our client's request pursuant to Section 4.01(b) of the Credit Agreement.

In rendering the opinions set forth herein, we have examined:

- (i) the certificate of incorporation and bylaws of the Borrower, as amended through the date hereof, and, in the case of the certificate of incorporation, as certified by the Delaware Secretary of State as of a recent date and by an officer of the Borrower as of the date hereof, and in the case of the bylaws, as certified by an officer of the Borrower as of the date hereof;
  - (ii) resolutions of the board of directors of the Borrower with respect to the transactions referred to herein, as certified by an officer of the Borrower as of the date hereof;
  - (iii) the good standing certificate of the Borrower attached hereto as Schedule I (the "Good Standing Certificate");
  - (iv) the Credit Agreement;
  - (v) the Notes; and
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(vi) such other agreements, instruments and documents, and such questions of law, as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Additionally, we have examined originals or copies, certified to our satisfaction, of such certificates of public officials and officers and of representatives of the Borrower and we have made such inquiries of officers and representatives of the Borrower, in each case, as we have deemed relevant or necessary to establish the basis for the opinions set forth herein. The items identified in clause (i) above are collectively hereinafter referred to as the “Organizational Documents” and the items identified in clauses (iv) and (v) above are collectively hereinafter referred to as the “Opinion Documents”.

In rendering the opinions expressed below, we have, with your consent, assumed the legal capacity of all natural persons executing documents, that the signatures of persons signing all documents in connection with which this opinion letter is rendered are genuine, that all documents submitted to us as originals or duplicate originals are authentic and that all documents submitted to us as copies, whether certified or not, conform to authentic original documents. Additionally, we have, with your consent, assumed and relied upon the following:

(a) the accuracy and completeness of all certificates and other statements, documents, records, financial statements and papers reviewed by us, and the accuracy and completeness of all representations, warranties, schedules and exhibits contained in the Opinion Documents, with respect to the factual matters set forth therein;

(b) except to the extent expressly set forth in paragraphs 1 and 2 below with respect to the Borrower, all parties to the documents reviewed by us are duly organized, validly existing and in good standing (to the extent applicable) under the laws of their respective jurisdictions of incorporation or formation and qualified under the laws of all jurisdictions where they are conducting their businesses or are otherwise required to be so qualified, and have full power and authority to execute, deliver and perform under such documents and all such documents have been duly authorized, executed and delivered by such parties;

(c) each Opinion Document constitutes the valid and binding obligation of each party thereto (other than the Borrower) enforceable against such party in accordance with its terms; and

(d) none of the Co-Administrative Agents, the Lenders or the Opinion Documents are subject to the provisions of Section 5-531 of the New York General Obligations Law.

Whenever our opinion with respect to the existence or absence of facts is indicated to be based on our knowledge or awareness, we are referring to the actual present knowledge of the particular Winston & Strawn LLP attorneys who have represented the Borrower during the course of our limited representation of the Borrower in connection with the Opinion Documents. Except as expressly set forth herein, we have not undertaken any independent investigation, examination or inquiry to determine the existence or absence of any facts (and have not caused the review of any court file or indices) and no inference as to our knowledge concerning any facts should be drawn as a result of the limited representation undertaken by us.

Based upon the foregoing and subject to the assumptions, qualifications, limitations and comments stated herein, we are of the opinion that:

1. The Borrower is validly existing and in good standing as a corporation under the laws of the State of Delaware. The Borrower has the corporate power and authority to own, pledge, mortgage and operate its properties, to lease any properties it operates under lease, to conduct its business as presently conducted, to execute and deliver each of the Opinion Documents and to perform its obligations under the Opinion Documents.

2. The execution, delivery and performance of each of the Opinion Documents have been duly authorized by all necessary corporate action on the part of the Borrower, each of the Opinion Documents has been duly executed and delivered by the Borrower, each of the Opinion Documents constitutes the valid and binding obligation of the Borrower and each of the Opinion Documents is enforceable against the Borrower in accordance with its terms.

3. Neither the execution and delivery by the Borrower of the Opinion Documents, nor the performance by the Borrower of its obligations thereunder:

- (a) violates (i) any provision of the Organizational Documents, (ii) the General Corporation Law of the State of Delaware (the “Delaware Corporate Law”) or (iii) any statutory law or regulation of the State of New York or the United States of America (including any applicable order or decree of any court or governmental instrumentality known to us) applicable to the Borrower which a New York lawyer exercising customary professional diligence would reasonably be expected to recognize as being applicable to transactions of the type contemplated by the Opinion Documents; or
- (b) requires the consent or approval of, or any filing or registration with, any governmental body, agency or authority of the State of Delaware (solely with respect to the Delaware Corporate Law), the State of New York or the United States of America other than (i) those that have been obtained and (ii) any consents, approvals or filings that may be required in connection with the exercise by the Co-Administrative Agents of remedies under the Opinion Documents.

For purposes of the opinions expressed in this paragraph 3, we have assumed that the Borrower will not take in the future any discretionary action (including a decision not to act) permitted by the Opinion Documents that would cause the performance of the Opinion Documents to violate the Delaware Corporate Law or any New York or federal statute, rule or regulation, or require the consent or approval of, or any filing or registration with, any governmental body, agency or authority of the State of New York, the State of Delaware (solely with respect to the Delaware Corporate Law) or the United States of America.

4. Except as disclosed in the Opinion Documents, to our knowledge, there are no actions, suits, arbitrations, investigations or proceedings pending or threatened in writing by potential claimants who manifest a present intention to sue, against the Borrower or any of its assets and properties, that question or may affect the validity of any action to be taken by the Borrower pursuant to the Opinion Documents, or that seek to restrain the Borrower from carrying out the transactions contemplated therein or the obligations of the Borrower thereunder.

5. The Borrower is not an “investment company” as such term is defined in the Investment Company Act of 1940, as amended (the “1940 Act”), nor is the Borrower registered or required to be registered under the 1940 Act.

6. Assuming the accuracy of the representations and warranties in Section 3.07 of the Credit Agreement, the making of the Loans as provided in the Credit Agreement will comply with

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the provisions of Regulation U and Regulation X of the Federal Reserve Board. For purposes of this opinion, we have assumed that none of the Lenders is a “creditor” as defined in Regulation T.

7. The provisions in the Opinion Documents choosing the law of the State of New York are enforceable and, accordingly, the Opinion Documents would be construed and enforced under the laws of the State of New York and applicable laws of the United States of America.

The opinions expressed herein are subject to the following qualifications, limitations and comments:

(a) the enforceability of the Opinion Documents and the obligations of the Borrower thereunder and the availability of certain rights and remedial provisions provided for in the Opinion Documents are subject to: (i) judicial action giving effect to foreign governmental actions or foreign laws, in either case, affecting creditor’s rights; (ii) the effect of bankruptcy, fraudulent conveyance or transfer, insolvency, reorganization, receivership, arrangement, liquidation, conservatorship and moratorium laws; (iii) limitations imposed by other laws and judicial decisions relating to or affecting the rights of creditors or secured creditors generally; and (iv) general principles of equity (regardless of whether enforcement is considered in proceedings at law or in equity), upon the availability of injunctive relief or other equitable remedies, including, without limitation, where (1) the breach of covenants or provisions imposes restrictions or burdens upon a party and it cannot be demonstrated that the enforcement of such remedies, restrictions or burdens is reasonably necessary for the protection of another party to the agreement, (2) a party’s enforcement of such remedies, covenants or provisions under the circumstances, or the manner of such enforcement, would violate such party’s implied covenant of good faith and fair dealing, or would be commercially unreasonable, (3) a court having jurisdiction finds that such remedies, covenants or provisions were, at the time made, or are in application, unconscionable as a matter of law or contrary to public policy or (4) self-help or automatic or summary remedies are exercised without notice or opportunity for hearing or correction or disclaiming liability or responsibility in connection with the exercise of remedies;

(b) we express no opinion as to the enforceability of cumulative remedies to the extent such cumulative remedies purport to or would have the effect of compensating the party entitled to the benefits thereof in amounts in excess of the actual loss suffered by such party;

(c) provisions in the Opinion Documents deemed to impose the payment of interest on interest may be unenforceable, void or voidable under applicable law, except to the extent permitted by Section 5-527 of the New York General Obligations Law;

(d) we express no opinion as to the validity, binding effect or enforceability of any indemnification or contribution provisions of the Opinion Documents to the extent such provisions violate the public policy underlying any law, rule or regulation or purport to provide for the indemnification of a person for its own negligence, willful misconduct or illegal conduct;

(e) requirements in the Opinion Documents specifying that provisions thereof may only be waived in writing may not be valid, binding or enforceable to the extent that an oral agreement or an implied agreement by trade practice or course of conduct has been created modifying any provision of such documents;

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(f) we express no opinion as to the severability of any provision of any of the Opinion Documents;

(g) we express no opinion with respect to the validity, binding effect or enforceability of any provision of the Opinion Documents: (i) purporting to establish evidentiary standards or a consent to venue or jurisdiction of any particular court or other governmental authority (either as to personal jurisdiction or subject matter jurisdiction); (ii) waiving service of process or demand or notice and hearing or constitutional rights (including a jury trial) or statute of limitations; or (iii) purporting to eliminate any obligation to marshal assets;

(h) we express no opinion with respect to any provisions of the Opinion Documents purporting to appoint the Co-Administrative Agents or any Lender as attorney-in-fact or agent for the Borrower;

(i) we express no opinion with respect to any provision of the Opinion Documents to the extent that such provision permits set-off to be made without notice;

(j) our opinions expressed in paragraph 1 hereof as to the existence and good standing of the Borrower are given solely on the basis of the Good Standing Certificate and such opinions speak only as of the date of such certificate and not as of the date hereof;

(k) our opinion with respect to the enforceability of the choice of law provisions of the Opinion Documents in paragraph 7 above under the laws of the State of New York is rendered in reliance on Sections 5-1401 and 5-1402 of the New York General Obligations Law and is subject to the qualifications that such enforceability: (i) may be limited by public policy considerations of any jurisdiction, other than the State of New York, in which enforcement of such provisions, or of a judgment upon an agreement containing such provisions, is sought; and (ii) does not apply to the extent provided in Section 1-301(c) of the New York Code. Accordingly, we express no opinion as to the effect of the law of any jurisdiction (other than the State of New York) as to the choice of law in the Opinion Documents (including, without limitation, whether any court outside the State of New York would honor the choice of New York law as the governing law of the Opinion Documents);

(l) we express no opinion as to the effect of the law of any jurisdiction (other than the State of New York) wherein any party seeking enforcement of any Opinion Document may be located or wherein the enforcement of any Opinion Document may be sought that limits the rates of interest legally chargeable or collectible;

(m) except as expressly set forth in paragraphs 5 and 6 above, we express no opinion with respect to the applicability or effect of federal or state anti-trust, unfair competition, tax, pension, employee benefit, environmental, commodities, securities or "blue sky" laws or Federal Reserve Board margin regulations on the transactions contemplated by the Opinion Documents;

(n) we express no opinion as to the effect of any federal law related to copyrights, patents, trademarks, service marks or other intellectual property on the opinions expressed herein;

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(o) we express no opinion with respect to the USA PATRIOT Act of 2001 or any laws relating to foreign asset control or any rules, regulations or orders relating to any of the foregoing;

(p) we express no opinion as to whether a failure to exercise or delay in exercising rights or remedies will operate as a waiver of any such right or remedy or with respect to the enforceability of "time is of the essence" or other provisions relating to a delay or failure to exercise any right, remedy or option;

(q) we express no opinion as to any law that might be violated by any misrepresentation or omission or a fraudulent act;

(r) we express no opinion as to the effect of the legal or regulatory status or the nature of the business of any party to any Opinion Document except as expressly set forth in paragraphs 1, 3, 5 and 6 above;

(s) we express no opinion with respect to the validity, binding effect or enforceability of any purported waiver, release or disclaimer under any of the Opinion Documents relating to: (i) statutory or equitable rights and defenses of the Borrower that are not subject to waiver, release or disclaimer; or (ii) rights or claims of, or duties owing to, the Borrower (including, without limitation, any waiver, release or disclaimer of any provision of the New York Code) to the extent limited by Sections 1-302, 9-207 and 9-602 of the New York Code or other provisions of applicable law, or to the extent such rights, claims and duties otherwise exist as a matter of law, except to the extent that the Borrower has effectively so waived, released or disclaimed such rights, claims or duties in accordance with Section 9-602 of the New York Code or other applicable law; and

(t) we express no opinion with respect to the validity, binding effect or enforceability of any provision of the Opinion Documents that purports to authorize the Co-Administrative Agents or any Lender to sign or file documents without the signature of the Borrower.

The opinions expressed herein are based upon and are limited to: (i) the laws of the State of New York; (ii) the Delaware Corporate Law; and (iii) the laws of the United States of America, and we express no opinion with respect to the laws of any other state, jurisdiction or political subdivision. The opinions expressed herein that are based on the laws of the State of New York and the United States of America are limited to the laws which a New York lawyer exercising customary professional diligence would reasonably be expected to recognize as being applicable to transactions of the type contemplated by the Opinion Documents.

Our opinions set forth in this letter are based upon the facts in existence and laws in effect on the date hereof and we expressly disclaim any obligation to update our opinions herein, regardless of whether changes in such facts or laws come to our attention after the delivery hereof.

This opinion letter is solely for the benefit of the addressees hereof in connection with the execution and delivery of the Credit Agreement. At your request, we hereby consent to reliance hereon by any successor or future assignee of any interest of an addressee hereof in the loans and/or commitments under the Credit Agreement pursuant to an assignment that is made in accordance with the express provisions of Section 9.04 of the Credit Agreement, on the condition and

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understanding that: (i) this letter speaks only as of the date hereof; (ii) we have no responsibility or obligation to update this letter, to consider its applicability or correctness to anyone other than its addressees, or to take into account changes in law, facts or any other developments of which we may later become aware; (iii) any such reliance by a future assignee must be actual and reasonable under the circumstances existing at the time of assignment, including any changes in law, facts or any other developments known to or reasonably knowable by the assignee at such time; and (iv) in furtherance and not in limitation of the foregoing, our consent to such reliance shall in no event constitute a reissuance of the opinions expressed herein or otherwise extend any statute of limitation period applicable hereto on the date hereof. No attorney-client relationship exists or has existed by reason of our preparation, execution and delivery of this opinion letter to any addressee hereof or other person or entity except for the Borrower. In permitting reliance hereon by any person or entity other than the Borrower, we are not acting as counsel for such other person or entity and have not assumed and are not assuming any responsibility to advise such other person or entity with respect to the adequacy of this opinion letter for its purposes. Except as permitted pursuant to the second sentence of this paragraph, this opinion letter may not be relied upon in any manner by any other person and may not be disclosed, quoted, filed with a governmental agency or otherwise referred to without our prior written consent except that you may furnish copies of this opinion letter: (i) pursuant to judicial process or government order or requirement of applicable law or regulation; (ii) to your accountants, auditors and counsel; (iii) to bank or other regulatory examiners; and (iv) to participants and prospective assignees; provided that none of the foregoing are entitled to rely on this opinion letter. In authorizing you to make copies of this opinion letter available pursuant to judicial process or government order or requirement of applicable law or regulation, or for your accountants, auditors, counsel or regulators, it is understood that in each case such disclosure is for the purpose of verifying the existence of this opinion letter and by permitting such disclosure we are not authorizing such accountants, auditors, counsel, regulators or any other Person to rely hereon nor establishing any attorney-client relationship with such accountants, auditors, counsel, regulators or any such other Person.

Very truly yours,

/s/ WINSTON & STRAWN LLP

**Schedule I**

**GOOD STANDING CERTIFICATE**

**(attached)**

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## EXHIBIT C

## [FORM OF] INCREASING LENDER SUPPLEMENT

This INCREASING LENDER SUPPLEMENT, dated \_\_\_\_\_, 20\_\_ (this “Supplement”), by and among each of the signatories hereto, to the Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Intuit Inc., a Delaware corporation (the “Borrower”), the Lenders from time to time party thereto and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents.

## WITNESSETH

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the Borrower has the right, subject to the terms and conditions thereof, to effectuate from time to time an increase in the Aggregate Revolving Commitments and/or enter into one or more tranches of Incremental Term Loans under the Credit Agreement by requesting one or more Lenders to increase the amount of its Revolving Commitment and/or to participate in such Incremental Term Loans;

WHEREAS, the Borrower has given notice to the Lead Administrative Agent of its intention to [increase the Aggregate Revolving Commitments] [and] [enter into a tranche of Incremental Term Loans] pursuant to such Section 2.20 of the Credit Agreement; and

WHEREAS, pursuant to Section 2.20 of the Credit Agreement, the undersigned Increasing Lender now desires to [increase the amount of its Revolving Commitment] [and] [participate in a tranche of Incremental Term Loans] under the Credit Agreement by executing and delivering to the Borrower and the Lead Administrative Agent this Supplement.

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Increasing Lender agrees, subject to the terms and conditions of the Credit Agreement, that on the date of this Supplement it shall [have its Revolving Commitment increased by \$[ ] thereby making the aggregate amount of its total Revolving Commitment equal to \$[ ]] [and] [participate in a tranche of Incremental Term Loans with a commitment amount equal to \$[ ] with respect thereto].
2. The Borrower hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.
3. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.
4. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.
5. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document. Delivery of an executed counterpart of a signature page to this Supplement shall be effective as delivery of a manually executed counterpart of this Supplement.

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF INCREASING LENDER],  
as an Increasing Lender

By: \_\_\_\_\_  
Name:  
Title:

Accepted and agreed to as of the date first written above:

INTUIT INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Title:

Acknowledged as of the date first written above:

BANK OF AMERICA, N.A.,  
as Lead Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

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## EXHIBIT D

## [FORM OF] AUGMENTING LENDER SUPPLEMENT

This AUGMENTING LENDER SUPPLEMENT, dated \_\_\_\_\_, 20\_\_\_\_ (this “Supplement”), by and among each of the signatories hereto, to the Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Intuit Inc., a Delaware corporation (the “Borrower”), the Lenders from time to time party thereto and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents.

## WITNESSETH

WHEREAS, the Credit Agreement provides in Section 2.20 thereof that any bank, financial institution or other entity may [extend a new Revolving Commitment] [and] [participate in a tranche of Incremental Term Loans] under the Credit Agreement subject to the approval of the Borrower and the Lead Administrative Agent, by executing and delivering to the Borrower and the Lead Administrative Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Augmenting Lender is not a party to the Credit Agreement but now desires to become a party thereto.

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date of this Supplement, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a [Revolving Commitment of \$[\_\_\_\_]] [and] [a commitment with respect to a tranche of Incremental Term Loans in an amount equal to \$[\_\_\_\_]].

2. The undersigned Augmenting Lender (a) represents and warrants that it is legally authorized to enter into this Supplement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.09 thereof, as applicable, and has reviewed such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement; (c) agrees that it will, independently and without reliance upon the Lead Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Lead Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Lead Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

3. The undersigned’s address for notices for the purposes of the Credit Agreement is as follows: [\_\_\_\_\_].

4. The Borrower hereby represents and warrants that no Default or Event of Default has occurred and is continuing on and as of the date hereof.

5. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement.

6. This Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

7. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document. Delivery of an executed counterpart of a signature page to this Supplement shall be effective as delivery of a manually executed counterpart of this Supplement.

[remainder of this page intentionally left blank]

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IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF AUGMENTING LENDER],  
as an Augmenting Lender

By: \_\_\_\_\_  
Name:  
Title:

Accepted and agreed to as of the date first written above:

INTUIT INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Title:

Acknowledged as of the date first written above:

BANK OF AMERICA, N.A.,  
as Lead Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

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## EXHIBIT E

## LIST OF CLOSING DOCUMENTS

## INTUIT INC.

## CREDIT FACILITIES

May 2, 2019

## LIST OF CLOSING DOCUMENTS

A. LOAN DOCUMENTS<sup>1</sup>

1. Amended and Restated Credit Agreement (the “Credit Agreement”) among Intuit Inc., a Delaware corporation (the “Borrower”), the Lenders party thereto and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents, evidencing credit facilities to the Borrower from the Lenders in an initial aggregate principal amount of \$1,400,000,000.

## SCHEDULES

- Schedule 2.01 – Commitments  
***Schedule 6.01 – Existing Liens***  
***Schedule 6.04 – Existing Debt***

## EXHIBITS

- Exhibit A – Form of Assignment and Assumption  
 Exhibit B – Form of Opinion of Borrower’s Counsel  
 Exhibit C – Form of Increasing Lender Supplement  
 Exhibit D – Form of Augmenting Lender Supplement  
 Exhibit E – List of Closing Documents  
 Exhibit F – Form of Revolving Maturity Date Extension Request  
 Exhibit G-1 – Form of U.S. Tax Certificate (Foreign Lenders That Are Not Partnerships)  
 Exhibit G-2 – Form of U.S. Tax Certificate (Foreign Participants That Are Not Partnerships)  
 Exhibit G-3 – Form of U.S. Tax Certificate (Foreign Participants That Are Partnerships)  
 Exhibit G-4 – Form of U.S. Tax Certificate (Foreign Lenders That Are Partnerships)  
 Exhibit H – Form of Borrowing Request  
 Exhibit I – Form of Interest Election Request  
 Exhibit J – Form of Notice of Loan Prepayment

2. Notes executed by the Borrower in favor of each Lender, if any, which has requested a note pursuant to Section 2.10(f) of the Credit Agreement.

<sup>1</sup> Each capitalized term used herein and not defined herein shall have the meaning assigned to such term in the above-defined Credit Agreement. Items appearing in bold italics shall be prepared and/or provided by the Borrower and/or Borrower’s counsel.

**B. CORPORATE DOCUMENTS**

3. *Certificate of the Secretary or an Assistant Secretary of the Borrower certifying as true, correct and complete (i) the Certificate of Incorporation or other charter document of the Borrower attached thereto, which has been certified as of a recent date by the Secretary of State of Delaware, (ii) the by-laws or other applicable organizational document, as attached thereto, of the Borrower as in effect on the date of such certification, (iii) resolutions of the Board of Directors or other governing body of the Borrower authorizing the execution, delivery and performance of each Loan Document, and (iv) the names and true signatures of the incumbent officers of the Borrower authorized to sign the Loan Documents, and authorized to request a Borrowing under the Credit Agreement.*
4. *Good Standing Certificate for the Borrower from the Secretary of State of Delaware.*

**C. OPINION**

5. *Opinion of Winston & Strawn LLP, counsel for the Borrower.*

**D. CLOSING CERTIFICATES AND MISCELLANEOUS**

6. *A Certificate signed by a Responsible Officer of the Borrower certifying the following as of the Effective Date: (i) all of the representations and warranties of the Borrower set forth in the Credit Agreement are true and correct, (ii) no Default or Event of Default has occurred and is then continuing, and (iii) all governmental and third party approvals necessary or, in the reasonable discretion of the Lead Administrative Agent, advisable in connection with the Transactions have been obtained and are in full force and effect.*
  7. *(i) Audited Consolidated financial statements of the Borrower and its Subsidiaries for the fiscal years ended July 31, 2018 and July 31, 2017, and (ii) unaudited interim Consolidated financial statements of the Borrower and its Subsidiaries for the fiscal quarters ended October 31, 2018 and January 31, 2019.*
  8. *All documentation and other information that has been reasonably requested by each Lender in writing at least ten (10) days prior to the Effective Date that such Lender has reasonably determined is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act.*
  9. *To the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification for each Lender requesting a Beneficial Ownership Certification.*
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## EXHIBIT F

## [FORM OF] REVOLVING MATURITY DATE EXTENSION REQUEST

[Date]

Bank of America, N.A.,  
as Lead Administrative Agent

Ladies and Gentlemen:

Reference is made to the Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Intuit Inc., a Delaware corporation (the “Borrower”), the Lenders from time to time party thereto and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents. Capitalized terms used but not defined herein shall have the meanings specified in the Credit Agreement. In accordance with Section 2.23 of the Credit Agreement, the undersigned hereby requests [(i)] an extension of the Revolving Maturity Date from [ ], 20[ ] to [ ], 20[ ], [(ii)] the following changes to the Applicable Rate to be applied in determining the interest payable on Loans of, and fees payable hereunder to, Consenting Lenders in respect of that portion of their Revolving Commitments (and related Revolving Loans) extended to such new Revolving Maturity Date, which changes shall become effective on [ ], 20[ ], [and] [(iii)] the amendments to the terms of the Credit Agreement set forth below, which amendments shall become effective on [ ], 20[ ]:

INTUIT INC.,  
a Delaware corporation

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

Name:

Title:

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Each of the undersigned consents to the requested amendments to the terms of the Credit Agreement and the requested extension of the Revolving Maturity Date. The maximum amount of the Revolving Commitment of each of the undersigned with respect to which each of the undersigned agrees to the amendments to the terms of the Credit Agreement and the extension of the Revolving Maturity Date is set forth [under its signature][on the attached Schedule [ ]].

Name of Institution:

\_\_\_\_\_

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

Name:

Title:

For any Institution requiring a second signature line:

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

Name:

Title:

\_\_\_\_\_

## EXHIBIT G-1

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE  
 (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Intuit Inc., a Delaware corporation (the "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Lead Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN-E (or W-8BEN, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Lead Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Lead Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

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

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

## EXHIBIT G-2

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE  
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Intuit Inc., a Delaware corporation (the "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN-E (or W-8BEN, as applicable). By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

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

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

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## EXHIBIT G-3

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE  
 (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Intuit Inc., a Delaware corporation (the "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN-E (or W-8BEN, as applicable) or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN-E (or W-8BEN, as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

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

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

## EXHIBIT G-4

[FORM OF] U.S. TAX COMPLIANCE CERTIFICATE  
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Intuit Inc., a Delaware corporation (the "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents.

Pursuant to the provisions of Section 2.17 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Lead Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN-E (or W-8BEN as applicable) or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN-E (or W-8BEN, as applicable) from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Lead Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Lead Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

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

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

## EXHIBIT H

## [FORM OF] BORROWING REQUEST

TO: Bank of America, N.A., as Lead Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement), among Intuit Inc., a Delaware corporation (the "Borrower"), the Lenders from time to time party thereto, and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents

DATE: [Date]

The Borrower hereby requests (select one):

A Revolving Loan Borrowing

A Term Loan Borrowing

---

1. On \_\_\_\_\_ (a Business Day)
2. In the amount of \$\_\_\_\_\_.
3. Type:   ABR Borrowing  
          Eurocurrency Borrowing
4. For Eurocurrency Borrowings: with an initial Interest Period of \_\_ month[s].
5. For Eurocurrency Borrowings, in the following Agreed Currency:\_\_\_\_\_
6. The proceeds of such Borrowing shall be disbursed to the following account:

*[insert location and number of account]*

With respect to such Borrowing, the Borrower hereby represents and warrants that (i) such request complies with the requirements of Section 2.01[(a)][(b)] of the Credit Agreement and (ii) each of the conditions set forth in Section 4.02 of the Credit Agreement have been satisfied on and as of the date of such Borrowing.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The undersigned Responsible Officer of the Borrower has caused this Borrowing Request to be executed as of the date first above written.

INTUIT

INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Title:

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## EXHIBIT I

## [FORM OF] INTEREST ELECTION REQUEST

TO: Bank of America, N.A., as Lead Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement), among Intuit Inc., a Delaware corporation (the "Borrower"), the Lenders from time to time party thereto, and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents

DATE: [Date]

—

The Borrower hereby requests (select one):

A [conversion][continuation] of a Revolving Loan Borrowing

A [conversion][continuation] of a Term Loan Borrowing

---

1. On \_\_\_\_\_ (a Business Day)
2. Type: \$\_\_\_\_\_ as an ABR Borrowing  
\$\_\_\_\_\_ as a Eurocurrency Borrowing
4. For Eurocurrency Borrowings: with an initial Interest Period of \_\_ month[s].
5. For Eurocurrency Borrowings, in the following Agreed Currency:\_\_\_\_\_

With respect to such Interest Election Request, the Borrower hereby represents and warrants that each of the conditions set forth in Section 4.02 of the Credit Agreement have been satisfied on and as of the date of such conversion or continuation.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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The undersigned Responsible Officer of the Borrower has caused this Interest Election Request to be executed as of the date first above written.

INTUIT

INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Title:

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## EXHIBIT J

## [FORM OF] NOTICE OF LOAN PREPAYMENT

TO: Bank of America, N.A., as Lead Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of May 2, 2019 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the “Credit Agreement”; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement), among Intuit Inc., a Delaware corporation (the “Borrower”), the Lenders from time to time party thereto, and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as Co-Administrative Agents

DATE: [Date]

—  
The Borrower hereby notifies the Lead Administrative Agent that on [Date], pursuant to the terms of Section 2.11(a) of the Credit Agreement, the Borrower intends to prepay the following Loans as more specifically set forth below:

Voluntary prepayment of a [Revolving Loan Borrowing][Term Loan Borrowing] in the following amount(s):

Eurocurrency Borrowing: \$\_\_\_\_\_

Applicable Interest Period(s): \_\_\_\_\_

ABR Borrowing: \$\_\_\_\_\_

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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The undersigned Responsible Officer of the Borrower has caused this Notice of Loan Prepayment to be executed as of the date first above written.

INTUIT INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Title:

**INTUIT INC.**  
**Subsidiaries as of August 1, 2019**

<b>Entity</b>	<b>Formation</b>
AisleBuyer, LLC	Delaware
Applatix, Inc.	Delaware
CBS Employer Services, Inc.	Texas
Computing Resources, Inc.	Nevada
Dallas Innovative Merchant Solutions, LLC	Texas
Electronic Clearing House, LLC	Delaware
EmployeeMatters Insurance Agency, Inc.	Connecticut
Exactor, Inc.	Delaware
Exactor (Canada) Inc.	Pennsylvania
Intuit Australia Pty Limited	Australia
Intuit Brasil Servicos de Informatica Ltda.	Brazil
Intuit (Check) Software Ltd.	Israel
Intuit Canada Tax ULC	Canada
Intuit Canada ULC	Canada
Intuit Consumer Group Inc.	California
Intuit Distribution Inc.	California
Intuit Do-It-Yourself Payroll	California
Intuit Financing Inc.	Delaware
Intuit France SAS	France
Intuit Holding Ltd	United Kingdom
Intuit India Product Development Centre Private Ltd.	India
Intuit India Software Solutions Private Limited	India
Intuit Insurance Services Inc.	California
Intuit Limited	United Kingdom
Intuit Mint Bills, Inc.	Delaware
Intuit Mint Bills Payments, Inc.	Delaware
Intuit Payment Solutions, LLC	California
Intuit Payments Inc.	Delaware
Intuit Payroll Holding, LLC	Delaware
Intuit Payroll Services, LLC	Delaware
Intuit Sales Tax LLC	Delaware
Intuit Singapore Pte. Limited	Singapore
Intuit TT Offerings Inc.	Delaware
Lacerte Software Corporation	Delaware
Level Up Analytics GmbH	Germany
Lion's Partners, LLC	Delaware
Mint Software Inc.	Delaware
MTS Global (Europe) Limited	United Kingdom

Origami Logic Inc.	Delaware
Origami Logic Inc. (CAN)	Canada
Origami Logic Ltd.	Israel
Origami Logic (Thailand) Co., Ltd	Thailand
PayCycle, Inc.	Delaware
Payroll Solution, Inc.	Texas
Quincy Data Center, LLC	Washington
Superior Bankcard Service LLC	Delaware
Squire Inc.	Pennsylvania
T-Jar Inc.	Pennsylvania
TSheets Holdco Inc.	Delaware
TSheets.com, LLC	Delaware
XpressCheX, Inc.	California

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the following Registration Statements:

<b>Form S-8 No.</b>	<b>Plan</b>
333-121170	Intuit Inc. 2005 Equity Incentive Plan
333-130453	Intuit Inc. 2005 Equity Incentive Plan
333-139452	Intuit Inc. 2005 Equity Incentive Plan; Intuit Inc. Employee Stock Purchase Plan
333-148112	Intuit Inc. 2005 Equity Incentive Plan
333-156205	Intuit Inc. 2005 Equity Incentive Plan
333-161044	PayCycle, Inc. 1999 Equity Incentive Plan
333-163145	Mint Software Inc. Third Amended and Restated 2006 Stock Plan
333-163728	Intuit Inc. 2005 Equity Incentive Plan; Intuit Inc. Employee Stock Purchase Plan
333-171768	Intuit Inc. Amended and Restated 2005 Equity Incentive Plan
333-179110	Intuit Inc. Employee Stock Purchase Plan
333-181732	Demandforce, Inc. 2007 Equity Incentive Plan
333-193184	Docstoc Inc. 2007 Stock Plan
333-193551	Intuit Inc. Amended and Restated 2005 Equity Incentive Plan
333-197082	Check Inc. Second Restated 2007 Stock Option Incentive Plan and Netgate Software Ltd. Israeli Sub-Plan to the Check Inc. Second Restated 2007 Stock Option Incentive Plan
333-201426	Acrede Technology Group Holdings Limited 2014 Equity Incentive Plan
333-201671	Intuit Inc. Employee Stock Purchase Plan
333-202214	Porticor Ltd. 2015 Incentive Plan
333-215639	Intuit Inc. Amended and Restated 2005 Equity Incentive Plan

Form S-3 No.	Prospectus
333-50417	\$500,000,000 in the aggregate of common stock, preferred stock and debt securities
333-63739	\$500,000,000 in the aggregate of common stock, preferred stock and debt securities
333-54610	\$1,000,000,000 in the aggregate of common stock, preferred stock and debt securities
333-192130	\$8,257,953.60 in the aggregate of common stock

Form S-4 No.	Prospectus
333-71097	\$500,000,000 in the aggregate of common stock

of Intuit Inc. of our reports dated August 30, 2019, with respect to the consolidated financial statements and schedule of Intuit Inc. and the effectiveness of internal control over financial reporting of Intuit Inc. included in this Annual Report (Form 10-K) for the year ended July 31, 2019.

/s/ Ernst & Young LLP  
San Jose, California  
August 30, 2019

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)  
AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Sasan K. Goodarzi, certify that:

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

Date: August 30, 2019

By: /s/ SASAN K. GOODARZI

Sasan K. Goodarzi  
President and Chief Executive Officer  
(Principal Executive Officer)



**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)  
AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Michelle M. Clatterbuck, certify that:

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

Date: August 30, 2019

By: /s/ Michelle M. Clatterbuck

Michelle M. Clatterbuck

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

**Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section  
1350,  
As Adopted Pursuant to  
Section 906 of The Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Intuit Inc. (the "Company") on Form 10-K for the year ended July 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Sasan K. Goodarzi, President and Chief Executive Officer of the Company, certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SASAN K. GOODARZI

Sasan K. Goodarzi

President and Chief Executive Officer

(Principal Executive Officer)

Date: August 30, 2019

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section  
1350,  
As Adopted Pursuant to  
Section 906 of The Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Intuit Inc. (the "Company") on Form 10-K for the year ended July 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michelle M. Clatterbuck, Executive Vice President and Chief Financial Officer of the Company, certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHELLE M. CLATTERBUCK

Michelle M. Clatterbuck

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: August 30, 2019

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.