

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

FORM 10-Q

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

For the quarterly period ended January 31, 2022

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:

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

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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. 282,812,475 shares of Common Stock, \$0.01 par value, were outstanding at February 18, 2022.

PART I - FINANCIAL INFORMATION

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Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. These risks and uncertainties may be amplified by the coronavirus ("COVID-19") pandemic, which has caused significant global economic instability and uncertainty. The extent to which the COVID-19 pandemic impacts Intuit's business, operations, financial results, and financial condition, including the duration and magnitude of such effects, will depend on numerous evolving factors, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the pandemic, its severity, the actions to contain the virus or respond to its impact, and how quickly and to what extent normal economic and operating conditions can resume. Please also see the section entitled "Risk Factors" in Item 1A of Part II 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;
- statements regarding the impact of the COVID-19 pandemic on our 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; 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 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
- our expectations regarding acquisitions and their impact on business and strategic priorities; and
- our assessments and beliefs regarding the future developments and outcomes 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 or expenses 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 Quarterly Report, and we undertake no obligation to revise or update any forward-looking statement for any reason.

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

INTUIT INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS *(unaudited)*

(In millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	January 31, 2022	January 31, 2021	January 31, 2022	January 31, 2021
Net revenue:				
Product	\$ 525	\$ 495	\$ 922	\$ 862
Service and other	2,148	1,081	3,758	2,037
Total net revenue	2,673	1,576	4,680	2,899
Costs and expenses:				
Cost of revenue:				
Cost of product revenue	20	22	35	37
Cost of service and other revenue	503	331	890	565
Amortization of acquired technology	42	14	57	21
Selling and marketing	942	580	1,492	942
Research and development	590	368	1,120	693
General and administrative	399	250	661	419
Amortization of other acquired intangible assets	121	36	174	38
Total costs and expenses	2,617	1,601	4,429	2,715
Operating income (loss)	56	(25)	251	184
Interest expense	(21)	(7)	(28)	(15)
Interest and other income (loss), net	(5)	54	45	63
Income before income taxes	30	22	268	232
Income tax (benefit) provision	(70)	2	(60)	14
Net income	\$ 100	\$ 20	\$ 328	\$ 218
Basic net income per share	\$ 0.35	\$ 0.07	\$ 1.18	\$ 0.82
Shares used in basic per share calculations	283	270	278	266
Diluted net income per share	\$ 0.35	\$ 0.07	\$ 1.16	\$ 0.81
Shares used in diluted per share calculations	287	273	282	269
Cash dividends declared per common share	\$ 0.68	\$ 0.59	\$ 1.36	\$ 1.18

See accompanying notes.

INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME *(unaudited)**(In millions)*

	Three Months Ended		Six Months Ended	
	January 31, 2022	January 31, 2021	January 31, 2022	January 31, 2021
Net income	\$ 100	\$ 20	\$ 328	\$ 218
Other comprehensive income (loss), net of income taxes:				
Unrealized gain (loss) on available-for-sale debt securities	(1)	—	(5)	(1)
Foreign currency translation gain (loss)	(4)	12	(5)	10
Total other comprehensive income (loss), net	(5)	12	(10)	9
Comprehensive income	\$ 95	\$ 32	\$ 318	\$ 227

See accompanying notes.

INTUIT INC.
CONDENSED CONSOLIDATED BALANCE SHEETS *(unaudited)*

<i>(In millions)</i>	ASSETS	January 31, 2022	July 31, 2021
Current assets:			
Cash and cash equivalents		\$ 1,257	\$ 2,562
Investments		157	1,308
Accounts receivable, net		889	391
Income taxes receivable		241	123
Prepaid expenses and other current assets		571	316
Current assets before funds held for customers		3,115	4,700
Funds held for customers		375	457
Total current assets		3,490	5,157
Long-term investments		90	43
Property and equipment, net		831	780
Operating lease right-of-use assets		439	380
Goodwill		13,732	5,613
Acquired intangible assets, net		7,388	3,252
Long-term deferred income taxes		8	8
Other assets		325	283
Total assets		<u>\$ 26,303</u>	<u>\$ 15,516</u>
	LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:			
Accounts payable		\$ 883	\$ 623
Accrued compensation and related liabilities		413	530
Deferred revenue		822	684
Other current liabilities		475	361
Current liabilities before customer fund deposits		2,593	2,198
Customer fund deposits		375	457
Total current liabilities		2,968	2,655
Long-term debt		6,732	2,034
Long-term deferred income tax liabilities		506	525
Operating lease liabilities		429	380
Other long-term obligations		73	53
Total liabilities		10,708	5,647
Commitments and contingencies			
Stockholders' equity:			
Preferred stock		—	—
Common stock and additional paid-in capital		17,202	10,548
Treasury stock, at cost		(13,808)	(12,951)
Accumulated other comprehensive loss		(34)	(24)
Retained earnings		12,235	12,296
Total stockholders' equity		15,595	9,869
Total liabilities and stockholders' equity		<u>\$ 26,303</u>	<u>\$ 15,516</u>

See accompanying notes

INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY *(unaudited)*

	Three Months Ended January 31, 2022					
<i>(In millions, except shares in thousands)</i>	Shares of Common Stock	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
Balance at October 31, 2021	273,222	\$ 10,718	\$ (13,289)	\$ (29)	\$ 12,333	\$ 9,733
Comprehensive income	—	—	—	(5)	100	95
Issuance of stock under employee stock plans, net of shares withheld for employee taxes	498	(168)	—	—	—	(168)
Stock repurchases	(810)	—	(519)	—	—	(519)
Dividends and dividend rights declared (\$0.68 per share)	—	—	—	—	(198)	(198)
Share-based compensation expense	—	336	—	—	—	336
Issuance of stock in business combination	10,090	6,316	—	—	—	6,316
Balance at January 31, 2022	283,000	\$ 17,202	\$ (13,808)	\$ (34)	\$ 12,235	\$ 15,595

	Six Months Ended January 31, 2022					
<i>(In millions, except shares in thousands)</i>	Shares of Common Stock	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
Balance at July 31, 2021	273,235	\$ 10,548	\$ (12,951)	\$ (24)	\$ 12,296	\$ 9,869
Comprehensive income	—	—	—	(10)	328	318
Issuance of stock under employee stock plans, net of shares withheld for employee taxes	1,091	(279)	—	—	—	(279)
Stock repurchases	(1,416)	—	(857)	—	—	(857)
Dividends and dividend rights declared (\$1.36 per share)	—	—	—	—	(389)	(389)
Share-based compensation expense	—	617	—	—	—	617
Issuance of stock in business combination	10,090	6,316	—	—	—	6,316
Balance at January 31, 2022	283,000	\$ 17,202	\$ (13,808)	\$ (34)	\$ 12,235	\$ 15,595

See accompanying notes.

INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY *(unaudited)*

	Three Months Ended January 31, 2021					
	Shares of Common Stock	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
<i>(In millions, except shares in thousands)</i>						
Balance at October 31, 2020	262,707	\$ 6,283	\$ (11,929)	\$ (35)	\$ 10,926	\$ 5,245
Comprehensive income	—	—	—	12	20	32
Issuance of stock under employee stock plans, net of shares withheld for employee taxes	400	(49)	—	—	—	(49)
Stock repurchases under stock repurchase programs	(470)	—	(175)	—	—	(175)
Dividends and dividend rights declared (\$0.59 per share)	—	—	—	—	(163)	(163)
Share-based compensation expense	—	180	—	—	—	180
Issuance of stock in business combination	11,324	3,798	—	—	—	3,798
Balance at January 31, 2021	273,961	\$ 10,212	\$ (12,104)	\$ (23)	\$ 10,783	\$ 8,868

	Six Months Ended January 31, 2021					
	Shares of Common Stock	Common Stock and Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
<i>(In millions, except shares in thousands)</i>						
Balance at July 31, 2020	261,740	\$ 6,182	\$ (11,929)	\$ (32)	\$ 10,885	\$ 5,106
Comprehensive income	—	—	—	9	218	227
Issuance of stock under employee stock plans, net of shares withheld for employee taxes	1,367	(60)	—	—	—	(60)
Stock repurchases under stock repurchase programs	(470)	—	(175)	—	—	(175)
Dividends and dividend rights declared (\$1.18 per share)	—	—	—	—	(320)	(320)
Share-based compensation expense	—	292	—	—	—	292
Issuance of stock in business combination	11,324	3,798	—	—	—	3,798
Balance at January 31, 2021	273,961	\$ 10,212	\$ (12,104)	\$ (23)	\$ 10,783	\$ 8,868

See accompanying notes.

INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS *(unaudited)*
(In millions)
Cash flows from operating activities:

	Six Months Ended	
	January 31, 2022	January 31, 2021
Net income	\$ 328	\$ 218
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	96	77
Amortization of acquired intangible assets	233	60
Non-cash operating lease cost	40	28
Share-based compensation expense	616	291
Deferred income taxes	(12)	11
Other	(29)	(48)
Total adjustments	944	419
Originations of loans held for sale	—	(41)
Sale and principal payments of loans held for sale	—	143
Changes in operating assets and liabilities:		
Accounts receivable	(472)	(178)
Income taxes receivable	(117)	(82)
Prepaid expenses and other assets	(133)	(63)
Accounts payable	84	87
Accrued compensation and related liabilities	(523)	(269)
Deferred revenue	83	90
Operating lease liabilities	(41)	(27)
Other liabilities	77	27
Total changes in operating assets and liabilities	(1,042)	(415)
Net cash provided by operating activities	230	324

Cash flows from investing activities:

Purchases of corporate and customer fund investments	(318)	(535)
Sales of corporate and customer fund investments	1,429	89
Maturities of corporate and customer fund investments	154	265
Purchases of property and equipment	(107)	(71)
Acquisitions of businesses, net of cash acquired	(5,682)	(3,045)
Originations of term loans to small businesses	(317)	(70)
Principal repayments of term loans from small businesses	175	53
Other	(16)	48
Net cash used in investing activities	(4,682)	(3,266)

Cash flows from financing activities:

Proceeds from issuance of long-term debt	4,700	—
Repayments on borrowings under unsecured revolving credit facility	—	(1,000)
Proceeds from borrowings under secured revolving credit facility	2	—
Repayment of debt	—	(13)
Proceeds from issuance of stock under employee stock plans	75	108
Payments for employee taxes withheld upon vesting of restricted stock units	(355)	(168)
Cash paid for purchases of treasury stock	(874)	(164)
Dividends and dividend rights paid	(385)	(321)
Net change in customer fund deposits	(82)	(29)
Other	(9)	—
Net cash provided by (used in) financing activities	3,072	(1,587)

Effect of exchange rates on cash, cash equivalents, restricted cash, and restricted cash equivalents	(6)	10
Net decrease in cash, cash equivalents, restricted cash, and restricted cash equivalents	(1,386)	(4,519)
Cash, cash equivalents, restricted cash, and restricted cash equivalents at beginning of period	2,819	6,697
Cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period	\$ 1,433	\$ 2,178
Reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents reported within the condensed consolidated balance sheets to the total amounts reported on the condensed consolidated statements of cash flows		
Cash and cash equivalents	\$ 1,257	\$ 1,952
Restricted cash and restricted cash equivalents included in funds held for customers	176	226
Total cash, cash equivalents, restricted cash, and restricted cash equivalents at end of period	\$ 1,433	\$ 2,178
Supplemental schedule of non-cash investing activities:		
Issuance of common stock in business combinations	\$ 6,316	\$ 3,798

See accompanying notes.

INTUIT INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(unaudited)*

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, TurboTax, QuickBooks and Mint help customers run their small businesses, pay employees and send invoices, separate business and personal expenses, track their money, and file income taxes. Credit Karma is a consumer technology platform that enables us to provide personalized financial offers to members including credit cards, loans, insurance, and savings and checking accounts through an FDIC member bank partner. ProSeries and Lacerte are our leading tax preparation offerings for professional accountants. On November 1, 2021 we acquired The Rocket Science Group LLC (Mailchimp), a global customer engagement and marketing platform for growing small and mid-market businesses. Incorporated in 1984 and headquartered in Mountain View, California, we sell our products and services primarily in the United States.

Basis of Presentation

These condensed 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 included all adjustments, consisting only of normal recurring items, which we considered necessary for a fair presentation of our financial results for the interim periods presented. We have reclassified certain amounts previously reported in our financial statements to conform to the current presentation, including amounts related to reportable segments.

We acquired Credit Karma, Inc. (Credit Karma) on December 3, 2020. We have included the results of operations for Credit Karma in our condensed consolidated statements of operations from the date of acquisition. We have completed the purchase price allocation for the Credit Karma acquisition as of January 31, 2022 with no material adjustments from those disclosed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2021. Credit Karma operates as a separate reportable segment. See Note 12, "Segment Information," for more information.

We acquired Mailchimp on November 1, 2021. We have included the results of operations for Mailchimp in our condensed consolidated statements of operations from the date of acquisition. Mailchimp is part of our Small Business & Self-Employed segment. See Note 5, "Business Combinations," for more information.

These unaudited condensed consolidated financial statements and accompanying notes should be read together with the audited consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the fiscal year ended July 31, 2021. Results for the six months ended January 31, 2022 do not necessarily indicate the results we expect for the fiscal year ending July 31, 2022 or any other future period.

Seasonality

Our Consumer and ProConnect 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. Typically, returns are accepted by the IRS starting in January and the tax filing deadline is in April. This seasonal pattern results in higher net revenues during our second and third quarters ending January 31 and April 30, respectively. In fiscal 2022 the IRS began accepting returns on January 24, 2022 and the tax filing deadline is April 18, 2022. However, in fiscal 2021 the IRS began accepting returns on February 12, 2021 and the tax filing deadline was extended to May 17, 2021. These changes to the fiscal 2021 tax filing season impacted our second and third quarter financial results for that year.

Significant Accounting Policies

We describe our significant accounting policies in Note 1 to the financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the fiscal year ended July 31, 2021. There have been no changes to our significant accounting policies during the first six months of fiscal 2022.

[Use of Estimates](#)

In preparing our condensed 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 discount rate used to calculate lease liabilities, the amount of our worldwide tax provision, the realizability of deferred tax assets, the credit losses of available-for-sale debt securities, and the fair value of assets acquired and liabilities assumed for business combinations. 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. Additionally, in the context of the ongoing global COVID-19 pandemic, while there has been no material impact on our estimates to date, in future periods, facts and circumstances could change and impact our estimates.

[Computation of Net Income \(Loss\) Per Share](#)

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.

In loss periods, basic net loss per share and diluted net loss per share are the same since the effect of potential common shares is anti-dilutive and therefore excluded.

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

(In millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	January 31, 2022	January 31, 2021	January 31, 2022	January 31, 2021
Numerator:				
Net income	\$ 100	\$ 20	\$ 328	\$ 218
Denominator:				
Shares used in basic per share amounts:				
Weighted average common shares outstanding	283	270	278	266
Shares used in diluted per share amounts:				
Weighted average common shares outstanding	283	270	278	266
Dilutive common equivalent shares from stock options and restricted stock awards	4	3	4	3
Dilutive weighted average common shares outstanding	287	273	282	269
Basic and diluted net income per share:				
Basic net income per share	\$ 0.35	\$ 0.07	\$ 1.18	\$ 0.82
Diluted net income per share	\$ 0.35	\$ 0.07	\$ 1.16	\$ 0.81
Shares excluded from diluted net income per share:				
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	—	1

Deferred Revenue

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 three and six months ended January 31, 2022, we recognized revenue of \$157 million and \$578 million, respectively, that was included in deferred revenue at July 31, 2021. During the three and six months ended January 31, 2021, we recognized revenue of \$144 million and \$543 million, respectively, that was included in deferred revenue at July 31, 2020.

Our performance obligations are generally satisfied within 12 months of the initial contract date. As of January 31, 2022 and July 31, 2021, the deferred revenue balance related to performance obligations that will be satisfied after 12 months was \$5 million and \$8 million, respectively, and is included in other long-term obligations on our condensed consolidated balance sheets.

Notes Receivable and Allowances for Loan Losses

Notes receivable held for investment consist of term loans to small businesses and are included in prepaid expenses and other current assets and other assets on our condensed consolidated balance sheets. As of January 31, 2022 and July 31, 2021, the notes receivable balances were \$283 million and \$139 million, respectively, and the allowances for loan losses were not material. 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 term loan portfolio on an individual loan basis, based on a data analytics risk model that evaluates trends related to revenue, debt payments and negative events in the previous 12 months and applies a loss rate at the time of loan origination. The average is then applied against the outstanding portfolio. 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 and future economic conditions. When we determine that amounts are uncollectible, we write them off against the allowance.

Concentration of Credit Risk and Significant Customers

No customer accounted for 10% or more of total net revenue in the three or six months ended January 31, 2022 or January 31, 2021. No customer accounted for 10% or more of gross accounts receivable at January 31, 2022 or July 31, 2021.

Accounting Standards Recently Adopted

Business Combinations - In October 2021 the FASB issued ASU 2021-08, "Business Combinations—Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805)." This standard requires an acquirer in a business

combination to recognize and measure contract assets and contract liabilities from acquired contracts using the revenue recognition guidance under Accounting Standards Codification Topic 606 in order to align the recognition of a contract liability with the definition of a performance obligation. This approach differs from the current requirement to measure contract assets and contract liabilities acquired in a business combination at fair value. We elected to early adopt this standard in the second quarter of our fiscal year that began August 1, 2021. The adoption of ASU 2021-08 did not have a material impact on our consolidated financial statements.

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)	January 31, 2022			July 31, 2021		
	Level 1	Level 2	Total Fair Value	Level 1	Level 2	Total Fair Value
Assets:						
Cash equivalents, primarily money market funds and time deposits	\$ 264	\$ —	\$ 264	\$ 1,660	\$ —	\$ 1,660
Available-for-sale debt securities:						
Municipal bonds	—	—	—	—	38	38
Corporate notes	—	324	324	—	1,400	1,400
U.S. agency securities	—	32	32	—	70	70
Total available-for-sale debt securities	—	356	356	—	1,508	1,508
Total assets measured at fair value on a recurring basis	\$ 264	\$ 356	\$ 620	\$ 1,660	\$ 1,508	\$ 3,168
Liabilities:						
Senior unsecured notes ⁽¹⁾	\$ —	\$ 1,926	\$ 1,926	\$ —	\$ 1,986	\$ 1,986

⁽¹⁾ Carrying value on our balance sheets at January 31, 2022 and July 31, 2021 was \$1.99 billion. See Note 7, "Long-Term Obligations and Commitments," for more information.

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 indicated.

(In millions)	January 31, 2022			July 31, 2021		
	Level 1	Level 2	Total Fair Value	Level 1	Level 2	Total Fair Value
Cash equivalents:						
In cash and cash equivalents	\$ 219	\$ —	\$ 219	\$ 1,660	\$ —	\$ 1,660
In funds held for customers	45	—	45	—	—	—
Total cash equivalents	<u>\$ 264</u>	<u>\$ —</u>	<u>\$ 264</u>	<u>\$ 1,660</u>	<u>\$ —</u>	<u>\$ 1,660</u>
Available-for-sale debt securities:						
In investments	\$ —	\$ 157	\$ 157	\$ —	\$ 1,308	\$ 1,308
In funds held for customers	—	199	199	—	200	200
Total available-for-sale debt securities	<u>\$ —</u>	<u>\$ 356</u>	<u>\$ 356</u>	<u>\$ —</u>	<u>\$ 1,508</u>	<u>\$ 1,508</u>

We value our Level 1 assets, consisting primarily of money market funds and time deposits, 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 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.

Financial liabilities whose fair values we measure using Level 2 inputs consist of senior unsecured notes. See Note 7, "Long-Term Obligations and Commitments," for more information. We measure the fair value of our senior unsecured notes based on their trading prices and the interest rates we could obtain for other borrowings with similar terms.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the six months ended January 31, 2022.

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

Long-term investments represent non-marketable equity securities in privately held companies that do not have a readily determinable fair value. They are accounted for at cost and adjusted based on observable price changes from orderly transactions for identical or similar investments of the same issuer or impairment. These investments are classified as Level 3 in the fair value hierarchy because we estimate the value based on valuation methods which may include a combination of the observable transaction price at the transaction date and other unobservable inputs including volatility, rights, and obligations of the investments we hold. We recognized no upward adjustments during the three months ended January 31, 2022 and \$46 million of upward adjustments during the six months ended January 31, 2022. We recognized \$9 million and \$17 million of upward adjustments during the three and six months ended January 31, 2021, respectively. Impairments recognized during the three and six months ended January 31, 2022 and January 31, 2021 were immaterial. Cumulative upward adjustments were \$63 million and cumulative impairments were immaterial through January 31, 2022 for measurement alternative investments held as of January 31, 2022. As of January 31, 2022 and July 31, 2021, the carrying value of long-term investments was \$90 million and \$43 million, respectively.

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

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 money market funds and time deposits. Investments consist primarily of investment-grade available-for-sale debt securities. 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 securities, restricted for use solely for the purpose of satisfying amounts we owe on behalf of our customers. 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 in debt securities by limiting our holdings with any individual issuer.

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

(In millions)	January 31, 2022		July 31, 2021	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Classification on condensed consolidated balance sheets:				
Cash and cash equivalents	\$ 1,257	\$ 1,257	\$ 2,562	\$ 2,562
Investments	158	157	1,305	1,308
Funds held for customers	378	375	456	457
Total cash and cash equivalents, investments, and funds held for customers	<u>\$ 1,793</u>	<u>\$ 1,789</u>	<u>\$ 4,323</u>	<u>\$ 4,327</u>

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

(In millions)	January 31, 2022		July 31, 2021	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Type of issue:				
Total cash, cash equivalents, restricted cash, and restricted cash equivalents	\$ 1,433	\$ 1,433	\$ 2,819	\$ 2,819
Available-for-sale debt securities:				
Municipal bonds	—	—	37	38
Corporate notes	327	324	1,397	1,400
U.S. agency securities	33	32	70	70
Total available-for-sale debt securities	<u>360</u>	<u>356</u>	<u>1,504</u>	<u>1,508</u>
Total cash, cash equivalents, restricted cash, restricted cash equivalents, and investments	<u>\$ 1,793</u>	<u>\$ 1,789</u>	<u>\$ 4,323</u>	<u>\$ 4,327</u>

We use the specific identification method to compute gains and losses on investments. We include realized gains and losses on our available-for-sale debt securities in interest and other income on our condensed consolidated statements of operations. Gross realized gains and losses on our available-for-sale debt securities for the six months ended January 31, 2022 and January 31, 2021 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 condensed consolidated balance sheets, except for certain unrealized losses described below. Gross unrealized gains and losses on our available-for-sale debt securities at January 31, 2022 and July 31, 2021 were not significant.

For available-for-sale debt securities in an unrealized loss position, we determine whether a credit loss exists. The estimate of the credit loss is determined by considering available information relevant to the collectibility of the security and information about past events, current conditions, and reasonable and supportable forecasts. The allowance for credit loss is recorded to interest and other income on our condensed consolidated statement of operations, not to exceed the amount of the unrealized loss. Any excess unrealized loss greater than the credit loss at a security level is recognized in accumulated other comprehensive income or loss in the stockholders' equity section of our condensed consolidated balance sheets. We determined there were no credit losses related to available-for-sale securities as of January 31, 2022. Unrealized losses on available-for-sale debt securities at January 31, 2022 were not significant. 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 of the amortized cost basis, 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.

	January 31, 2022		July 31, 2021	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
(In millions)				
Due within one year	\$ 102	\$ 102	\$ 551	\$ 553
Due within two years	189	187	550	551
Due within three years	68	66	398	398
Due after three years	1	1	5	6
Total available-for-sale debt securities	\$ 360	\$ 356	\$ 1,504	\$ 1,508

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

	January 31, 2022	July 31, 2021
(In millions)		
Restricted cash and restricted cash equivalents	\$ 176	\$ 257
Restricted available-for-sale debt securities	199	200
Total funds held for customers	\$ 375	\$ 457
(In millions)		
Restricted cash and restricted cash equivalents	\$ 226	\$ 255
Restricted available-for-sale debt securities	200	200
Total funds held for customers	\$ 426	\$ 455

4. Goodwill and Acquired Intangible Assets

Goodwill

Changes in the carrying value of goodwill by reportable segment during the six months ended January 31, 2022 were as shown in the following table. Our reportable segments are described in Note 12, "Segment Information."

	Balance July 31, 2021	Goodwill Acquired	Foreign Currency Translation	Balance January 31, 2022
(In millions)				
Small Business & Self-Employed	\$ 1,578	\$ 8,103	\$ (1)	\$ 9,680
Consumer	42	10	—	52
Credit Karma	3,898	5	—	3,903
ProConnect	95	2	—	97
Totals	\$ 5,613	\$ 8,120	\$ (1)	\$ 13,732

Goodwill is net of accumulated impairment losses of \$114 million, which were recorded prior to July 31, 2021 and are included in our Consumer segment. The fiscal 2022 increase in the Small Business & Self-Employed segment was primarily due to the acquisition of Mailchimp. See Note 5, "Business Combinations."

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 increases in intangible assets during the six months ended January 31, 2022 were primarily due to the acquisition of Mailchimp. See Note 5, "Business Combinations." The weighted average lives are calculated for assets that are not fully amortized.

(Dollars in millions)	Customer Lists / User Relationships	Purchased Technology	Trade Names and Logos	Covenants Not to Compete or Sue	Total
At January 31, 2022:					
Cost	\$ 6,198	\$ 1,612	\$ 680	\$ 42	\$ 8,532
Accumulated amortization	(532)	(509)	(61)	(42)	(1,144)
Acquired intangible assets, net	<u>\$ 5,666</u>	<u>\$ 1,103</u>	<u>\$ 619</u>	<u>\$ —</u>	<u>\$ 7,388</u>
Weighted average life in years	<u>14</u>	<u>8</u>	<u>13</u>	<u>0</u>	<u>13</u>
At July 31, 2021:					
Cost	\$ 3,038	\$ 686	\$ 400	\$ 42	\$ 4,166
Accumulated amortization	(377)	(455)	(41)	(41)	(914)
Acquired intangible assets, net	<u>\$ 2,661</u>	<u>\$ 231</u>	<u>\$ 359</u>	<u>\$ 1</u>	<u>\$ 3,252</u>
Weighted average life in years	<u>15</u>	<u>5</u>	<u>15</u>	<u>3</u>	<u>14</u>

The following table shows the expected future amortization expense for our acquired intangible assets at January 31, 2022. Amortization of purchased technology is charged 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)	Expected Future Amortization Expense
Twelve months ending July 31,	
2022 (excluding the six months ended January 31, 2022)	\$ 327
2023	646
2024	624
2025	622
2026	620
Thereafter	4,549
Total expected future amortization expense	<u>\$ 7,388</u>

5. Business Combinations

Mailchimp

On November 1, 2021 we acquired all of the outstanding equity of The Rocket Science Group LLC (Mailchimp), a global customer engagement and marketing platform for growing small and mid-market businesses. We acquired Mailchimp to help deliver on the vision of an innovative, end-to-end customer growth platform for small and mid-market businesses. Mailchimp is part of our Small Business & Self-Employed segment. We have included the financial results of Mailchimp in the condensed consolidated financial statements from the date of acquisition. Pro forma information related to this acquisition has not been presented, as the effect of the acquisition on our consolidated results of operations was not material. Our results of operations for the three and six months ended January 31, 2022 included \$240 million of revenue attributable to Mailchimp. For the three and six months ended January 31, 2022, we recorded professional fees associated with the acquisition of \$52 million and \$63 million, respectively, in general and administrative expenses.

The fair value of the purchase consideration totaled \$12.0 billion which included \$5.7 billion in cash and 10.1 million shares of Intuit common stock with a value of approximately \$6.3 billion. The fair value of the stock consideration is based on the October 29, 2021 closing price of Intuit common stock of \$625.99.

Pursuant to the equity purchase agreement we also issued approximately 583,000 restricted stock units (RSUs) in substitution of outstanding equity incentive awards. These RSUs have a grant date fair value of approximately \$355 million and will be expensed over three years. Additionally, we issued approximately 325,000 RSUs with a total grant date fair value of approximately \$211 million to Mailchimp employees, of which \$151 million will be expensed over four years and \$60 million will be expensed over six months.

The preliminary allocation of the Mailchimp purchase price is as follows:

<i>(In millions)</i>	Amount
Cash and cash equivalents	\$ 42
Investments	126
Accounts receivable, net	25
Income taxes receivable	1
Prepaid expenses and other current assets	24
Long-term investments	1
Property and equipment, net	15
Operating lease right-of-use assets	31
Goodwill	8,089
Intangible assets	4,340
Long-term deferred income tax assets	6
Other assets	1
Accounts payable	(163)
Accrued compensation and related liabilities	(409)
Deferred revenue	(52)
Other current liabilities	(56)
Long-term portion of operating lease liabilities	(20)
Other long-term obligations	(5)
Total preliminary purchase price allocation	<u>\$ 11,996</u>

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce of Mailchimp and the synergies expected to be achieved. This goodwill is assigned to the Small Business & Self-Employed segment and substantially all is deductible for income tax purposes. The fair values assigned to tangible assets acquired and liabilities assumed are preliminary based on management's estimates and assumptions and may be subject to change as additional information is received and certain tax returns are finalized. We expect to finalize the valuation as soon as practicable, but not later than one year from the acquisition date.

Intangible assets consist of customer lists, purchased technology, and trade names/trademarks. We amortize purchased intangible assets on a straight-line basis over their respective useful lives. The weighted average life of the total acquired identifiable intangible assets is 12 years. The following table presents the details of identifiable intangible assets acquired.

<i>(In millions, except years)</i>	Estimated Useful Life	Amount
Customer lists	13 years	\$ 3,160
Purchased technology	9 years	900
Trade names/trademarks	10 years	280
Total identifiable intangible assets		<u>\$ 4,340</u>

6. Current Liabilities

Short-Term Debt

On November 1, 2021 we terminated our amended and restated credit agreement dated May 2, 2019 (2019 Credit Facility) and entered into a credit agreement with certain institutional lenders with an aggregate principal amount of \$5.7 billion, which

includes a \$1 billion unsecured revolving credit facility that matures on November 1, 2026 and a \$4.7 billion unsecured term loan that matures on November 1, 2024.

On November 1, 2021 we borrowed the full \$4.7 billion under the unsecured term loan to fund a portion of the cash consideration for the acquisition of Mailchimp. See Note 7, "Long-Term Obligations and Commitments," for more information regarding the term loan.

Unsecured Revolving Credit Facility

The credit agreement we entered into on November 1, 2021 includes a \$1 billion unsecured revolving credit facility that will expire on November 1, 2026. Under this agreement we may, subject to certain customary conditions including lender approval, 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 (i) the alternate base rate plus a margin that ranges from 0.0% to 0.1%, or (ii) the Secured Overnight Finance Rate (SOFR) 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 credit agreement includes customary affirmative and negative covenants, including financial covenants that require us to maintain a ratio of total gross debt to annual earnings before interest, taxes, depreciation and amortization (EBITDA) of not greater than 3.25 to 1.00 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 January 31, 2022 we were compliant with all required covenants. At January 31, 2022 no amounts were outstanding under the unsecured revolving credit facility. We paid no interest on the unsecured revolving credit facility during the six months ended January 31, 2022. We paid \$1 million of interest on our previous unsecured revolving credit facility during the six months ended January 31, 2021.

Other Current Liabilities

Other current liabilities were as follows at the dates indicated:

<i>(In millions)</i>	January 31, 2022	July 31, 2021
Executive deferred compensation plan liabilities	\$ 155	\$ 153
Current portion of operating lease liabilities	76	66
Reserve for returns and credits	65	21
Accrued sales and property taxes	52	5
Reserve for promotional discounts and rebates	27	10
Merchant and consumer payments processing reserves	10	10
Current portion of dividend payable	10	9
Interest payable	5	1
Income taxes payable	2	3
Amounts due for share repurchases	—	17
Other	73	66
Total other current liabilities	<u>\$ 475</u>	<u>\$ 361</u>

The balances of several of our other current liabilities, particularly our reserves for product returns and promotional discounts and rebates, are affected by the seasonality of our business. See Note 1, "Description of Business and Summary of Significant Accounting Policies – Seasonality," for more information.

7. Long-Term Obligations and Commitments

Senior Unsecured Notes

In June 2020 we issued four series of senior unsecured notes (together, the Notes) pursuant to a public debt offering. The proceeds from the issuance were \$1.98 billion, net of debt discount of \$2 million and debt issuance costs of \$15 million.

The carrying value of the Notes was as follows at the dates indicated:

<i>(In millions)</i>	January 31, 2022	July 31, 2021	Effective Interest Rate
Senior unsecured notes issued June 2020:			
0.650% notes due July 2023	\$ 500	\$ 500	0.837%
0.950% notes due July 2025	500	500	1.127%
1.350% notes due July 2027	500	500	1.486%
1.650% notes due July 2030	500	500	1.767%
Total senior unsecured notes	2,000	2,000	
Unamortized discount and debt issuance costs	(12)	(14)	
Net carrying value senior unsecured notes	<u>\$ 1,988</u>	<u>\$ 1,986</u>	

Interest is payable semiannually on January 15 and July 15 of each year. The discount and debt issuance costs are amortized to interest expense over the term of the Notes under the effective interest method. We paid \$12 million in interest on the Notes during each of the six months ended January 31, 2022 and 2021.

The Notes are senior unsecured obligations of Intuit and rank equally with all existing and future unsecured and unsubordinated indebtedness of Intuit and are redeemable by us at any time, subject to a make-whole premium. Upon the occurrence of change of control transactions that are accompanied by certain downgrades in the credit ratings of the Notes, we will be required to repurchase the Notes at a repurchase price equal to 101% of the aggregate outstanding principal plus any accrued and unpaid interest to but not including the date of repurchase. The indenture governing the Notes requires us to comply with certain covenants. For example, the Notes limit our ability to create certain liens and enter into sale and leaseback transactions. As of January 31, 2022 we were compliant with all covenants governing the Notes.

[Term Loan](#)

On November 1, 2021 we entered into a credit agreement with certain institutional lenders with an aggregate principal amount of \$5.7 billion, which includes a \$4.7 billion unsecured term loan that matures on November 1, 2024. On November 1, 2021 we borrowed the full \$4.7 billion under the unsecured term loan to fund a portion of the cash consideration for the acquisition of Mailchimp. Under this agreement we may, subject to certain customer 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 (i) the alternate base rate plus a margin that ranges from 0.0% to 0.125% or SOFR plus a margin that range from 0.625% to 1.125%. Actual margins under either election will be based on our senior debt credit ratings. Interest on the term loan is payable monthly. The credit agreement includes customary affirmative and negative covenants. See Note 6, "Current Liabilities - Unsecured Revolving Credit Facility," for more information. At January 31, 2022, \$4.7 billion was outstanding under the term loan. The carrying value of the term loan is net of debt issuance costs and approximates its fair value. We paid \$9 million in interest on the term loan during the six months ended January 31, 2022. We paid \$2 million in interest on our previous term loan under the 2019 Credit Facility during the six months January 31, 2021.

[Secured Revolving Credit Facility](#)

On February 19, 2019 a subsidiary of Intuit entered into a \$300 million secured revolving credit facility with a lender to fund a portion of our loans to qualified small businesses. The revolving credit facility is secured by cash and receivables of the subsidiary and is non-recourse to Intuit Inc. We have entered into several amendments to the secured revolving credit facility, most recently on July 16, 2021, primarily to extend the commitment term and maturity date. Under the amended agreement, \$150 million of the facility is committed and \$150 million is uncommitted. Advances accrue interest at LIBOR plus 1.5%. Unused portions of the committed credit facility accrue interest at a rate ranging from 0.25% to 0.75%, depending on the total unused committed balance. The commitment term is through July 17, 2023 and the final maturity date is January 17, 2024. The amended agreement allows for the transition of the benchmark interest rate used to calculate finance charges from LIBOR to SOFR plus related benchmark adjustments that represent the prevailing market convention for dollar-denominated syndicated credit facilities. The agreement includes certain affirmative and negative covenants, including financial covenants that require the subsidiary to maintain specified financial ratios. As of January 31, 2022 we were compliant with all required covenants. At January 31, 2022, \$50 million was outstanding under this facility and the weighted-average interest rate was 2.81%, which includes the interest on the unused committed portion. The outstanding balance is secured by cash and receivables of the subsidiary totaling \$268 million. Interest on the facility is payable monthly. We paid \$1 million of interest on the secured revolving credit facility during the six months ended January 31, 2022 and \$1 million during the six months ended January 31, 2021.

Future principal payments for long-term debt at January 31, 2022 were as shown in the table below.

(In millions)

Fiscal year ending July 31,	
2022 (excluding the six months ended January 31, 2022)	\$ —
2023	500
2024	50
2025	5,200
2026	—
Thereafter	1,000
Total future principal payments for long-term debt	\$ 6,750

Other Long-Term Obligations

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

(In millions)

	January 31, 2022	July 31, 2021
Income tax liabilities	\$ 25	\$ 24
Dividend payable	11	8
Deferred revenue	5	8
Other	32	13
Total other long-term obligations	\$ 73	\$ 53

Unconditional Purchase Obligations

We describe our purchase obligations in Note 8 to the financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the fiscal year ended July 31, 2021. In September 2021 we signed an agreement that includes non-cancellable commitments of \$555 million through July 31, 2044 for an exclusive naming rights partnership with the Los Angeles Clippers for the Intuit Dome, a new sports facility. The commitment is \$1.5 million per year for the first three years and \$27.5 million per year for the remainder of the agreement. Additionally, in November 2021 we amended an existing cloud services agreement for an additional five years. Under the amended agreement, we have an annual minimum commitment of \$150 million per year and a total minimum purchase commitment of \$1.2 billion over the five year contract term. There were no other significant changes in our purchase obligations during the six months ended January 31, 2022.

8. Leases

We lease office facilities under non-cancellable operating lease arrangements. Our facility leases generally provide for periodic rent increases and may contain escalation clauses and renewal options. Our leases have remaining lease terms of up to 11 years, some of which include one or more options to extend the leases for up to 10 years per option, generally at rates to be determined in accordance with the agreements. Options to extend the lease are included in the lease liability if they are reasonably certain of being exercised. We do not have significant finance leases.

We sublease certain office facilities to third parties. These subleases have remaining lease terms of up to 3 years, some of which include one or more options to extend the subleases for up to 5 years per option.

The components of lease expense were as follows:

(In millions)

	Three Months Ended		Six Months Ended	
	January 31, 2022	January 31, 2021	January 31, 2022	January 31, 2021
Operating lease cost ⁽¹⁾	\$ 25	\$ 18	\$ 46	\$ 33
Variable lease cost	4	3	7	6
Sublease income	(5)	(4)	(10)	(8)
Total net lease cost	\$ 24	\$ 17	\$ 43	\$ 31

⁽¹⁾ Includes short-term leases, which were not significant for each of the three and six months ended January 31, 2022 and 2021.

Supplemental cash flow information related to operating leases was as follows:

	Six Months Ended	
	January 31, 2022	January 31, 2021
(In millions)		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 52	\$ 31
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 70	\$ 27

Other information related to operating leases was as follows at the dates indicated:

	January 31, 2022	July 31, 2021
Weighted-average remaining lease term for operating leases	6.8 years	6.8 years
Weighted-average discount rate for operating leases	2.2 %	2.3 %

Future minimum lease payments under non-cancellable operating leases as of January 31, 2022 were as follows:

(In millions)	Operating Leases ⁽¹⁾
Fiscal year ending July 31,	
2022 (excluding the six months ended January 31, 2022)	\$ 36
2023	99
2024	92
2025	74
2026	56
Thereafter	189
Total future minimum lease payments	546
Less imputed interest	(41)
Present value of lease liabilities	\$ 505

(1) Non-cancellable sublease proceeds for the remainder of the fiscal year ending July 31, 2022 and the fiscal years ending July 31, 2023, 2024, and 2025, of \$8 million, \$11 million, \$8 million, and \$4 million, respectively, are not included in the table above.

Supplemental balance sheet information related to operating leases was as follows at the dates indicated:

(In millions)	January 31, 2022	July 31, 2021
Operating lease right-of-use assets	\$ 439	\$ 380
Other current liabilities	\$ 76	\$ 66
Operating lease liabilities	429	380
Total operating lease liabilities	\$ 505	\$ 446

As of January 31, 2022, we have an additional operating lease of \$166 million for office facilities that has not yet commenced and therefore is not reflected on the consolidated balance sheets nor in the tables above. This lease is expected to commence in fiscal year 2022 with a lease term of 13.5 years.

9. Income Taxes

Effective Tax Rate

We compute our provision for or benefit from income taxes by applying the estimated annual effective tax rate to income or loss from recurring operations and adding the effects of any discrete income tax items specific to the period.

For the three and six months ended January 31, 2022, we recognized excess tax benefits on share-based compensation of \$62 million and \$109 million, respectively, in our provision for income taxes. For the three and six months ended January 31, 2021, we recognized excess tax benefits on share-based compensation of \$12 million and \$64 million, respectively, in our provision for income taxes.

We recorded a \$70 million tax benefit on pretax income of \$30 million for the three months ended January 31, 2022. For the six months ended January 31, 2022, we recorded a tax benefit of \$60 million on pretax income of \$268 million. Excluding discrete tax items primarily related to share-based compensation tax benefits mentioned above, our effective tax rate was 25% for the three and six months ended January 31, 2022. The difference from the federal statutory rate of 21% was primarily due to state income taxes and non-deductible share-based compensation, which were partially offset by the tax benefit we received from the federal research and experimentation credit.

Our effective tax rates for the three and six months ended January 31, 2021 were approximately 8% and 6%, respectively. The acquisition of Credit Karma in fiscal 2021 resulted in an increase in the annual effective tax rate from 25% at October 31, 2020 to 26% at January 31, 2021 primarily due to non-deductible share-based compensation and transaction costs. Excluding the effect of the change in annual effective tax rate for the quarter and discrete tax items, primarily related to share-based compensation tax benefits mentioned above, our effective tax rate for the three and six months ended January 31, 2021 was approximately 26%. The difference from the federal statutory rate of 21% was primarily due to state income taxes, non-deductible share-based compensation and non-deductible transaction costs related to the Credit Karma acquisition, which were partially offset by the tax benefit we received from the federal research and experimentation credit.

In the current global tax policy environment, the U.S. and other domestic and foreign governments continue to consider, and in some cases enact, changes in corporate tax laws. As changes occur, we account for finalized legislation in the period of enactment.

Unrecognized Tax Benefits and Other Considerations

The total amount of our unrecognized tax benefits at July 31, 2021 was \$190 million. If we were to recognize these net benefits, our income tax expense would reflect a favorable net impact of \$109 million. There were no material changes to these amounts during the three and six months ended January 31, 2022. We do not believe that it is reasonably possible that there will be a significant increase or decrease in our unrecognized tax benefits over the next 12 months.

We have offset a \$75 million long-term liability for uncertain tax positions against our long-term income tax receivable at January 31, 2022 and July 31, 2021. The long-term income tax receivable at January 31, 2022 and July 31, 2021 was primarily related to the government's approval of a method of accounting change request for fiscal 2018 and a refund claim related to Credit Karma's alternative minimum tax credit that was recorded as part of the acquisition.

10. Stockholders' Equity

Stock Repurchase Programs and Treasury Shares

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. During the six months ended January 31, 2022 we repurchased a total of 1.4 million shares for \$857 million, of which \$838 million were repurchased under these stock repurchase programs. On August 20, 2021 our Board approved an increased authorization to purchase up to an additional \$2 billion of our common stock under the existing stock repurchase program. At January 31, 2022, we had authorization from our Board of Directors to expend up to an additional \$2.5 billion for stock repurchases, including the new \$2 billion authorization noted above. 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 condensed 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.

Dividends on Common Stock

During the six months ended January 31, 2022 we declared quarterly cash dividends that totaled \$1.36 per share of outstanding common stock for a total of \$389 million. In February 2022 our Board of Directors declared a quarterly cash dividend of \$0.68 per share of outstanding common stock payable on April 18, 2022 to stockholders of record at the close of business on April 11, 2022. 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.

Share-Based Compensation Expense

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

(In millions)	Three Months Ended		Six Months Ended	
	January 31, 2022	January 31, 2021	January 31, 2022	January 31, 2021
Cost of revenue	\$ 38	\$ 16	\$ 65	\$ 31
Selling and marketing	83	44	147	76
Research and development	132	67	241	105
General and administrative	83	53	163	79
Total share-based compensation expense	\$ 336	\$ 180	\$ 616	\$ 291

We capitalized \$1 million in share-based compensation related to internal-use software projects during the six months ended January 31, 2022 and \$1 million during the six months ended January 31, 2021.

Share-Based Awards Available for Grant

On January 20, 2022 our stockholders approved an Amended and Restated 2005 Equity Incentive Plan, which includes an extension of the term through January 20, 2032 and an increase of 18 million shares available for issuance under that plan as well as 1,902,811 additional shares that were previously available for issuance under the Credit Karma Plan, adjusted for the fungible ratio of the 2005 Equity Incentive Plan. After January 20, 2022, no awards may be granted under the Credit Karma Plan.

A summary of share-based awards available for grant under our plans for the six months ended January 31, 2022 was as follows:

(Shares in thousands)	Shares Available for Grant
Balance at July 31, 2021	16,851
Additional shares authorized	19,903
Restricted stock units granted ⁽¹⁾	(3,128)
Options granted	—
Share-based awards canceled/forfeited/expired ⁽¹⁾⁽²⁾	2,297
Balance at January 31, 2022	35,923

(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 under the 2005 Equity Incentive Plan increase the pool by 2.3 shares for each share forfeited. Shares granted from the Credit Karma Plan reduce the pool by one share for each share granted. Shares forfeited and returned to the pool from the Credit Karma Plan increase the pool by one share for each share forfeited.

(2) Stock options and RSUs canceled, expired or forfeited under our 2005 Equity Incentive Plan and Credit Karma Plan are returned to the pool of shares available for grant. Under the 2005 Equity Incentive Plan, 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. Under the Credit Karma Plan, shares withheld for income taxes are also returned to the pool of shares available for grant.

Restricted Stock Unit and Restricted Stock Activity

A summary of restricted stock unit (RSU) and restricted stock activity for the six months ended January 31, 2022 was as follows:

<i>(Shares in thousands)</i>	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested at July 31, 2021	9,038	\$ 345.86
Granted ⁽¹⁾	1,530	601.57
Vested	(1,622)	314.11
Forfeited	(593)	323.73
Nonvested at January 31, 2022	8,353	\$ 400.43

(1) Includes approximately 583,000 RSUs granted to the employees of Mailchimp in substitution of outstanding equity incentive awards with a grant date fair value of approximately \$355 million and approximately 325,000 RSUs granted to the employees of Mailchimp in connection with the acquisition with a grant date fair value of approximately \$211 million. See Note 5, "Business Combinations."

At January 31, 2022, there was approximately \$3.0 billion of unrecognized compensation cost related to non-vested RSUs and restricted stock with a weighted average vesting period of 2.8 years. We will adjust unrecognized compensation cost for actual forfeitures as they occur.

Stock Option Activity

A summary of stock option activity for the six months ended January 31, 2022 was as follows:

<i>(Shares in thousands)</i>	Options Outstanding	
	Number of Shares	Weighted Average Exercise Price Per Share
Balance at July 31, 2021	2,204	\$ 251.48
Granted	—	—
Exercised	(81)	207.68
Canceled or expired	(11)	525.51
Balance at January 31, 2022	2,112	\$ 251.74
Exercisable at January 31, 2022	1,406	\$ 180.98

At January 31, 2022, there was approximately \$60 million of unrecognized compensation cost related to non-vested stock options with a weighted average vesting period of 2.8 years. We will adjust unrecognized compensation cost for actual forfeitures as they occur.

11. Litigation

Beginning in May 2019, various legal proceedings 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 legal proceedings are without merit. We are vigorously defending our interests in the legal proceedings and responding to the inquiries. These proceedings include, among others, multiple putative class actions that were consolidated into a single putative class action in the Northern District of California in September 2019 (the "Intuit Free File Litigation") and demands for arbitration that were filed beginning in October 2019. In August 2020, the Ninth Circuit Court of Appeals ordered that the putative class action claims be resolved through arbitration. Intuit entered into a proposed settlement agreement in November 2020 to resolve the putative class action, which was rejected by the court. On May 20, 2021, Intuit entered into an agreement that resolved the Intuit Free File Litigation on an individual non-class basis, without any admission of wrongdoing, for an immaterial amount and, on May 26, 2021, it was dismissed on a non-class basis.

In June 2021, Intuit received a demand and draft complaint from the Federal Trade Commission ("FTC") and certain state attorneys general relating to the ongoing inquiries described above. Although we believe that the allegations contained therein are without merit, if we are not able to reach a resolution, the FTC and one or more state attorneys general may seek resolution through litigation. The defense and resolution of this matter could involve significant costs to us.

As of January 31, 2022, there were approximately 152,000 individual arbitration claims pending and we could incur significant arbitration and legal fees associated with the defense of these claims. The amount of our fiscal 2022 to date and fiscal 2021 arbitration fees net of insurance proceeds and rebates is not material. The arbitration fees are unrelated to the underlying merits of the claims and these fees are accrued for as services are incurred. We are continuing to dispute the applicability and propriety of these fees. An immaterial number of claims have been resolved through the arbitration process to date. On February 23, 2022, we entered into a settlement agreement that will resolve a majority of the pending individual arbitration claims, without any admission of wrongdoing. The ultimate amount that we are required to pay under the agreement will depend on the number of claimants that provide releases of claims thereunder. During the three months ended January 31, 2022, we accrued an immaterial amount based on our estimate of the probable payment we could make under this settlement agreement. While we believe our accrual is adequate, the final payment required under the agreement could differ from our recorded estimate.

In view of the complexity and ongoing and uncertain nature of the outstanding proceedings and inquiries, at this time we are unable to estimate a reasonably possible financial loss or range of financial loss that we may incur to resolve or settle the remaining matters.

To date, the legal and other fees we have incurred related to these proceedings and inquiries have not been material. The ongoing defense and any resolution or settlement of these proceedings and inquiries could involve significant costs to us.

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 legal proceeding is uncertain and, regardless of outcome, legal proceedings can have an adverse impact on Intuit because of defense costs, negative publicity, diversion of management resources and other factors.

12. Segment Information

We have defined our four 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.

On December 3, 2020 we acquired Credit Karma in a business combination and it operates as a separate reportable segment. We have included the results of operations of Credit Karma in our condensed consolidated statements of operations from the date of acquisition. Segment operating income for Credit Karma includes all direct expenses, which is different from our other reportable segments where we do not fully allocate corporate expenses.

On November 1, 2021 we acquired Mailchimp in a business combination. Mailchimp is part of our Small Business & Self-Employed segment and its revenue is primarily included within Online Services in the revenue disaggregation below. We have included the results of operations of Mailchimp in our condensed consolidated statements of operations from the date of acquisition.

Small Business & Self-Employed: This segment serves small businesses and the self-employed around the world, and the accounting professionals who assist 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. Our Mailchimp offerings include e-commerce, marketing automation, and customer relationship management.

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 offering is a personal finance offering which helps customers track their finances and daily financial behavior.

Credit Karma: This segment serves consumers with a personal finance platform that provides personalized recommendations of credit card, home, auto and personal loans, and insurance products; online savings and checking accounts through an FDIC member bank partner; and access to their credit scores and reports, credit and identity monitoring, credit report dispute, and data-driven resources.

ProConnect: 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, and ProConnect Tax Online in the U.S., and ProFile and ProTax Online in Canada.

All of our segments operate primarily in the United States and sell primarily to customers in the United States. Total international net revenue was approximately 10% and 8% for the three and six months ended January 31, 2022, respectively, and approximately 6% for the three and six months ended January 31, 2021.

For our Small Business & Self-Employed, Consumer, and ProConnect reportable segments, we include expenses such as corporate selling and marketing, product development, and general and administrative, which are not allocated to specific segments, in unallocated corporate items as part of other corporate expenses. For Credit Karma, segment expenses include all direct expenses related to selling and marketing, product development, and general and administrative. Unallocated corporate items for all segments include share-based compensation, 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 to the financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the fiscal year ended July 31, 2021 and in Note 1, "Description of Business and Summary of Significant Accounting Policies – Significant Accounting Policies" in this Quarterly Report on Form 10-Q. 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.

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

	Three Months Ended		Six Months Ended	
	January 31, 2022	January 31, 2021	January 31, 2022	January 31, 2021
<i>(In millions)</i>				
Net revenue:				
Small Business & Self-Employed	\$ 1,581	\$ 1,078	\$ 3,024	\$ 2,259
Consumer	411	147	531	266
Credit Karma	444	144	862	144
ProConnect	237	207	263	230
Total net revenue	\$ 2,673	\$ 1,576	\$ 4,680	\$ 2,899
Operating income (loss):				
Small Business & Self-Employed	\$ 773	\$ 592	\$ 1,694	\$ 1,359
Consumer	53	(155)	42	(151)
Credit Karma	141	38	310	38
ProConnect	195	172	184	162
Total segment operating income	1,162	647	2,230	1,408
Unallocated corporate items:				
Share-based compensation expense	(336)	(180)	(616)	(291)
Other corporate expenses	(607)	(442)	(1,132)	(874)
Amortization of acquired technology	(42)	(14)	(57)	(21)
Amortization of other acquired intangible assets	(121)	(36)	(174)	(38)
Total unallocated corporate items	(1,106)	(672)	(1,979)	(1,224)
Total operating income (loss)	\$ 56	\$ (25)	\$ 251	\$ 184

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

	Three Months Ended		Six Months Ended	
	January 31, 2022	January 31, 2021	January 31, 2022	January 31, 2021
<i>(In millions)</i>				
Net revenue:				
QuickBooks Online Accounting	\$ 547	\$ 404	\$ 1,066	\$ 796
Online Services	574	240	900	469
Total Online Ecosystem	1,121	644	1,966	1,265
QuickBooks Desktop Accounting	169	160	436	401
Desktop Services and Supplies	291	274	622	593
Total Desktop Ecosystem	460	434	1,058	994
Small Business & Self-Employed	1,581	1,078	3,024	2,259
Consumer	411	147	531	266
Credit Karma	444	144	862	144
ProConnect	237	207	263	230
Total net revenue	\$ 2,673	\$ 1,576	\$ 4,680	\$ 2,899

Credit Karma revenue is primarily generated from cost-per-action transactions which are related to credit card issuances and personal loan funding.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide readers of our condensed 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:** Significant changes since our most recent Annual Report on Form 10-K 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 condensed consolidated statements of cash flows, changes in our condensed 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 Part I, Item 1 of this Quarterly Report and our Annual Report on Form 10-K for the fiscal year ended July 31, 2021.

Due to the COVID-19 pandemic we continue to conduct business with substantial modifications to employee work locations and employee travel, among other modifications. Most of our sites are now fully open on a voluntary basis. We continue to evaluate and refine our return to workplace strategy. While we have not experienced significant disruptions to our operations from the COVID-19 pandemic, we are unable to predict the full impact that the COVID-19 pandemic will have on our operations and future financial performance, including demand for our offerings, impact to our customers and partners, actions that may be taken by governmental authorities, and other factors identified in "Risk Factors" in Item 1A of Part II of this Quarterly Report.

On December 3, 2020 we acquired Credit Karma in a business combination, which operates as a separate reportable segment. We have included the results of operations of Credit Karma in our condensed consolidated results of operations from the date of acquisition. Segment operating income for Credit Karma includes all direct expenses related to selling and marketing, product development, and general and administrative, which is different from our other reportable segments where we do not fully allocate corporate expenses. Therefore, Credit Karma segment operating income is not comparable to the segment operating income of our other reportable segments.

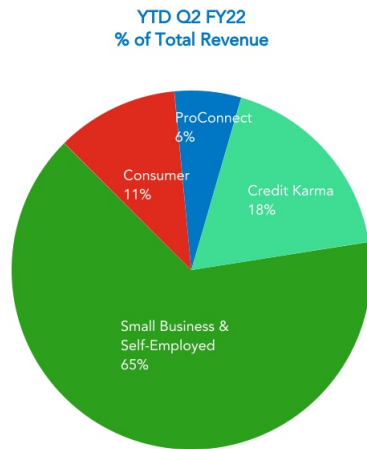
On November 1, 2021 we acquired all of the outstanding equity of The Rocket Science Group LLC (Mailchimp) for total consideration of \$12.0 billion which included \$5.7 billion in cash and 10.1 million shares of Intuit common stock with a value of approximately \$6.3 billion. See Note 5 to the financial statements in Part I, Item 1 of this Quarterly 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 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 Quarterly Report on Form 10-Q.

About Intuit

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. We organize our businesses into four reportable segments – Small Business & Self-Employed, Consumer, Credit Karma, and ProConnect.



Small Business & Self-Employed: This segment serves small businesses and the self-employed around the world, and the accounting professionals who assist 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. Our Mailchimp offerings include e-commerce, marketing automation, and customer relationship management.

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 offering is a personal finance offering which helps customers track their finances and daily financial behavior.

Credit Karma: This segment serves consumers with a personal finance platform that provides personalized recommendations of credit card, home, auto and personal loans, and insurance products; online savings and checking accounts through our partner, MVB Bank, Inc., member FDIC; and access to their credit scores and reports, credit and identity monitoring, credit report dispute, and data-driven resources.

ProConnect: 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, and ProConnect Tax Online in the U.S., and ProFile and ProTax Online in Canada.

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 artificial intelligence (AI), to develop innovative solutions designed to solve their most important financial problems. For more than three decades, we have reinvented and disrupted ourselves in order to ensure our customers are armed with the technology they need to grow and prosper.

Our strategy for delivering on our bold goals is to become an AI-driven expert platform where we and others can solve our customers' most important problems. We plan to accelerate the development of the platform by applying AI in the three key areas:

- **An Open Platform:** None of us can do it alone, including Intuit. The best way to deliver for customers is by creating an open, collaborative platform. It's the power of partnerships that accelerates the world's success. Our open technology platform integrates with partners so together we can deliver value and benefits that matter the most to our customers.
- **Application of AI:** AI helps our customers work smarter because we can automate, predict and personalize their experience. Using AI technologies, we are: leveraging machine learning to build decision engines and algorithms that learn from rich datasets to transform user experiences; applying knowledge engineering and turning compliance rules into code; and using natural language processing to revolutionize how customers interact with products and services.
- **Incorporating Experts:** One of the biggest problems our customers face is confidence. Even with current advances in technology that deliver personalized tools and insights, many people want to connect with a real person to help give them the confidence they are making the right decision. By bringing experts onto our platform we can solve this massive problem for customers. The power of our virtual expert platform allows us to scale the intelligence of our products, elevating experts to advisors and delivering big benefits for customers.

As we build our AI-driven expert platform, we are prioritizing our resources on five strategic priorities across the company. These priorities focus on solving the problems that matter most to customers and include:

- **Revolutionizing speed to benefit:** When customers use our products and services, we aim to deliver value instantly by making the interactions with our offerings frictionless, without the need for customers to manually enter data. We are accelerating the application of AI with a goal to revolutionize the customer experience. This priority is foundational across our business, and execution against it positions us to succeed with our other four strategic priorities.
- **Connecting people to experts:** The largest problem our customers face is lack of confidence to file their own taxes or to manage their books. To build their confidence, we are connecting our customers to experts. We offer customers access to experts to help them make important decisions – and experts, such as accountants, gain access to new customers so they can grow their businesses.
- **Unlocking smart money decisions:** Crippling high-cost debt and lack of savings are at unprecedented levels across the U.S. To address these challenges, we are creating a personal financial assistant that helps consumers find the right financial products, put more money in their pockets and access financial expertise and advice. Our acquisition of Credit Karma accelerates our ability to achieve this vision, by combining two trusted brands, customer reach, data and platform capabilities to deliver breakthrough benefits that will power prosperity for customers around the world.
- **Be the center of small business growth:** We are focused on helping customers grow their businesses by offering a broad, seamless set of tools that are designed to help them get and retain customers, get paid faster, manage and get access to capital, pay employees with confidence, and use third-party apps to help run their businesses. At the same time, we want to position ourselves to better serve product-based businesses to benefit customers who sell products through multiple channels.
- **Disrupt the small business mid-market:** We aim to disrupt the mid-market with QuickBooks Online Advanced, our online offering designed to address the needs of small business customers with 10 to 100 employees. This offering enables us to increase retention of these larger customers, and attract new mid-market customers who are over-served by available offerings.

We expect our acquisition of Mailchimp will help accelerate two of our strategic priorities to become the center of small business growth and to disrupt the small business mid-market.

Industry Trends and Seasonality

Industry Trends

AI 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 ProConnect 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. Typically, returns are accepted by the IRS starting in January and the tax filing deadline is in April. This seasonal pattern results in higher net revenues during our second and third quarters ending January 31 and April 30, respectively. In fiscal 2022 the IRS began accepting returns on January 24, 2022 and the tax filing deadline is April 18, 2022. However, in fiscal 2021 the IRS began accepting returns on February 12, 2021 and the tax filing deadline was extended to May 17, 2021. These changes to the fiscal 2021 tax filing season impacted our second and third quarter financial results for that year.

We expect the seasonality of our Consumer and ProConnect 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 implement industry-wide security and anti-fraud measures, including sharing information regarding suspicious filings. We received ISO 27001 certification for a portion of our systems and 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. Additionally, Credit Karma's security measures are regularly reviewed and updated.

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 II of this Quarterly 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. Service offerings are a significant part of our business. Our total service and other revenue was \$7.9 billion or 82% of our total revenue in fiscal 2021 and we expect our total service and other revenue to continue to grow in the future.

Key highlights for the first six months of fiscal 2022 include the following:

Revenue of

\$4.7 B

up 61% from the same period of fiscal 2021

Small Business & Self-Employed revenue of

\$3.0 B

up 34% from the same period of fiscal 2021

Cash, cash equivalents, and investments of

\$1.4 B

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

In preparing our financial statements, we 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 condensed consolidated balance sheets. We believe that the estimates, assumptions and judgments involved in the accounting policies described in Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended July 31, 2021 have the greatest potential impact on our financial statements, so we consider them to be our critical accounting policies and estimates. We believe that there were no significant changes in those critical accounting policies and estimates during the first six months of fiscal 2022. Senior management has reviewed the development and selection of our critical accounting policies and estimates and their disclosure in this Quarterly Report on Form 10-Q with the Audit and Risk Committee of our Board of Directors.

RESULTS OF OPERATIONS

Financial Overview

(Dollars in millions, except per share amounts)	Q2 FY22	Q2 FY21	\$ Change	% Change	YTD Q2 FY22	YTD Q2 FY21	\$ Change	% Change
Total net revenue	\$ 2,673	\$ 1,576	\$ 1,097	70 %	\$ 4,680	\$ 2,899	\$ 1,781	61 %
Operating income (loss)	56	(25)	81	NM	251	184	67	36 %
Net income	100	20	80	400 %	328	218	110	50 %
Diluted net income per share	\$ 0.35	\$ 0.07	\$ 0.28	400 %	\$ 1.16	\$ 0.81	\$ 0.35	43 %

NM = Not Meaningful

Current Fiscal Quarter

Total net revenue for the second quarter of fiscal 2022 increased \$1.1 billion or 70% compared with the same quarter of fiscal 2021. Our Small Business & Self-Employed segment revenue increased during the quarter primarily due to growth in our Online Ecosystem revenue, which included \$240 million of revenue from Mailchimp. Consumer segment revenue increased due to an earlier opening of the tax season this year. The IRS began accepting and processing returns on January 24, 2022, as opposed to February 12, 2021 in the prior year. Revenue for our Credit Karma segment increased \$300 million in the second quarter of fiscal 2022 compared to the same period of fiscal 2021. Our fiscal 2021 results of operations include Credit Karma from the date of acquisition, which was December 3, 2020 and our fiscal 2022 results of operations include Credit Karma for the full reporting period. Additionally, Credit Karma revenue increased year over year primarily due to growth in our credit card and personal loan verticals. See "Segment Results" later in this Item 2 for more information about the results for all of our reportable segments.

Operating income for the second quarter of fiscal 2022 was \$56 million compared with an operating loss of \$25 million in the same quarter of fiscal 2021 primarily due to the increase in revenue described above, partially offset by an increase in expenses for staffing, marketing, share-based compensation, and amortization of other acquired intangible assets. See "Cost of Revenue" and "Operating Expenses" later in this Item 2 for more information.

Net income for the second quarter of fiscal 2022 increased \$80 million compared with the same period of fiscal 2021. The increase in net income was due to the increase in operating income described above and an income tax benefit primarily driven by the recognition of excess tax benefits on share-based compensation. These increases were partially offset by an increase in interest expense due to our borrowing \$4.7 billion on a term loan, and a decrease in other income. Diluted net income per share increased to \$0.35 for the second quarter of fiscal 2022, due to the increase in net income partially offset by an increase in the weighted average shares outstanding as a result of the shares issued as part of the acquisition of Mailchimp in the second quarter of fiscal 2022.

Fiscal Year to Date

Total net revenue for the first six months of fiscal 2022 increased \$1.8 billion or 61% compared with the same period of fiscal 2021. Our Small Business & Self-Employed segment revenue increased during the period due to growth in our Online Ecosystem revenue, which included \$240 million of revenue from Mailchimp. Consumer segment revenue increased due to an earlier opening of the tax season this year. The IRS began accepting and processing returns on January 24, 2022, as opposed to February 12, 2021 in the prior year. Revenue for our Credit Karma segment increased \$718 million in the first six months of fiscal 2022 compared to the same period of fiscal 2021. Credit Karma revenues were higher in fiscal 2022 primarily due to our net revenues including a full six months of revenue as compared to approximately two months of revenue in fiscal 2021. Additionally, Credit Karma revenue increased year over year primarily due to growth in our credit card and personal loan verticals. See "Segment Results" later in this Item 2 for more information about the results for all of our reportable segments.

Operating income for the first six months of fiscal 2022 increased \$67 million or 36% compared with the same period of fiscal 2021 primarily due to the increase in revenue described above, partially offset by an increase in expenses for staffing, share-based compensation, marketing, and amortization of other acquired intangible assets. See "Cost of Revenue" and "Operating Expenses" later in this Item 2 for more information.

Net income for the first six months of fiscal 2022 increased \$110 million or 50% compared with the same period of fiscal 2021. The increase in net income was due to the increase in operating income described above and an income tax benefit primarily driven by the recognition of excess tax benefits on share-based compensation. These increases were partially offset by an increase in interest expense due to our borrowing \$4.7 billion on a term loan, and a decrease in other income. Diluted net income per share increased 43% to \$1.16 for the first six months of fiscal 2022, due to the increase in net income partially offset by an increase in the weighted average shares outstanding as a result of the shares issued as part of the acquisition of Mailchimp in the second quarter of fiscal 2022.

Segment Results

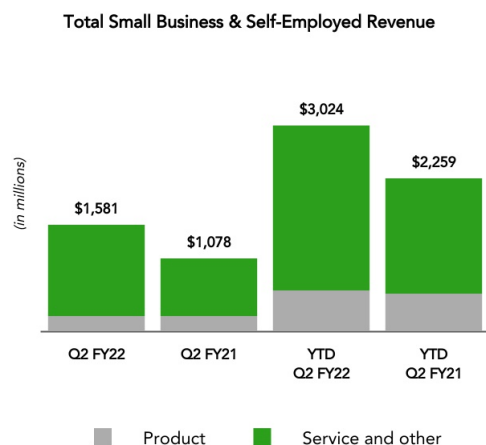
The information below is organized in accordance with our four reportable segments. See *“Executive Overview – About Intuit”* earlier in this Item 2 and Note 12 to the financial statements in Part I, Item 1 of this Quarterly Report for more information. All of our segments operate and sell to customers primarily in the United States. Total international net revenue was approximately 10% and 8% for the three and six months ended January 31, 2022, respectively and approximately 6% for the three and six months ended January 31, 2021.

On December 3, 2020 we acquired Credit Karma in a business combination which operates as a separate reportable segment. We have included the results of operations of Credit Karma in our condensed consolidated results of operations from the date of acquisition.

On November 1, 2021 we acquired Mailchimp in a business combination. Mailchimp is part of our Small Business & Self-Employed segment. We have included the results of operations of Mailchimp in our condensed consolidated results of operations from the date of acquisition.

Segment operating income or loss is segment net revenue less segment cost of revenue and operating expenses. See *“Executive Overview – Industry Trends and Seasonality”* earlier in this Item 2 for a description of the seasonality of our business. For our Small Business & Self-Employed, Consumer, and ProConnect reportable segments, we include expenses such as corporate selling and marketing, product development, and general and administrative, which are not allocated to specific segments, in unallocated corporate items as part of other corporate expenses. For Credit Karma, segment expenses include all direct expenses related to selling and marketing, product development, and general and administrative. Unallocated corporate items for all segments include share-based compensation, amortization of acquired technology, amortization of other acquired intangible assets, goodwill and intangible asset impairment charges, and professional fees and transaction charges related to business combinations. These unallocated corporate items for all segments totaled \$2.0 billion in the first six months of fiscal 2022 and \$1.2 billion in the first six months of fiscal 2021. Unallocated corporate items increased in the fiscal 2022 period due to increased corporate product development, selling and marketing, and general and administrative expenses in support of the growth of our businesses, higher share-based compensation expenses, higher amortization of acquired technology, and higher amortization of other acquired intangible assets. See Note 12 to the financial statements in Part I, Item 1 of this Quarterly Report for reconciliations of total segment operating income or loss to consolidated operating income or loss for each fiscal period presented.

Small Business & Self-Employed



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

Our Online Ecosystem includes revenue from QuickBooks Online, QuickBooks Live, 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; Mailchimp's e-commerce, marketing automation, and customer relationship management offerings; QuickBooks Commerce, QuickBooks Cash, 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; financial supplies; and financing for small businesses.

Segment product revenue is primarily derived from revenue related to delivery of software licenses and the related updates, including version protection, for our QuickBooks Desktop subscriptions and desktop payroll offerings which are part of our Desktop Ecosystem. Segment service and other revenue is primarily derived from our Online Ecosystem revenue and revenue from the services and support that are provided as part of our QuickBooks Desktop subscription and desktop payroll offerings as well as merchant payment processing services.

(Dollars in millions)	Q2 FY22	Q2 FY21	% Change	YTD Q2 FY22	YTD Q2 FY21	% Change
Product revenue	\$ 233	\$ 227	3 %	\$ 611	\$ 575	6 %
Service and other revenue	1,348	851	58 %	2,413	1,684	43 %
Total segment revenue	\$ 1,581	\$ 1,078	47 %	\$ 3,024	\$ 2,259	34 %
% of total revenue	59 %	69 %		65 %	78 %	
Segment operating income	\$ 773	\$ 592	31 %	\$ 1,694	\$ 1,359	25 %
% of related revenue	49 %	55 %		56 %	60 %	

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

<i>(Dollars in millions)</i>	Q2 FY22	Q2 FY21	% Change	YTD Q2 FY22	YTD Q2 FY21	% Change
Net revenue:						
QuickBooks Online Accounting	\$ 547	\$ 404	35 %	\$ 1,066	\$ 796	34 %
Online Services	574	240	139 %	900	469	92 %
Total Online Ecosystem	<u>1,121</u>	<u>644</u>	74 %	<u>1,966</u>	<u>1,265</u>	55 %
QuickBooks Desktop Accounting	169	160	6 %	436	401	9 %
Desktop Services and Supplies	291	274	6 %	622	593	5 %
Total Desktop Ecosystem	<u>460</u>	<u>434</u>	6 %	<u>1,058</u>	<u>994</u>	6 %
Total Small Business & Self-Employed	<u>\$ 1,581</u>	<u>\$ 1,078</u>	47 %	<u>\$ 3,024</u>	<u>\$ 2,259</u>	34 %

Revenue for our Small Business & Self-Employed segment increased \$503 million or 47% in the second quarter of fiscal 2022 and \$765 million or 34% in the first six months of fiscal 2022 compared with the same periods of fiscal 2021. The increase in both periods was primarily due to growth in Online Ecosystem revenue, which included \$240 million of revenue from Mailchimp.

[Online Ecosystem Revenue](#)

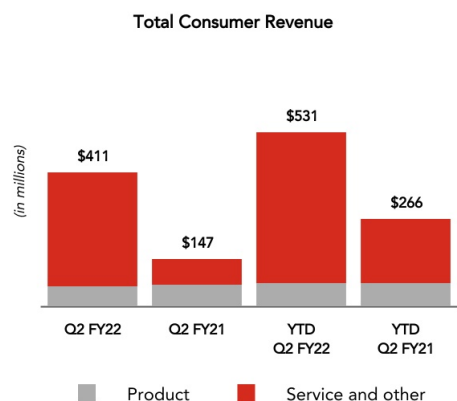
Online Ecosystem revenue increased 74% in the second quarter of fiscal 2022 and 55% in the first six months of fiscal 2022 compared with the same periods of fiscal 2021. QuickBooks Online Accounting revenue increased 35% in the second quarter of fiscal 2022 and 34% in the first six months of fiscal 2022 primarily due to higher effective prices, an increase in customers, and a shift in mix to our higher priced offerings. Online Services revenue increased 139% in the second quarter of fiscal 2022 and 92% in the first six months of fiscal 2022 primarily due to the addition of revenue from the Mailchimp offerings and an increase in revenue from our payroll and payments offerings. Online payroll revenue increased due to an increase in customers and a shift in mix to our full service offering. Online payments revenue increased due to an increase in customers and an increase in charge volume per customer.

[Desktop Ecosystem Revenue](#)

Desktop Ecosystem revenue increased 6% in the second quarter and first six months of fiscal 2022 compared with the same periods of fiscal 2021 due to growth in our QuickBooks Enterprise subscription offering which was partially offset by a decrease in Desktop unit sales. In the first quarter of fiscal 2022 we discontinued our QuickBooks Desktop packaged software products and now sell predominantly on a subscription basis. Additionally, during the three and six months ended January 31, 2022 there was an increase in revenue from our Desktop Payroll and Desktop Payments offerings.

Small Business & Self-Employed segment operating income increased 31% in the second quarter of fiscal 2022 and 25% in the first six months of fiscal 2022 compared with the same periods of fiscal 2021, primarily due to the increases in revenue described above, which was partially offset by higher expenses for staffing, marketing, and outside services.

Consumer



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 offering.

<i>(Dollars in millions)</i>	Q2 FY22	Q2 FY21	% Change	YTD Q2 FY22	YTD Q2 FY21	% Change
Product revenue	\$ 65	\$ 66	(2)%	\$ 72	\$ 73	(1)%
Service and other revenue	346	81	327 %	459	193	138 %
Total segment revenue	<u>\$ 411</u>	<u>\$ 147</u>	180 %	<u>\$ 531</u>	<u>\$ 266</u>	100 %
% of total revenue	15 %	9 %		11 %	9 %	
Segment operating income (loss)	<u>\$ 53</u>	<u>\$ (155)</u>	NM	<u>\$ 42</u>	<u>\$ (151)</u>	NM
% of related revenue	13 %	(105)%		8 %	(57)%	

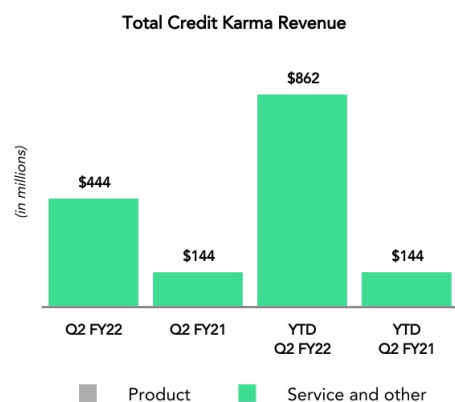
NM = Not Meaningful

Revenue for our Consumer segment increased \$265 million or 100% in the first six months of fiscal 2022 compared with the same period of fiscal 2021 primarily due to the earlier opening of the tax season this year. The IRS began accepting and processing returns on January 24, 2022, as opposed to February 12, 2021 in the prior year.

Segment operating income was \$42 million in the first six months of fiscal 2022 compared to segment operating loss of \$151 million for the same period of fiscal 2021 primarily due to the increase in revenue described above, which was partially offset by higher expenses for staffing and marketing.

Due to the seasonality of our Consumer offerings, we do not believe that the revenue or operating results for the second quarter of fiscal 2022 is indicative of trends for the current fiscal year. We will not have substantially complete results for the 2021 tax season until the third quarter of fiscal 2022.

Credit Karma



Credit Karma revenue is derived from cost-per-action transactions, which include the delivery of qualified links that result in completed actions such as credit card issuances and personal loan funding; and cost-per-click and cost-per-lead transactions, which include user clicks on advertisements or advertisements that allow for the generation of leads, and primarily relate to mortgage and insurance businesses.

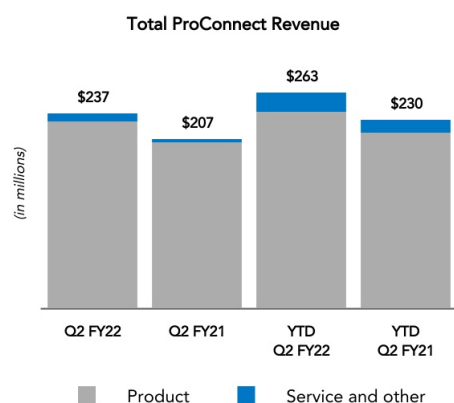
<i>(Dollars in millions)</i>	Q2 FY22	Q2 FY21	% Change	YTD Q2 FY22	YTD Q2 FY21	% Change
Product revenue	\$ —	\$ —	N/A	\$ —	\$ —	N/A
Service and other revenue	444	144	208 %	862	144	499 %
Total segment revenue	<u>\$ 444</u>	<u>\$ 144</u>	208 %	<u>\$ 862</u>	<u>\$ 144</u>	499 %
% of total revenue	17 %	9 %		18 %	5 %	
Segment operating income	<u>\$ 141</u>	<u>\$ 38</u>	271 %	<u>\$ 310</u>	<u>\$ 38</u>	716 %
% of related revenue	32 %	26 %		36 %	26 %	

We acquired Credit Karma on December 3, 2020. Our results of operations include the operations of Credit Karma beginning on the date of acquisition.

Revenue increased \$300 million in the second quarter of fiscal 2022 and \$718 million in the first six months of fiscal 2022 compared to the same periods of fiscal 2021. Our fiscal 2021 results of operations include Credit Karma from the date of acquisition, which was December 3, 2020 and our fiscal 2022 results of operations include Credit Karma for the full reporting period. Additionally, Credit Karma revenue increased year over year primarily due to growth in our credit card and personal loan verticals.

Credit Karma segment operating income increased \$103 million in the second quarter of fiscal 2022 and increased \$272 million in the first six months of fiscal 2022 compared with the same periods of fiscal 2021, primarily due to the increase in revenue described above, which was partially offset by higher expenses for staffing and marketing.

ProConnect



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

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

<i>(Dollars in millions)</i>	Q2 FY22	Q2 FY21	% Change	YTD Q2 FY22	YTD Q2 FY21	% Change
Product revenue	\$ 227	\$ 202	12 %	\$ 239	\$ 214	12 %
Service and other revenue	10	5	100 %	24	16	50 %
Total segment revenue	<u>\$ 237</u>	<u>\$ 207</u>	14 %	<u>\$ 263</u>	<u>\$ 230</u>	14 %
% of total revenue	9 %	13 %		6 %	8 %	
Segment operating income	<u>\$ 195</u>	<u>\$ 172</u>	13 %	<u>\$ 184</u>	<u>\$ 162</u>	14 %
% of related revenue	82 %	83 %		70 %	70 %	

Revenue for our ProConnect segment revenue increased \$33 million or 14% in the first six months of fiscal 2022 compared with the same period of fiscal 2021 due to the earlier opening of the tax season this year. The IRS began accepting and processing returns on January 24, 2022, as opposed to February 12, 2021 in the prior year.

Segment operating income increased \$22 million or 14% in the first six months of fiscal 2022 compared with the same period of fiscal 2021 primarily due to the increase in revenue described above, which was partially offset by higher expenses for staffing.

Due to the seasonality of our ProConnect offerings, we do not believe that the revenue or operating results for the second quarter of fiscal 2022 is indicative of trends for the current fiscal year. We will not have substantially complete results for the 2021 tax season until the third quarter of fiscal 2022.

Cost of Revenue

<i>(Dollars in millions)</i>	Q2 FY22	% of Related Revenue	Q2 FY21	% of Related Revenue	YTD Q2 FY22	% of Related Revenue	YTD Q2 FY21	% of Related Revenue
Cost of product revenue	\$ 20	4 %	\$ 22	4 %	\$ 35	4 %	\$ 37	4 %
Cost of service and other revenue	503	23 %	331	31 %	890	24 %	565	28 %
Amortization of acquired technology	42	n/a	14	n/a	57	n/a	21	n/a
Total cost of revenue	\$ 565	21 %	\$ 367	23 %	\$ 982	21 %	\$ 623	21 %

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 costs for data processing and storage capabilities from cloud providers, customer support costs, costs for the tax and bookkeeping experts that support our TurboTax Live and QuickBooks Live offerings, and costs related to credit score providers; 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 in the second quarter and first six months of fiscal 2022 compared with the same periods of fiscal 2021. 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 decreased in both the second quarter and first six months of fiscal 2022 compared with the same periods of fiscal 2021 primarily due to increases in revenue in our Consumer and Credit Karma segments.

Operating Expenses

<i>(Dollars in millions)</i>	Q2 FY22	% of Total Net Revenue	Q2 FY21	% of Total Net Revenue	YTD Q2 FY22	% of Total Net Revenue	YTD Q2 FY21	% of Total Net Revenue
Selling and marketing	\$ 942	35 %	\$ 580	37 %	\$ 1,492	32 %	\$ 942	32 %
Research and development	590	22 %	368	23 %	1,120	24 %	693	24 %
General and administrative	399	15 %	250	16 %	661	14 %	419	14 %
Amortization of other acquired intangible assets	121	5 %	36	2 %	174	4 %	38	1 %
Total operating expenses	\$ 2,052	77 %	\$ 1,234	78 %	\$ 3,447	74 %	\$ 2,092	72 %

Current Fiscal Quarter

Total operating expenses as a percentage of total net revenue decreased slightly in the second quarter of fiscal 2022 compared to the same period of fiscal 2021. Total net revenue for the second quarter of fiscal 2022 increased \$1.1 billion or 70% due to the increases in revenue described above, while total operating expenses for the quarter increased \$818 million or 66%. Total operating expenses increased \$227 million for staffing due to higher headcount, \$221 million for marketing, \$134 million for share-based compensation, and \$85 million for amortization of other acquired intangible assets, which was primarily related to Credit Karma and Mailchimp.

Fiscal Year to Date

Total operating expenses as a percentage of total net revenue increased in the first six months of fiscal 2022 compared to the same period of fiscal 2021. Total net revenue for the first six months of fiscal 2022 increased \$1.8 billion or 61% due to the increases in revenue described above, while total operating expenses for the period increased \$1.4 billion or 65%. Total operating expenses increased \$433 million for staffing due to higher headcount, \$295 million for marketing, \$291 million for share-based compensation, and \$136 million for amortization of other acquired intangible assets, which was primarily related to Credit Karma and Mailchimp.

Non-Operating Income and Expenses

Interest Expense

Interest expense of \$28 million for the first six months of fiscal 2022 consisted primarily of interest on our senior unsecured notes, unsecured term loan, and secured revolving credit facility. Interest expense of \$15 million for the first six months of fiscal 2021 consisted primarily of interest on our senior unsecured notes, unsecured term loan, unsecured revolving credit facility, and secured revolving credit facility.

Interest and Other Income (Loss), Net

(In millions)	Q2 FY22	Q2 FY21	YTD Q2 FY22	YTD Q2 FY21
Interest income ⁽¹⁾	\$ —	\$ 2	\$ 5	\$ 6
Net gain (loss) on executive deferred compensation plan assets ⁽²⁾	(4)	14	—	13
Other ⁽³⁾	(1)	38	40	44
Total interest and other income (loss), net	<u>\$ (5)</u>	<u>\$ 54</u>	<u>\$ 45</u>	<u>\$ 63</u>

- (1) Interest income in the second quarter and the first six months of fiscal 2022 decreased compared to the same periods of fiscal 2021 primarily due to lower average invested balances.
- (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.
- (3) In the three months ended January 31, 2022 we recorded no gains on other long-term investments. In the six months ended January 31, 2022 we recorded \$39 million of net gains on other long-term investments. In the three and six months ended January 31, 2021 we recorded \$9 million and \$17 million of net gains on other long-term investments, respectively. Additionally, in the second quarter of fiscal 2021 we recorded a \$30 million gain from the sale of a note receivable that was previously written off.

Income Taxes

We compute our provision for or benefit from income taxes by applying the estimated annual effective tax rate to income or loss from recurring operations and adding the effects of any discrete income tax items specific to the period.

For the three and six months ended January 31, 2022, we recognized excess tax benefits on share-based compensation of \$62 million and \$109 million, respectively, in our provision for income taxes. For the three and six months ended January 31, 2021, we recognized excess tax benefits on share-based compensation of \$12 million and \$64 million, respectively, in our provision for income taxes.

We recorded a \$70 million tax benefit on pretax income of \$30 million for the three months ended January 31, 2022. For the six months ended January 31, 2022, we recorded a tax benefit of \$60 million on pretax income of \$268 million. Excluding discrete tax items primarily related to share-based compensation tax benefits mentioned above, our effective tax rate was 25% for the three and six months ended January 31, 2022. The difference from the federal statutory rate of 21% was primarily due to state income taxes and non-deductible share-based compensation, which were partially offset by the tax benefit we received from the federal research and experimentation credit.

Our effective tax rates for the three and six months ended January 31, 2021 were approximately 8% and 6%, respectively. The acquisition of Credit Karma in fiscal 2021 resulted in an increase in the annual effective tax rate from 25% at October 31, 2020 to 26% at January 31, 2021 primarily due to non-deductible share-based compensation and transaction costs. Excluding the effect of the change in annual effective tax rate for the quarter and discrete tax items, primarily related to share-based compensation tax benefits mentioned above, our effective tax rate for the three and six months ended January 31, 2021 was approximately 26%. The difference from the federal statutory rate of 21% was primarily due to state income taxes, non-deductible share-based compensation and non-deductible transaction costs related to the Credit Karma acquisition, which were partially offset by the tax benefit we received from the federal research and experimentation credit.

In the current global tax policy environment, the U.S. and other domestic and foreign governments continue to consider, and in some cases enact, changes in corporate tax laws. As changes occur, we account for finalized legislation in the period of enactment.

LIQUIDITY AND CAPITAL RESOURCES

Overview

At January 31, 2022, our cash, cash equivalents and investments totaled \$1.4 billion, a decrease of \$2.5 billion from July 31, 2021 due to the factors discussed under "Statements of Cash Flows" below. Our primary sources of liquidity have been cash from operations, which entails the collection of accounts receivable for products and services, the issuance of senior unsecured notes, and borrowings under our credit facilities. Our primary uses of cash have been for research and development programs, selling and marketing activities, capital projects, acquisitions of businesses, debt service costs and debt repayment, repurchases of our common stock under our stock repurchase programs, and the payment of cash dividends. As discussed in "Executive Overview – Industry Trends and Seasonality" earlier in this Item 2, 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>	January 31, 2022	July 31, 2021	\$ Change	% Change
Cash, cash equivalents, and investments	\$ 1,414	\$ 3,870	\$ (2,456)	(63)%
Long-term investments	90	43	47	109 %
Long-term debt	6,732	2,034	4,698	231 %
Working capital	522	2,502	(1,980)	(79)%
Ratio of current assets to current liabilities	1.2 : 1	1.9 : 1		

We have historically generated significant cash from operations and we expect to continue to do so in the future. Our cash, cash equivalents, and investments totaled \$1.4 billion at January 31, 2022. None of those funds were restricted and approximately 79% of those funds were located in the U.S.

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.

Our secured revolving credit facility is available to fund a portion of our loans to qualified small businesses. At January 31, 2022, \$50 million was outstanding under the secured revolving credit facility.

On November 1, 2021 we acquired all of the outstanding equity of Mailchimp for total consideration of \$12.0 billion which included \$5.7 billion in cash and 10.1 million shares of Intuit common stock with a value of approximately \$6.3 billion. See Note 5 to the financial statements in Part I, Item 1 of this Quarterly Report for more information.

On November 1, 2021 we terminated our amended and restated credit agreement dated May 2, 2019 and entered into a credit agreement with certain institutional lenders with an aggregate principal amount of \$5.7 billion, which includes a \$1 billion unsecured revolving credit facility that matures on November 1, 2026 and a \$4.7 billion unsecured term loan that matures on November 1, 2024. On November 1, 2021 we borrowed the full \$4.7 billion under the unsecured term loan to fund a portion of the cash consideration for the acquisition of Mailchimp. See Note 7 to the financial statements in Part I, Item 1 of this Quarterly 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 types of opportunities.

Statements of Cash Flows

The following table summarizes selected items from our condensed consolidated statements of cash flows for the first six months of fiscal 2022 and fiscal 2021. See the financial statements in Part I, Item 1 of this Quarterly Report for complete condensed consolidated statements of cash flows for those periods.

<i>(Dollars in millions)</i>	Six Months Ended		
	January 31, 2022	January 31, 2021	\$ Change
Net cash provided by (used in):			
Operating activities	\$ 230	\$ 324	\$ (94)
Investing activities	(4,682)	(3,266)	(1,416)
Financing activities	3,072	(1,587)	4,659
Effect of exchange rates on cash, cash equivalents, restricted cash, and restricted cash equivalents	(6)	10	(16)
Net decrease in cash, cash equivalents, restricted cash, and restricted cash equivalents	<u>\$ (1,386)</u>	<u>\$ (4,519)</u>	<u>\$ 3,133</u>

Our primary sources and uses of cash were as follows:

Six Months Ended	
January 31, 2022	January 31, 2021
<p><i>Sources of cash:</i></p> <ul style="list-style-type: none"> • Proceeds from unsecured term loan • Net sales and maturities of corporate and customer fund investments • Operations • Issuance of common stock under employee stock plans <p><i>Uses of cash:</i></p> <ul style="list-style-type: none"> • Acquisitions of businesses • Repurchases of shares of our common stock • Payment of cash dividends and dividend rights • Payment of accrued bonuses for fiscal 2021 • Capital expenditures • Net originations of term loans to small businesses 	<p><i>Sources of cash:</i></p> <ul style="list-style-type: none"> • Operations • Net sales of loans held for sale • Issuance of common stock under employee stock plans <p><i>Uses of cash:</i></p> <ul style="list-style-type: none"> • Acquisitions of businesses • Repayment of debt • Payment of accrued bonuses for fiscal 2020 • Payment of cash dividends and dividend rights • Capital expenditures • Net originations of term loans to small businesses

Stock Repurchase Programs, Treasury Shares, and Dividends on Common Stock

As described in Note 10 to the financial statements in Part I, Item 1 of this Quarterly Report, during the first six months of fiscal 2022 we repurchased 1.4 million shares of our common stock under repurchase programs that our Board of Directors has authorized. On August 20, 2021 our Board approved an increased authorization to purchase up to an additional \$2 billion of our common stock under the existing stock repurchase program. At January 31, 2022, we had authorization from our Board of Directors to expend up to an additional \$2.5 billion for stock repurchases, including the new \$2 billion authorization noted above. We currently expect to continue repurchasing our common stock on a quarterly basis; however, 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.

We have continued to pay quarterly cash dividends on shares of our outstanding common stock. During the six months ended January 31, 2022 we declared quarterly cash dividends that totaled \$1.36 per share of outstanding common stock for a total of \$389 million. In February 2022 our Board of Directors declared a quarterly cash dividend of \$0.68 per share of outstanding common stock payable on April 18, 2022 to stockholders of record at the close of business on April 11, 2022. 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

On November 1, 2021 we acquired all of the outstanding equity of Mailchimp for total consideration of \$12.0 billion which included \$5.7 billion in cash and 10.1 million shares of Intuit common stock with a value of approximately \$6.3 billion. The fair value of the stock consideration is based on the October 29, 2021 closing price of Intuit common stock of \$625.99.

Pursuant to the equity purchase agreement we also issued approximately 583,000 restricted stock units (RSUs) in substitution of outstanding equity incentive awards. These RSUs have a grant date fair value of approximately \$355 million and will be expensed over three years. Additionally, we issued approximately 325,000 RSUs with a total grant date fair value of approximately \$211 million to Mailchimp employees, of which \$151 million will be expensed over four years and \$60 million will be expensed over six months.

Mailchimp is part of our Small Business & Self-Employed segment. We have included the financial results of Mailchimp in the condensed consolidated financial statements from the date of acquisition.

Commitments for Senior Unsecured Notes

In June 2020, we issued \$2 billion of senior unsecured notes comprised of the following:

- \$500 million of 0.650% notes due July 2023;
- \$500 million of 0.950% notes due July 2025;
- \$500 million of 1.350% notes due July 2027; and
- \$500 million of 1.650% notes due July 2030 (together, the Notes).

Interest is payable semiannually on January 15 and July 15 of each year. At January 31, 2022, our maximum commitment for interest payments under the Notes was \$129 million through the maturity dates.

The Notes are senior unsecured obligations of Intuit and rank equally with all existing and future unsecured and unsubordinated indebtedness of Intuit and are redeemable by us at any time, subject to a make-whole premium. Upon the occurrence of change of control transactions that are accompanied by certain downgrades in the credit ratings of the Notes, we will be required to repurchase the Notes at a repurchase price equal to 101% of the aggregate outstanding principal plus any accrued and unpaid interest to but not including the date of repurchase. The indenture governing the Notes requires us to comply with certain covenants. For example, the Notes limit our ability to create certain liens and enter into sale and leaseback transactions. As of January 31, 2022 we were compliant with all covenants governing the Notes. See Note 7 to the financial statements in Part I, Item 1 of this Quarterly Report for more information.

Credit Facilities

Unsecured Revolving Credit Facility and Term Loan

On November 1, 2021 we terminated our amended and restated credit agreement dated May 2, 2019 and entered into a credit agreement with certain institutional lenders with an aggregate principal amount of \$5.7 billion, which includes a \$1 billion unsecured revolving credit facility that matures on November 1, 2026 and a \$4.7 billion unsecured term loan that matures on November 1, 2024.

Under the agreement we entered into November 1, 2021 we may, subject to certain customary conditions including lender approval, 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 (i) the alternate base rate plus a margin that ranges from 0.0% to 0.1%, or (ii) the Secured Overnight Finance Rate (SOFR) 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 January 31, 2022 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.

On November 1, 2021 we borrowed the full \$4.7 billion under the unsecured term loan to fund a portion of the cash consideration for the acquisition of Mailchimp. Under this agreement we may, subject to certain customer 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 (i) the alternate base rate plus a margin that ranges from 0.0% to 0.125% or SOFR plus a margin that range from 0.625% to 1.125%. Actual margins under either election are based on our senior debt credit ratings. At January 31, 2022, \$4.7 billion was outstanding under the term loan.

The credit agreement includes customary affirmative and negative covenants, including financial covenants that require us to maintain a ratio of total gross debt to annual earnings before interest, taxes, depreciation and amortization (EBITDA) of not greater than 3.25 to 1.00 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 January 31, 2022 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 to fund a portion of our loans to qualified small businesses. The revolving credit facility is secured by cash and receivables of the subsidiary and is non-recourse to Intuit Inc. We have entered into several amendments to the secured revolving credit facility, most recently on July 16, 2021, primarily to extend the commitment term and maturity date. Under the amended agreement, \$150 million of the facility is committed and \$150 million is uncommitted. Advances accrue interest at LIBOR plus 1.5%. Unused portions of the committed credit facility accrue interest at a rate ranging from 0.25% to 0.75%, depending on the total unused committed balance. The commitment term is through July 17, 2023 and the final maturity date is January 17, 2024. The amended agreement allows for the transition of the benchmark interest rate used to calculate finance charges from LIBOR to SOFR plus related benchmark adjustments that represent the prevailing market convention for dollar-denominated syndicated credit facilities. The agreement includes certain affirmative and negative covenants, including financial covenants that require the subsidiary to maintain specified financial ratios. As of January 31, 2022 we were compliant with all required covenants. At January 31, 2022, \$50 million was outstanding under this facility and the weighted-average interest rate was 2.81%, which includes the interest on the unused committed portion. The outstanding balance is secured by cash and receivables of the subsidiary totaling \$268 million.

Cash Held by Foreign Subsidiaries

Our cash, cash equivalents, and investments totaled \$1.4 billion at January 31, 2022. Approximately 21% of those funds were held by our foreign subsidiaries and subject to repatriation tax considerations. These foreign funds were located primarily in the United Kingdom, Canada, and India. As a result of the 2017 Tax Cuts and Jobs Act, we do not expect to pay incremental U.S. taxes on repatriation. We have recorded income tax expense for Canada and India withholding 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 taxes at that time.

Off-Balance Sheet Arrangements

At January 31, 2022, we did not have any significant off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K.

Contractual Obligations

Except for those disclosed below, during the six months ended January 31, 2022 there have been no material changes outside the ordinary course of business to our contractual obligations presented in our Annual Report on Form 10-K for the fiscal year then ended July 31, 2021.

Unconditional Purchase Obligations

In September 2021 we signed an agreement that includes non-cancellable commitments of \$555 million through July 31, 2044 for an exclusive naming rights partnership with the Los Angeles Clippers for Intuit Dome, a new sports facility. The commitment is \$1.5 million per year for the first three years and \$27.5 million per year for the remainder of the agreement. Additionally, in November 2021 we amended an existing cloud services agreement for an additional five years. Under the amended agreement, we have an annual minimum commitment of \$150 million per year and a total minimum purchase commitment of \$1.2 billion over the five year contract term.

Unsecured Revolving Credit Facility

On November 1, 2021 we terminated our amended and restated credit agreement dated May 2, 2019 and entered into a credit agreement with certain institutional lenders with an aggregate principal amount of \$5.7 billion, which includes a \$1 billion unsecured revolving credit facility that matures on November 1, 2026 and a \$4.7 billion unsecured term loan that matures on November 1, 2024.

On November 1, 2021 we borrowed the full \$4.7 billion under the unsecured term loan to fund a portion of the cash consideration for the acquisition of Mailchimp. See Note 7 to the financial statements in Part I, Item 1 of this Quarterly Report for more information, including the schedule of future principal payments for long-term debt as of January 31, 2022.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, if any, and the potential impact of these pronouncements on our condensed consolidated financial statements, see Note 1 to the financial statements in Part I, Item 1 of this Quarterly Report.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There were no material changes to our quantitative and qualitative disclosures about market risk during the six months ended January 31, 2022. See Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended July 31, 2021 for a detailed discussion of our market risks.

ITEM 4 - CONTROLS AND PROCEDURES

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 Quarterly Report on Form 10-Q, 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.

Changes in Internal Control over Financial Reporting

On November 1, 2021, we completed the acquisition of Mailchimp. Under guidelines established by the SEC, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition while integrating the acquired company. In conducting our evaluation of the effectiveness of our internal control over financial reporting, we excluded Mailchimp from our evaluation for the period ended January 31, 2022. We are in the process of integrating Mailchimp into our system of internal control over financial reporting.

Except as noted above, there was no change in our internal control over financial reporting during the period ended January 31, 2022 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.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

See Note 11 to the financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of legal proceedings.

ITEM 1A - RISK FACTORS

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 significant factors, events and uncertainties that make an investment in our securities risky, categorized solely for ease of reference as strategic, operational, legal and compliance, and financial risks. The following events and consequences could have a material adverse effect on our business, growth, prospects, financial condition, results of operations, cash flows, liquidity, credit rating and reputation, and the trading price of our common stock could decline. These risks are not the only ones we face. We could also be affected by other events, factors or uncertainties that are presently unknown to us or that we do not currently consider to present significant risks to our business. These risks may be amplified by the COVID-19 pandemic, which has caused significant global economic instability and uncertainty. The manner in which we respond to future developments as well as our competitors' reactions to those developments may affect our future operating results.

The COVID-19 pandemic has caused significant economic instability and uncertainty and the extent to which it will impact our business, results of operations and financial condition is uncertain and difficult to predict.

The COVID-19 pandemic has caused economic instability and uncertainty globally and, during its initial phase, had a temporary negative impact on our business. The pandemic may, in the future, have a material adverse impact on our business and financial performance, the severity and duration of which will depend on many factors beyond our control, including the actions of governments, businesses and other enterprises in response to the pandemic, the effectiveness of those actions, and vaccine availability, distribution and adoption. Potential and current negative impacts of the pandemic include, but are not limited to, the following:

- The extension of federal and state tax filing deadlines for the 2019 and 2020 tax years changed the seasonality of our business, making our revenue and operating results more difficult to predict. Any future regulatory decisions could further increase the difficulty of forecasting our revenue and operating results, which could cause our business to materially suffer.
- There are new and more frequent attempts by malicious third parties seeking to take advantage of the pandemic to fraudulently gain access to our systems, which could cause us to expend significant resources to remediate and could damage our reputation.
- Changes to our business operations and the operations of our third-party partners, such as increased use of videoconferencing, the shift to working from home, and the complexity of resuming operations in our offices under a new workplace model, has introduced security and execution risks that could cause us to experience substantial financial losses, lose the confidence of our customers and government agencies and harm our revenues and earnings.
- Potential disruption of services on which we rely to deliver our services to our customers, including our third-party customer success partners and financial institutions, could prevent us or our service providers from delivering critical services to our customers or accepting and fulfilling customer orders, any of which could materially and adversely affect our business or reputation.
- Increased, divergent and changing governmental regulations, such as those relating to the re-opening of work facilities, schools, public buildings and businesses, could make it considerably more difficult to develop, enhance and support our products and services, which may cause our results of operations and financial condition to suffer.
- Failure to realize some or all of the anticipated benefits of our mergers and acquisitions activities for reasons related to the pandemic may cause us to experience losses that result in significant harm to our operating results or financial condition.
- There could be increased volatility in our stock price related to the pandemic, which could result in the loss of some or all of the value of an investment in Intuit.

These and other potential negative impacts relating to the COVID-19 pandemic are described further in the risk factors that follow.

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 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, tax and personal financial management 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, payments and personal finance platform 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 directly to taxpayers and, in December 2019, the agreement governing the program was amended to eliminate the pledge by the IRS that it would not offer a duplicative or competing service. Under this program, the IRS has worked with private industry to provide more than 60 million free returns since 2003, utilizing donated private sector tax software and e-filing services, including software that we donated to the Free File Program, for low and middle income taxpayers at no cost to the government or individual users. However, we no longer participate in the IRS Free File Program, and its continuation depends on a number of factors, including continued broad public awareness of and access to the free program and continued private industry donations, as well as continued government support. The current agreement is scheduled to expire in October 2022. Our departure from the Free File Program may increase the likelihood that such program is terminated or is not extended beyond October 2022. If the Free File Program were to be terminated or the IRS were to enter the software development and return preparation space, the federal government could 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 the changing needs of our customers and partners 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 cannot 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 that 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, such as our acquisitions of Credit Karma and Mailchimp, 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;
- in the case of foreign acquisitions and investments, the impact of particular economic, tax, currency, political, legal and regulatory risks associated with specific countries; and
- to the extent we use debt to fund acquisitions or for other purposes, our interest expense and leverage will increase significantly, and to the extent we issue equity securities as consideration in an acquisition, current shareholders' percentage ownership and earnings per share will be diluted.

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. In particular, if we are unable to successfully operate together with Credit Karma, Mailchimp or any other company that we acquire to achieve shared growth opportunities or combine reporting or other processes within the expected time frame, such delay may materially and adversely affect the benefits that we expect to achieve as a result of the acquisition and could result in additional costs or loss of revenue. Moreover, the impact of COVID-19, adverse changes in market conditions and other factors, such as the failure to realize some or all of the anticipated benefits of these acquisitions, may cause the acquisition to be dilutive to Intuit's operating earnings per share beyond the first fiscal year after close. Any dilution of our non-GAAP diluted earnings per share could cause the price of shares of Intuit Common Stock to decline or grow at a reduced rate.

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, credit report information, 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 increasingly likely to continue to be the target of, cyberattacks, computer viruses, ransomware or other malware, 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. While we maintain cybersecurity insurance, our insurance may not be sufficient to cover all liabilities described herein. These types of incidents 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, fail to install security patches on a timely basis or inadequately use security controls 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 and 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. While we provide resources like mandatory annual security training for our workforce, third parties may still be able to 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. In addition, we are experiencing new and more frequent attempts by third parties to use the COVID-19 pandemic to fraudulently gain access to our systems, such as through increased email phishing of our workforce.

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 login credentials 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. In addition, in response to the COVID-19 pandemic, we shifted nearly all our workforce from office locations to work from home environments. We expect to resume operations in our offices under a hybrid model where our workforce will spend a portion of their time working in our offices and a portion of their time working from home. This model increases our exposure to security-related risks due to operational changes, such as the increased use of videoconferencing.

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.

Additionally, Credit Karma is subject to an order issued in 2014 by the Federal Trade Commission ("FTC") that, among other things, requires maintenance of a comprehensive security program relating to the development and management of new and existing products and services and biannual independent security assessments for 20 years from the date of the order. To the extent Credit Karma shares data covered by the order with Intuit, the order may apply to Intuit with respect to such data. Credit Karma's failure to fulfill the requirements of the FTC's order could result in fines, penalties, regulatory inquiries, investigations and claims, and negatively impact our business and reputation.

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 customer or workforce 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 workforce information and data. In addition, malicious actors may attempt to use the information technology supply chain to compromise our systems by, for example, introducing malware through software updates.

A security incident involving third parties whom we rely on may have serious negative consequences for our businesses, including disclosure of sensitive customer or workforce 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, online payments, lending and personal financial management 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 businesses, this type of fraudulent activity may adversely impact our tax, payroll, payments, lending and personal financial management businesses and is heightened when our workforce is working from home. 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 offerings, governmental authorities may refuse to allow us to continue to offer such services, or these services may otherwise be adversely impacted, 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, payments and personal financial management 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, which typically occur 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 are costly, and problems with the design or implementation of system enhancements may harm our business and our results of operations.

Our business operations, information technology and communications systems are vulnerable to damage or interruption from natural disasters, climate change, human error, malicious attacks, fire, power loss, telecommunications failures, computer viruses and malware, computer denial of service attacks, terrorist attacks, public health emergencies and other events beyond our control. For example, we modified our business practices in response to the COVID-19 pandemic (including employee travel, employee work locations and cancellation of physical participation in meetings, events and conferences) and we expect to resume operations in our offices under a hybrid model where our workforce will spend a portion of their time working in our offices and a portion of their time working from home. The implementation of this hybrid model will introduce new execution risks and we may experience longer-term disruptions to our operations as we evolve our workplace model. We may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers or third-party partners. We cannot predict how long any such measures will be in place and whether we would reimplement or enhance any such measures in one or more locations in order to respond to the effects of the pandemic or the rules, regulations or guidelines of any governmental authority. Any such measures may impair our ability to perform critical functions or could make it considerably more difficult to develop, enhance and support our products and services.

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 infrastructure, data hosting, public cloud and software-as-a-service providers, 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, credit reporting bureaus, 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. Credit Karma generates revenue from its relationships with financial institution partners, which are subject to particular risks that affect their willingness to offer their products on Credit Karma's platform, such as adverse economic conditions and an increasing complexity in the regulatory environment. 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.

Additionally, the business operations of our third-party partners have been and could continue to be disrupted by the COVID-19 pandemic and the actions taken in response to it, including the pandemic's effects on their third-party partners. If our third-party partners are unable to help us operate our business as a result of the COVID-19 pandemic, our business and financial results may be negatively impacted. For example, in the early stages of the COVID-19 pandemic, credit card companies and lenders initially and temporarily reduced or suspended their activity on Credit Karma's platform, which impacted Credit Karma's revenue. 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. Any violation of laws or implementation of practices regarded as unethical could result in 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, including the effects of the COVID-19 pandemic, 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 a significant number 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. Moreover, as social and economic conditions evolve from the COVID-19 pandemic, current and prospective employees may seek new or different opportunities based on factors such as compensation, benefits, mobility and flexibility that are different from what we offer, making it difficult to attract and retain them.

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, and public health emergencies, including divergent governmental responses thereto across the jurisdictions in which we operate;
- 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 broader workforce, 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, we cannot be sure that our workforce, contractors and agents are in compliance with 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 to 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.

We are subject to federal, state, local and international laws and regulations that affect our and our customers' activities, including, without limitation, areas of labor, advertising and marketing, 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. For example, in April 2020, one of our subsidiaries became a Small Business Administration ("SBA") approved lender under the SBA's recently established Paycheck Protection Program ("PPP") authorized by the Coronavirus Aid, Relief and Economic Security Act. 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. In response to the COVID-19 pandemic, federal, state, local and foreign governmental authorities have imposed, and may continue to impose, protocols and restrictions intended to contain the spread of the virus, including limitations on the reopening of work facilities, schools, public buildings and businesses, quarantines, lockdowns and travel restrictions. Such restrictions have disrupted and may continue to disrupt our business operations and limit our ability to perform critical functions.

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 or 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 General Data Protection Regulation, the California Consumer Protection Act, the California Privacy Rights Act, and the Virginia Consumer Data Protection Act, which will become effective in January 2023. 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, the evolution of global privacy treaties and frameworks has created compliance uncertainty and increased complexity. For example, the judicial invalidation of the EU-U.S. and Swiss-U.S. Privacy Shield frameworks that we relied on to transfer data has created additional compliance challenges for the transfer of EU personal data to the U.S. While we rely on alternative methods for the transfer of this data, ongoing legal challenges to these and other transfer mechanisms could cause us to incur costs or 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 Part II, Item 1, "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 fluctuate significantly.

Our tax offerings have significant seasonal patterns. Revenue from income tax preparation products and services has historically been heavily concentrated from November through April and this seasonality has been affected by changes to the opening and closing dates of the tax season. For example, the IRS and many states extended their tax filing deadlines to May 17, 2021 for the 2020 tax year and to July 15, 2020 for the 2019 tax year. 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 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 to our offerings that result in the inclusion or exclusion of ongoing services; changes in product pricing strategies or product sales mix; 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 or an increase in risks of collecting customer payments 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. There are several pending proposed changes to U.S. and non-U.S. tax legislation and the ultimate enactment of any of them could have a negative impact on our effective tax rate. 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 material 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. 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. In addition, financial institution partners may again decrease or suspend their activity on Credit Karma's platform, Credit Karma's members may decrease their engagement on the platform or their creditworthiness could be negatively impacted, reducing members' ability to qualify for credit cards and loans. Any of the foregoing may negatively impact 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.

The COVID-19 pandemic and the actions taken in response to it have significantly increased economic and demand uncertainty. Accordingly, the risks described in the paragraph above may be more likely to materialize, any of which 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, scoring and other 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. Moreover, the COVID-19 pandemic and the actions taken in response to it have had a significant impact on small businesses and may increase the likelihood that our borrowers are unable to repay their loans. If any of the foregoing

events were to occur, our reputation, relationships with borrowers, collections of loans receivable and financial results could be harmed. In addition, one of our subsidiaries is a lender and a servicer under the PPP to support our small business customers and other eligible applicants during the pandemic. Our participation in this program exposes us to many of the risks described above and additional risks, such as borrower default, the SBA declining to forgive or honor its guarantee with respect to PPP loans and litigation or other disputes with borrowers or others related to our PPP activities.

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 \$196 million in fiscal 2021; \$28 million in fiscal 2020; and \$26 million in fiscal 2019. 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 January 31, 2022, we had \$13.7 billion in goodwill and \$7.4 billion in net acquired intangible assets on our condensed 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 January 31, 2022, we had an aggregate of \$6.7 billion of indebtedness outstanding under our senior unsecured notes and senior unsecured credit facility. Under the agreements governing our indebtedness, we are permitted to incur additional debt. This debt, and any debt that we may incur in the future, 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, share repurchases and acquisitions; and
- limiting our flexibility in planning for, or reacting to, changes in our businesses and our industries.

If we are unable to generate sufficient cash flow from operations in the future to service our debt, we may be required, among other things, to seek additional financing in the debt or equity markets, refinance or restructure all or a portion of our indebtedness, sell selected assets or reduce or delay planned capital, operating or investment expenditures. Such measures may not be sufficient to enable us to service our debt.

Additionally, the agreements governing our indebtedness impose restrictions on us and require us to comply with certain covenants. For example, our credit facilities restrict 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 credit facilities and the indenture governing our senior unsecured notes limit our ability to create liens on our and subsidiaries' assets and engage in sale and leaseback transactions. If we breach any of these covenants and do not obtain a waiver from the lenders or the noteholders, as applicable, then, subject to applicable cure periods, any or all of our outstanding indebtedness may be declared immediately due and payable. There can be no assurance that any refinancing or additional financing would be available on terms that are favorable or acceptable to us, if at all.

Under the terms of our outstanding senior unsecured notes, we may be required to repurchase the notes for cash prior to their maturity in connection with the occurrence of certain changes of control that are accompanied by certain downgrades in the credit ratings of the notes. The repayment obligations under the notes may have the effect of discouraging, delaying or preventing a takeover of our company. If we were required to pay the notes prior to their scheduled maturity, it could have a negative impact on our cash position and liquidity and impair our ability to invest financial resources in other strategic initiatives.

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 may increase. In addition, any downgrades in our credit ratings may affect our ability to obtain additional financing in the future and may negatively impact 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 program does not have an expiration date and we are not obligated to repurchase a specified number or dollar value of shares. Our repurchase program may be suspended or terminated at any time. Even if our stock repurchase program is fully implemented, it 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, including the effects of the COVID-19 pandemic, 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. Moreover, the COVID-19 pandemic has caused significant volatility in the global financial markets, which has resulted in significant volatility in our stock price recently. 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.

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

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Stock repurchase activity during the three months ended January 31, 2022 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
November 1, 2021 through November 30, 2021	341,150	\$ 639.77	341,150	\$ 2,791,988,083
December 1, 2021 through December 31, 2021	385,705	\$ 649.26	357,500	\$ 2,560,523,062
January 1, 2022 through January 31, 2022	83,638	\$ 601.14	83,638	\$ 2,510,244,584
Total	810,493	\$ 640.30	782,288	

Note: On August 21, 2018 our Board approved a stock repurchase program under which we are authorized to repurchase up to \$2 billion of our common stock. On August 20, 2021 our Board approved an increased authorization to purchase up to an additional \$2 billion of our common stock under the existing stock repurchase program. All of the shares repurchased during the three months ended January 31, 2022 were purchased under this plan, except for 28,205 shares for \$19 million which were purchased to satisfy employee tax withholding obligations. At January 31, 2022, authorization from our Board of Directors to expend up to \$2.5 billion remained available under the plans.

Except as disclosed in our Current Report on Form 8-K filed on November 1, 2021, there were no other unregistered sales of our equity securities during the three months ended January 31, 2022.

ITEM 6 - EXHIBITS

See the Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q.

SIGNATURES

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

**INTUIT INC.
(Registrant)**

Date: March 2, 2022

By: /s/ MICHELLE M. CLATTERBUCK

Michelle M. Clatterbuck
Executive Vice President and Chief Financial Officer
(Authorized Officer and Principal Financial Officer)

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference
10.01+	Intuit Inc. Amended and Restated 2005 Equity Incentive Plan, as amended through January 20, 2022	X	
10.02+	Intuit Inc. Employee Stock Purchase Plan, as amended through January 19, 2022	X	
10.03+	Intuit Inc. Amended Non-Employee Director Compensation Program, effective January 20, 2022		8-K filed 1/24/2022
10.04	Credit Agreement, dated as of November 1, 2021, by and among Intuit Inc., the lenders parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, BofA Securities Inc. and The Bank of Nova Scotia, as co-syndication agents, and JPMorgan Chase Bank, N.A., BofA Securities Inc. and The Bank of Nova Scotia, as joint lead arrangers and joint bookrunners		8-K filed 11/1/2021
31.01	Certification of Chief Executive Officer	X	
31.02	Certification of Chief Financial Officer	X	
32.01*	Section 1350 Certification (Chief Executive Officer)	X	
32.02*	Section 1350 Certification (Chief Financial Officer)	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	
101.DEF	XBRL Taxonomy Extension Definition Linkbase	X	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X	

* This exhibit is intended to be furnished and shall not be deemed "filed" for purposes of the Securities Exchange Act of 1934, as amended.

INTUIT INC.

AMENDED AND RESTATED 2005 EQUITY INCENTIVE PLAN

1. PURPOSE. The purpose of the Amended and Restated 2005 Equity Incentive Plan (the “Plan”) is to provide is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company and its Subsidiaries by offering them an opportunity to participate in the Company’s future performance through awards of Options, Stock Appreciation Rights (“SARs”), Restricted Stock Awards, Restricted Stock Units (“RSUs”) and Cash-Based Awards. Capitalized terms not defined in the text are defined in Section 30.

2. SHARES SUBJECT TO THE PLAN.

2.1 Number of Shares Available.

(a) Number of Shares. Subject to adjustment as provided in Section 2.2 and the share counting provisions below in Sections 2.1(b)-(c) inclusive, the Shares available for the grant of new Awards under the Plan as of the Effective Date shall not exceed 37,589,256 Shares determined as follows:

(i) The sum of (A) an additional 18,000,000 Shares; (B) 16,303,315 Shares that remain available for new grants under the Plan, as of October 31, 2021; and (C) 3,285,941 Shares that remain available for new grants under the Credit Karma Plan, as of October 31, 2021; minus

(ii) The sum of (A) one (1) Share for every one (1) Share that was subject to an Option or Stock Appreciation Right granted under the Plan or an option or stock appreciation right granted under the Credit Karma Plan, in each case after October 31, 2021 and prior to the Effective Date; plus (B) 2.3 Shares for every one (1) Share that was subject to an award other than an Option or Stock Appreciation Right granted under the Plan or an award other than an option or stock appreciation right granted under the Credit Karma Plan, in each case, after October 31, 2021 and prior to the Effective Date.

Any Shares that are subject to Options or SARs granted on or after the Effective Date shall be counted against this limit as one (1) Share for every one (1) Share granted, and any Shares that are subject to Awards other than Options or Stock Appreciation Rights granted on or after the Effective Date shall be counted against this limit as 2.3 Shares for every one (1) Share granted. On and after the Effective Date, no awards may be granted under the Credit Karma Plan.

(b) If any Shares subject to an Award are forfeited, an Award expires or an Award is settled for cash (in whole or in part), then in each such case the Shares subject to such Award shall, to the extent of such forfeiture, expiration or cash settlement, be added to the Shares available for Awards under the Plan, in accordance with Section 2.1(c) below. In the event that withholding tax liabilities from an Award granted on or after July 21, 2016 other than an Option or Stock Appreciation Right are satisfied by the tendering of Shares (either actually or by attestation) or by the withholding of Shares by the Company, the Shares so tendered or withheld shall be added to the Shares available for Awards under the Plan in accordance with Section 2.1(c) below. Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Shares authorized for grant under paragraph (a) of this Section: (i) Shares tendered by the Participant or withheld by the Company in payment of the purchase price of an Option, (ii) Shares tendered by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to Options or SARs, (iii) Shares subject to a SAR that are

not issued in connection with its stock settlement on exercise thereof, and (iv) Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options. For purposes of applying the share counting rules of this Section 2.1(b), after October 31, 2021, the same rules shall apply with respect to awards granted under the Credit Karma Plan.

(c) Any Shares that again become available for Awards under the Plan pursuant to this Section 2.1 shall be added as (i) one (1) Share for every one (1) Share subject to Options or SARs (or, after October 31, 2021, an option or stock appreciation right granted under the Credit Karma Plan), and (ii) as 2.3 Shares for every one (1) Share subject to Awards other than Options or SARs (or, after October 31, 2021, an award other than an option or stock appreciation right granted under the Credit Karma Plan).

(d) The Company may issue Shares that are authorized but unissued Shares or treasury Shares, including Shares repurchased by the Company, whether directly from a Participant pursuant to the terms of Awards granted under the Plan or on the open market.

(e) At all times the Company will reserve and keep available a sufficient number of Shares to satisfy the requirements of all outstanding Awards granted under the Plan.

2.2 Adjustment of Shares. If the outstanding Shares are affected by a merger, consolidation, reorganization, liquidation, stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification, split-up, spin-off, share combination, share exchange, extraordinary dividend or distribution of cash (other than a normal cash dividend), property and/or securities, or other change in the capital structure of the Company, an adjustment shall be made in (a) the number of Shares (or other securities or property) reserved for issuance under the Plan and the limits that are set forth in Section 2.3; (b) the Exercise Prices of and number of Shares (or other securities or property) subject to outstanding Options and SARs; (c) the number of Shares (or other securities or property) subject to other outstanding Awards, and (d) any performance conditions relating to Awards granted under the Plan, as shall be determined to be appropriate and equitable by the Committee, exercising its authority under Section 4 of the Plan, for the purpose of preventing the dilution or enlargement of rights and privileges under the terms of the Plan or any outstanding Award. Notwithstanding the foregoing, fractions of a Share (or other security) will not be issued but will either be replaced by a cash payment equal to the Fair Market Value of such fraction of a Share (or other security) or will be rounded to a whole Share (or other security), as determined by the Committee and as permitted under Section 424(a) of the Code.

2.3 Individual Award Limits and ISO Limit. The aggregate number of Shares subject to Awards granted under this Plan in any fiscal year to any one Participant shall not exceed 2,000,000 Shares, other than new employees of the Company or of any Subsidiary, who are eligible to receive up to a maximum of 3,000,000 Shares issuable under Awards granted in the calendar year in which they commence their employment. The aggregate number of Shares that may be issued pursuant to the exercise of ISOs under this Plan shall not exceed 156,110,386 Shares. The maximum cash amount payable pursuant to all Cash-Based Awards granted in any calendar year to any Participant under this Plan shall not exceed five million dollars (\$5,000,000).

2.4 Director Limits. Notwithstanding any other provision of the Plan to the contrary, the aggregate grant date fair value (computed as of the date of grant in accordance with applicable financial accounting rules) of all Awards granted to any Non-Employee Director during any single calendar year (not including Awards granted in lieu of retainers or other cash payments for service as a Non-Employee Director), shall not exceed \$625,000, with such limit to be increased an additional \$250,000 for any Lead Non-Employee Director or Non-Employee Director who is Chairman of the Board.

2.5 Assumed or Substituted Awards of Acquired Companies. In the event that the Company acquires or combines with another company and grants Awards under the Plan in assumption or substitution of outstanding equity awards of such company, the number of Shares authorized for issuance under this Plan shall be increased to the extent necessary to satisfy such assumed or substituted awards (based on the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of the equity securities of the acquired company, and in a manner consistent with Section 424(a) of the Code), and the issuance of Shares pursuant to such assumed or substituted awards shall not reduce the Shares otherwise authorized for issuance under the Plan (or be eligible to be added back to the Shares authorized for issuance under the Plan pursuant to Sections 2.1(b) or 2.1(c)).

2.6 Dividends and Dividend Equivalent Rights. To the extent that the Company declares dividends payable with respect to the Shares subject to an Award, the following provisions shall apply:

(a) Dividends may only become payable with respect to Shares subject to Restricted Stock Awards.

(b) Dividend equivalent rights shall not be granted alone or in connection with any Award under the Plan other than an Award of Restricted Stock Units.

(c) Any dividends issuable with respect to Shares subject to a Restricted Stock Award or dividend equivalent rights granted under the terms of an RSU shall be subject to the same restrictions and risk of forfeiture as the underlying Shares subject to the Award and shall become payable no earlier than the time that the underlying Shares subject to the Award are no longer subject to such restrictions or risk of forfeiture.

3. ELIGIBILITY. ISOs may be granted only to employees (including officers and directors who are also employees) of the Company or of a Subsidiary. All other Awards may be granted to employees (including officers and directors who are also employees) or other individuals who are Non-Employee Directors, consultants or advisors of the Company or any Subsidiary; provided that such consultants or advisors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities. The Committee (or its designee under Section 4.1(c)) will from time to time determine and designate among the eligible persons who will be granted one or more Awards under the Plan. A person may be granted more than one Award under the Plan.

4. ADMINISTRATION.

4.1 Committee Authority. The Plan shall be administered by the Committee; provided, however, that any power of the Committee also may be exercised by the Board, except to the extent that the grant or exercise of such authority would cause any Award or transaction to (i) become subject to (or lose an exemption under) Rule 16b-3 under the Exchange Act, or (ii) fail to satisfy Rule 5605(d) of the Nasdaq Marketplace Rules (or any successor to such rule or other comparable rule as to which the Company may be required to comply). The Committee will have full power to implement and carry out the Plan and the purposes of the Plan, subject to the terms of the Plan, including but not limited to the authority to:

(a) construe and interpret the Plan, any Award Agreement and any other agreement or document executed pursuant to the Plan or relating to the administration or operation of the Plan;

(b) prescribe, amend and rescind rules and regulations relating to the Plan or any Award, including determining forms and agreements used in connection with the Plan; provided that the Committee may delegate to one or more officers of the Company, including the Chief Executive Officer, the Chief Financial Officer or the officer in charge of Human Resources, the authority to approve revisions to the forms and agreements used in connection with the Plan that are designed to facilitate Plan administration both domestically and abroad, and that are not inconsistent with the Plan or with any resolutions of the Committee relating to the Plan;

(c) select persons to receive Awards; provided that the Committee may delegate to one or more individuals who would be considered “officers” under Section 157(c) of the General Corporation Law of the State of Delaware the authority to grant an Award under the Plan to Participants who are not Insiders within such limit of the total number of Awards which may be granted by such officers established by resolution of the Committee;

(d) determine the terms of Awards;

(e) determine the number of Shares or other consideration subject to Awards;

(f) determine whether Awards will be granted singly, in combination, or in tandem with, in replacement of, or as alternatives to, other Awards under the Plan or any other incentive or compensation plan of the Company or any Subsidiary;

(g) grant waivers of Plan or Award conditions, including, without limitation, the waiver of the termination provisions applicable to Options under Section 5.6(b));

(h) determine the vesting, exercisability, transferability, and payment of Awards, including the authority to accelerate the vesting of Awards;

(i) correct any defect, supply any omission, or reconcile any inconsistency in the Plan, any Award or any Award Agreement;

(j) determine whether an Award has been earned;

(k) establish subplans for the grant of Awards to Participants who are foreign nationals or are employed outside the U.S., which subplans may provide for different terms and conditions applicable to Awards if necessary or desirable to recognize differences in local law or tax policy;

(l) amend the Plan;

(m) address unanticipated events (including any temporary closure of the stock exchange on which the Company is listed, disruption of communications or natural catastrophe); and

(n) make all other determinations necessary or advisable for the administration of the Plan.

4.2 Committee Interpretation and Discretion. Any determination made by the Committee with respect to any Award pursuant to Section 4.1 above shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Participant. The Committee may delegate to one or more individuals who would be considered “officers” under Section 157(c) of the General

Corporation Law of the State of Delaware the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and Participant. Notwithstanding any provision of the Plan to the contrary, administration of the Plan shall at all times be limited by the requirement that any administrative action or exercise of discretion shall be void (or suitably modified when possible) if necessary to avoid the application to any Participant of immediate taxation and/or tax penalties or additional taxes under Section 409A of the Code.

5. OPTIONS. The Committee may grant Options to eligible persons and will determine (a) whether the Options will be ISOs or NQSOs; (b) the number of Shares subject to the Option; (c) the Exercise Price of the Option; (d) the period during which the Option may be exercised; and (e) all other terms and conditions of the Option, subject to the provisions of this Section 5 and the Plan.

5.1 **Form of Option Grant.** Each Option granted under the Plan will be evidenced by a Stock Option Agreement that will expressly identify the Option as an ISO or NQSO. The Stock Option Agreement will be substantially in a form and contain such provisions (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan.

5.2 **Date of Grant.** The date of grant of an Option will be the date on which the Committee makes the determination and completes all necessary action on its part to grant the Option, unless a later date is otherwise specified by the Committee. The Stock Option Agreement, and a copy of the Plan and the current Prospectus for the Plan (plus any additional documents required to be delivered under applicable laws), will be delivered to the Participant within a reasonable time after the Option is granted. The Stock Option Agreement, the Plan, the Prospectus and other documents may be delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5.3 **Vesting and Expiration Date.** An Option will become vested and exercisable as determined by the Committee and set forth in the Stock Option Agreement governing such Option, subject to the provisions of Section 5.6, and subject to Company policies established by the Committee (or by individuals to whom the Committee has delegated responsibility) from time to time with respect to vesting during leaves of absences. An Option may be granted to allow for its exercisability prior to vesting. Vesting of an Option may be based upon completion of a specified period of service with the Company, the attainment of pre-established performance goals, such other factors as the Committee determines, or a combination of the foregoing. The Stock Option Agreement governing such Option shall set forth the last date that the Option may be exercised (the "Expiration Date"), and may provide for automatic exercise of the Option on such Expiration Date if the Exercise Price per Share is less than the Fair Market Value per Share on such Expiration Date and the Participant has not previously exercised the Option, or may provide that in the event that trading in the Company's stock is prohibited by law, the term of the Option automatically shall be extended until the date that is 30 days after such prohibition is lifted, to the extent that such extension does not cause the Participant to become subject to taxation under Section 409A of the Code. Notwithstanding the foregoing, no Option will be exercisable after ten years from the date the Option is granted; provided that no ISO granted to a Ten Percent Stockholder will be exercisable after five years from the date the Option is granted.

5.4 **Exercise Price.** The Exercise Price of an Option will be determined by the Committee when the Option is granted and may not be less than 100% of the Fair Market Value of the Shares on the date of grant; provided, however, that (i) the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than 110% of the Fair Market Value of the

Shares on the date of grant, and (ii) in the event that the Company acquires or combines with another company and grants Awards under the Plan in assumption or substitution of outstanding equity awards of such company, the Exercise Price of such Options may be less than 100% of the Fair Market Value of the Shares on the date of grant if such Exercise Price is based on a formula that meets the requirements of Section 424(a) of the Code set forth in the terms of the awards being assumed or substituted or in the terms of the agreement governing the acquisition transaction.

5.5 Procedures for Exercise. A Participant or Authorized Transferee may exercise Options by following the procedures established by the Company, as communicated and made available to Participants through the stock pages on the Intuit intranet web site, and/or through the Company's electronic mail system. Payment for the Shares purchased must be made in accordance with Section 11 of the Plan and the Stock Option Agreement.

5.6 Termination of Employment.

(a) Vesting. Except as otherwise provided in this Section 5.6(a) or in a Participant's Stock Option Agreement, an Option will cease to vest on the Participant's Termination Date. Notwithstanding the foregoing, any Option granted to a Participant who is an employee who has been actively employed by the Company or any Subsidiary for one year or more or who is a director, will vest as to 100% of the Shares subject to such Option if the Participant is Terminated due to Disability or death, unless otherwise provided in such Participant's Stock Option Agreement.

(b) Post-Termination Exercise Period. Following a Participant's Termination, unless otherwise provided in a Participant's Stock Option Agreement, any unvested portion of the Participant's Option shall terminate, and any vested portion of the Participant's Option may be exercised during the periods set forth below, after which it automatically shall terminate:

(i) no later than 90 days after the Termination Date if a Participant is Terminated for any reason except death or Disability, unless a longer time period, not exceeding five years, is specifically set forth in the Participant's Stock Option Agreement; provided that no Option may be exercised after the Expiration Date of the Option; or

(ii) no later than (A) twelve months after the Termination Date in the case of Termination due to Disability or (B) eighteen months after the Termination Date in the case of Termination due to death or if a Participant dies within three months after the Termination Date, unless a longer time period, not exceeding five years, is specifically set forth in the Participant's Stock Option Agreement; provided that no Option may be exercised after the Expiration Date of the Option.

5.7 Limitations on Exercise. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option; provided that the minimum number will not prevent a Participant from exercising an Option for the full number of Shares for which it is then exercisable.

5.8 Limitations on ISOs. The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under the Plan or any compensatory stock plan of the Company or any parent or Subsidiary under which ISOs may be granted) shall not exceed \$100,000. If the Fair Market Value of Shares on the date of grant with respect to which ISOs are

exercisable for the first time by a Participant during any calendar year exceeds \$100,000, the Options for the first \$100,000 worth of Shares to become exercisable in that calendar year will be ISOs, and the Options for the Shares with a Fair Market Value in excess of \$100,000 that become exercisable in that calendar year will be NQSOs. If the Code is amended to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit shall be automatically incorporated into the Plan and will apply to any Options granted after the effective date of the Code's amendment.

5.9 Notice of Disqualifying Dispositions of Shares Acquired on Exercise of an ISO. If a Participant sells or otherwise disposes of any Shares acquired pursuant to the exercise of an ISO on or before the later of (a) the date two years after the Date of Grant, and (b) the date one year after the exercise of the ISO (in either case, a "Disqualifying Disposition"), the Company may require the Participant to immediately notify the Company in writing of such Disqualifying Disposition.

5.10 Modification, Extension or Renewal. Subject to Section 5.12, the Committee may modify or extend or renew outstanding Options and authorize the grant of new Options in substitution therefor; provided that any such action may not, without the written consent of the Participant, materially impair any of the Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered shall be treated in accordance with Section 424(h) of the Code.

5.11 No Disqualification. Notwithstanding any other provision in the Plan, no term of the Plan relating to ISOs will be interpreted, amended or altered, and no discretion or authority granted under the Plan will be exercised, so as to disqualify the Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

5.12 No Repricing. Except as otherwise provided in Section 2.2, the Exercise Price of an outstanding Option may not, directly or indirectly, be reduced without stockholder approval, and at any time when the Exercise Price of an outstanding Option is above the Fair Market Value per Share, the terms of such outstanding Option may not, directly or indirectly, be amended without stockholder approval, to provide for the cancellation and re-grant or the exchange of such outstanding Option for either cash or a new Award with a lower (or no) exercise price; provided, however, that in the event of a Corporate Transaction, any Option with an exercise price that equals or exceeds the value of the consideration to be paid to the holders of Common Stock (on a per share basis) may be cancelled without any consideration.

6. STOCK APPRECIATION RIGHTS.

6.1 Awards of SARs. A Stock Appreciation Right ("SAR") is an award to an eligible person having a value equal to the value determined by multiplying the difference between the Fair Market Value of a Share on the date of exercise over the Exercise Price and the number of Shares with respect to which the SAR is being settled. The SAR may be granted for services to be rendered or for past services already rendered to the Company or any Subsidiary or for any other benefit to the Company determined by the Committee within the meaning of Section 152 of the General Corporation Law of the State of Delaware. All SARs shall be made pursuant to an Award Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

6.2 Terms of SARs. The Committee will determine the terms of a SAR including, without limitation: (a) the number of Shares deemed subject to the SAR; (b) the

Exercise Price and the time or times during which the SAR may be settled; (c) the consideration to be distributed on settlement of the SAR; and (d) the effect on each SAR of the Participant's Termination. The Exercise Price of the SAR will be determined by the Committee when the SAR is granted and may not be less than 100% of Fair Market Value, except under the same circumstances that apply with respect to Options under Section 5.4(ii).

6.3 Vesting and Expiration Date. A SAR will be vested and exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the Award Agreement governing such SAR. A SAR may be granted to allow for its exercisability prior to vesting. Vesting of a SAR may be based upon completion of a specified period of service with the Company, the attainment of pre-established performance goals, such other factors as the Committee determines, or a combination of the foregoing. The Award Agreement shall set forth the Expiration Date for the SAR; provided that no SAR will be exercisable after seven years from the date the SAR is granted. And, provided further, that the Award Agreement may provide for automatic settlement of the SAR on such Expiration Date if the Exercise Price per Share is less than the Fair Market Value per Share on such Expiration Date and the SAR has not previously been settled, or may provide that in the event that trading in the Company's stock is prohibited by law, the term of the SAR automatically shall be extended until the date that is 30 days after such prohibition is lifted, to the extent that such extension does not cause the Participant to become subject to taxation under Section 409A of the Code.

6.4 Form and Timing of Settlement. Payment with respect to a SAR shall be made in Shares, or such other consideration as is approved by the Committee.

6.5 No Repricing. Except as otherwise provided in Section 2.2, the Exercise Price of an outstanding SAR may not be reduced without stockholder approval, and at any time when the Exercise Price of an outstanding SAR is above the Fair Market Value per Share, the terms of such outstanding SAR may not, directly or indirectly, be amended without stockholder approval, to provide for the cancellation and re-grant or the exchange of such outstanding SAR for either cash or a new Award with a lower (or no) exercise price; provided, however, that in the event of a Corporate Transaction, any SAR with an exercise price that equals or exceeds the value of the consideration to be paid to the holders of Common Stock (on a per share basis) may be cancelled without any consideration.

7. RESTRICTED STOCK AWARDS.

7.1 Awards of Restricted Stock. A Restricted Stock Award is an award to an eligible person of the issuance of Shares for services to be rendered or for past services already rendered to the Company or any Subsidiary or for any other benefit to the Company determined by the Committee within the meaning of Section 152 of the General Corporation Law of the State of Delaware. All Restricted Stock Awards shall be made pursuant to an Award Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. No payment will be required for Shares awarded pursuant to a Restricted Stock Award. The number of Shares awarded shall be subject to the applicable limit or limits of Section 2.

7.2 Terms of Restricted Stock Awards. The Committee will determine the number of Shares to be awarded to the Participant under a Restricted Stock Award and any restrictions thereon. These restrictions may be based upon completion of a specified period of service with the Company, upon satisfaction of performance goals as set out in advance in the Participant's Award Agreement, upon such other factors as the Committee determines, or a combination of the foregoing. If the Restricted Stock Award is to be earned upon the satisfaction of performance goals, the Committee shall: (a) determine the nature, length and starting date of

any performance period for the Award; (b) select the performance goals, which may include one or more Performance Criteria; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the time that restrictions are lifted with respect to one or more Shares subject to a Restricted Stock Award as a result of satisfaction of the service or performance goals, the Committee may require that the Shares be held by the Company under the terms of an escrow or similar arrangements according to terms determined by the Company and as described further in Section 16 below. The Committee may adjust the performance goals applicable to a Restricted Stock Award during a Performance Period in the manner described in Section 10.2(b) below.

7.3 Dividends. A Participant who has received the grant of a Restricted Stock Award shall not be entitled to receive dividends and other distributions paid with respect to Shares subject to such Award during the period during which such Shares are restricted. However, any such dividends or distributions shall be retained by the Company and shall be paid to the Participant at the same time that the Shares which respect to which such dividends or distributions were paid are released from the restrictions of the Award described in Section 7.2 above.

7.4 Termination of Employment. If a Participant is Terminated prior to full vesting of a Restricted Stock Award for any reason, then such Participant will be entitled to retain the Shares subject to the Restricted Stock Award only to the extent the restrictions on such Shares have lapsed as of the date of Termination in accordance with the Award Agreement, unless the Committee will determine otherwise.

7.5 83(b) Election. To the extent a Participant makes an election under Section 83(b) of the Code with respect to a Restricted Stock Award, within ten days of filing such election with the Internal Revenue Service, the Participant must notify the Company in writing of such election.

8. RESTRICTED STOCK UNITS.

8.1 Awards of Restricted Stock Units. Restricted Stock Units (“RSUs”) are Awards denominated in units of Shares under which the issuance of Shares (or the settlement in an equivalent value in cash) is subject to such conditions (including continued employment or other service, the attainment of pre-established performance goals, which may include one or more Performance Criteria, other factors as the Committee determines, or a combination of the foregoing.) as the Committee shall determine. RSUs may be granted for services to be rendered or for past services already rendered to the Company or any Subsidiary or for any other benefit to the Company determined by the Committee within the meaning of Section 152 of the General Corporation Law of the State of Delaware. All RSUs shall be awarded pursuant to an Award Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee or an officer of the Company (pursuant to Section 4.1(b)) has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan.

8.2 Terms of RSUs. The Committee will determine the terms of a RSU including, without limitation: (a) the number of Shares deemed subject to the RSU; (b) the time or times at which the RSU vests; (c) the consideration to be distributed on settlement; and (d) the effect on each RSU of the Participant’s Termination.

8.3 Timing of Settlement. Settlement of a RSU shall be made no later than March 15 of the year following the year of vesting; provided that to the extent permissible under law, the Committee may permit a Participant to defer payment under a RSU to a date or dates

after the RSU is earned, provided that the terms of the RSU and any deferral election satisfy the requirements of Section 409A of the Code.

8.4 **Dividend Equivalent Rights.** A Participant shall be entitled to receive dividend equivalent rights prior to the issuance of Shares subject to the RSU to the extent and under the terms and conditions provided in the applicable Award Agreement; provided that, any such dividend equivalent rights shall be paid upon the date the RSUs with respect to which such dividend equivalent rights are payable become vested and payable (it being understood that no dividend equivalent rights will be paid with respect to Shares underlying any RSUs that do not vest). Except as explicitly provided for in this Section 8.4, dividend equivalent rights shall not be granted alone or in connection with any Award under the Plan.

8.5 **Voting Rights.** A Participant shall not be entitled to voting or any other rights as a stockholder with respect to a RSU, unless and until such RSU is settled in Shares.

9. CASH-BASED AWARDS.

9.1 **Performance or Service Criteria.** The Committee shall establish the service or performance criteria, which may include one or more Performance Criteria, and level of achievement versus these criteria, if applicable, that shall determine the amount(s) payable under a Cash-Based Award.

9.2 **Timing and Form of Payment.** The Committee shall determine the timing of payment of any Cash-Based Award. Payment of the amount due under a Cash-Based Award may be made in cash or in Shares, or a combination thereof, as determined by the Committee. The Committee may provide for or, subject to such terms and conditions as the Committee may specify, may permit a Participant to elect, the payment of any Cash-Based Award to be deferred to a specified date or event. Any deferral election shall comply with the provisions of Section 409A of the Code to the extent applicable.

10. PERFORMANCE-BASED COMPENSATION.

10.1 **General.** The Committee may establish performance criteria and level of achievement versus such criteria that shall determine the number of Shares to be granted, retained, vested, issued or issuable under or in settlement of or the amount payable pursuant to an Award, which criteria may be based on Performance Criteria or other standards of the performance of the Company and its Subsidiaries or any portion thereof and/or personal performance factors. Notwithstanding satisfaction of any performance goals, the number of Shares issued under or the amount paid under an Award may be adjusted by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine, except as may be otherwise provided in a Participant's Award Agreement. Without the express authorization of the Committee, the exercise of discretion described in the preceding sentence may not be exercised with respect to any Award to be settled in Shares if the exercise of such discretion would result in the "modification" of such Award (or any other Award to be settled in Shares) or cause such Award (or any other Award to be settled in Shares) to be accounted for as a liability under applicable accounting standards if such Award was accounted for as equity at the time of grant.

10.2 Performance Criteria.

(a) For purposes of this Plan, the term "Performance Criteria" shall mean any one or more of the following performance criteria, or growth or other changes in the amount, rate or value of one or more performance criteria, either individually, alternatively or in any combination, applied to the Company as a whole or to one or more business units or

Subsidiaries, either individually, alternatively or in any combination, and measured over a performance period to be established by the Committee, on an absolute basis or relative to a pre-established target, to previous results or to a designated comparison group, either based upon Generally Accepted Accounting Principles (“GAAP”) or non-GAAP financial results, in each case as specified by the Committee: (i) cash flow (before or after dividends), (ii) earnings per share (including earnings before interest, taxes, depreciation and/or amortization), (iii) stock price, (iv) return on equity, (v) total stockholder return, (vi) return on capital (including return on total capital or return on invested capital), (vii) return on assets or net assets, (viii) market capitalization, (ix) economic value added, (x) debt leverage (debt to capital), (xi) revenue or net revenue, (xii) income or net income, (xiii) operating income, (xiv) operating profit or net operating profit, (xv) operating margin or profit margin, (xvi) return on operating revenue, (xvii) cash from operations, (xviii) operating ratio, (xix) operating revenue, (xx) contract value, (xxi) client renewal rate, (xxii) operating cash flow return on income, (xxiii) adjusted operating cash flow return on income, (xxiv) employee productivity and satisfaction metrics, (xxv) market share, (xxvi) strategic positioning, (xxvii) new product releases, or (xxviii) such other criteria as selected by the Committee in its sole discretion. Performance Criteria may differ for Awards granted to any one Participant or to different Participants.

- (b) The Committee may appropriately adjust any evaluation of performance under a Performance Criteria.

11. PAYMENT FOR SHARE PURCHASES.

11.1 Payment. Payment for Shares purchased pursuant to the Plan may be made by any of the following methods (or any combination of such methods) that are described in the applicable Award Agreement and that are permitted by law:

- (a) in cash (by check);
- (b) in the case of exercise by the Participant, Participant’s guardian or legal representative or the authorized legal representative of Participant’s heirs or legatees after Participant’s death, by cancellation of indebtedness of the Company to the Participant;
- (c) by surrender of shares of the Company’s Common Stock (including by withholding Shares otherwise issuable pursuant to the applicable Award);
- (d) in the case of exercise by the Participant, Participant’s guardian or legal representative or the authorized legal representative of Participant’s heirs or legatees after Participant’s death, by waiver of compensation due or accrued to Participant for services rendered;
- (e) by tender of property;
- (f) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company’s stock exists, through a “same day sale” commitment from the Participant or Authorized Transferee and a FINRA Dealer meeting the requirements of the Company’s “same day sale” procedures and in accordance with law; or
- (g) any other benefit to the Company determined by the Committee within the meaning of Section 152 of the General Corporation Law of the State of Delaware.

11.2 Issuance of Shares. Upon payment of the applicable Exercise Price or purchase price (or a commitment for payment from the FINRA Dealer designated by the Participant or Authorized Transferee in the case of an exercise by means of a “same-day sale”),

and compliance with other conditions and procedures established by the Company for the purchase of shares, the Company shall issue the Shares registered in the name of Participant or Authorized Transferee (or in the name of the FINRA Dealer designated by the Participant or Authorized Transferee in the case of an exercise by means of a “same-day sale”) and shall deliver certificates representing the Shares (in physical or electronic form, as appropriate). The Shares may be subject to legends or other restrictions as provided by the Committee in the Award Agreement or permitted under applicable law.

12. WITHHOLDING TAXES.

12.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under the Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy federal, state, local or foreign withholding tax requirements prior to the delivery of any Shares. If a payment in satisfaction of an Award is to be made in cash, the payment will be net of an amount sufficient to satisfy federal, state, local and foreign withholding tax requirements. In other circumstances triggering a withholding tax liability for the Company or any Subsidiary, the Participant shall be required to make adequate arrangements to satisfy such tax withholding obligation, whether out of the value of the Award or otherwise. The Company may provide for further details regarding a Participant’s satisfaction of any such withholding tax liability in the Award Agreements, which need not be the same for all Participants or for all Awards of a particular type.

12.2 Stock Withholding. When, under applicable tax laws, a Participant incurs tax liability in connection with the grant, issuance, modification, exercise, lapse of restrictions or vesting of any Award or other circumstances relating to any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may, in its sole discretion, allow the Participant to satisfy the withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of whole Shares having a Fair Market Value equal to the minimum amount required to be withheld (or, if and when the Company adopts any applicable accounting standard allowing for greater Share withholding, up to such withholding rate that will not cause an adverse accounting consequence or cost), determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose shall be made in accordance with the requirements established by the Committee and be in writing (including an electronic writing) in a form acceptable to the Committee.

13. PRIVILEGES OF STOCK OWNERSHIP. No Participant or Authorized Transferee will have any rights as a stockholder of the Company with respect to any Shares until the Shares are issued to the Participant or Authorized Transferee. After Shares are issued to the Participant or Authorized Transferee, the Participant or Authorized Transferee will be a stockholder and have all the rights of a stockholder with respect to the Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, however, that if the Shares are subject to any vesting requirements or similar restrictions, any new, additional or different securities or property that the Participant or Authorized Transferee may become entitled to receive with respect to the Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company, as described in further detail in Section 2.2, as well as any dividends or distributions or other payment made with respect to such Shares, will be subject to the same restrictions as the Shares themselves.

14. TRANSFERABILITY. No Award and no interest therein, shall be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution, and no Award may be made subject to execution, attachment or similar process; provided, however that with the consent of the Committee, a Participant may

transfer an Award other than an ISO to an Authorized Transferee. Transfers by the Participant for consideration are prohibited.

15. CERTIFICATES. All certificates for Shares or other securities delivered under the Plan (whether in physical or electronic form, as appropriate) will be subject to stock transfer orders, legends and other restrictions that the Committee deems necessary or advisable, including without limitation, restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or other public securities market on which the Shares may be listed.

16. ESCROW. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other transfer instruments approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company, to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates.

17. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award shall not be effective unless the Award is in compliance with all applicable state, federal and foreign securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or other public securities market on which the Shares may then be listed, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in the Plan, the Company shall have no obligation to issue or deliver certificates for Shares under the Plan prior to (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and/or (b) completion of any registration or other qualification of such shares under any state, federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company shall be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state, federal or foreign securities laws, stock exchange or automated quotation system, and the Company shall have no liability for any inability or failure to do so.

18. NO OBLIGATION TO EMPLOY. Nothing in the Plan or any Award granted under the Plan shall confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Subsidiary or limit in any way the right of the Company or any Subsidiary to terminate Participant's employment or other relationship at any time, with or without cause.

19. REPRICING PROHIBITED; EXCHANGE AND BUYOUT OF AWARDS. Except as otherwise provided in Section 2.2, the Exercise Price of an outstanding Option or SAR may not be reduced without stockholder approval, and at any time when the Exercise Price of an outstanding Option or SAR is above the Fair Market Value per Share, the terms of such outstanding Option or SAR may not, directly or indirectly, be amended without stockholder approval, to provide for the cancellation and re-grant or the exchange of such outstanding Option or SAR for either cash or a new Award with a lower (or no) exercise price; provided, however, that in the event of a Corporate Transaction, any Option or SAR with an exercise price that equals or exceeds the value of the consideration to be paid to the holders of Common Stock (on a per share basis) may be cancelled without any consideration.

20. CORPORATE TRANSACTIONS.

20.1 Assumption or Replacement of Awards by Successor. In the event of a Corporate Transaction, any or all outstanding Awards may be assumed or continued or replaced by the successor, which assumption or replacement shall be binding on all Participants. In the

alternative, the successor may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards). The successor may also issue, in place of outstanding Shares held by the Participant, substantially similar shares, other securities or other property subject to repurchase restrictions no less favorable to the Participant. In the event such successor, if any, refuses to assume, continue, replace or substitute the Awards, as provided above, pursuant to a Corporate Transaction or if there is no successor due to a dissolution or liquidation of the Company, such Awards shall immediately vest as to 100% of the Shares subject thereto (unless otherwise provided in the applicable Award Agreement) at such time and on such conditions as the Board shall determine and the Awards shall expire at the closing of the transaction or at the time of dissolution or liquidation. If a successor decides to assume, continue, replace or substitute all then outstanding Awards, such successor shall not be required to treat all then outstanding Awards in the same fashion.

20.2 **Other Treatment of Awards.** Subject to any greater rights granted to Participants under Section 20.1, in the event of a Corporate Transaction, any outstanding Awards shall be treated as provided in the applicable agreement or plan of merger, consolidation, acquisition, dissolution, liquidation or sale of assets.

20.3 **Assumption of Awards by the Company.** The Company, from time to time, also may use the Plan to substitute, replace or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either (a) granting an Award under the Plan in substitution of such other company's award, or (b) assuming such award as if it had been granted under the Plan if the terms of such assumed award could be applied to an Award granted under the Plan. In the event the Company assumes an award granted by another company, the terms and conditions of such award shall remain unchanged in all material respects (except that in the case of an option or stock appreciation right, the exercise price and the number and nature of Shares issuable upon exercise of such option or stock appreciation right will be adjusted appropriately in a manner not inconsistent with Section 424(a) of the Code), unless determined otherwise by the Committee. In the event the Company elects to grant a new Option or SAR rather than assuming an existing option, such new Option or SAR may be granted with a similarly adjusted Exercise Price.

21. TERM OF PLAN. The Plan will terminate on January 20, 2032, unless extended beyond such date by stockholder approval; provided, however, that ISOs may not be granted under the Plan after the tenth (10th) anniversary of the date of the Committee's adoption of the Plan in October 20, 2021.

22. AMENDMENT OR TERMINATION OF PLAN. The Board may at any time terminate or amend the Plan in any respect, including without limitation, amendment of any Award Agreement or instrument to be executed pursuant to the Plan. Notwithstanding the foregoing, neither the Board nor the Committee shall, without the approval of the stockholders of the Company, amend the Plan in any manner, including reducing the exercise price of an Option or SAR, that requires such stockholder approval pursuant to (a) the Code or the regulations promulgated thereunder, (b) the Exchange Act or any rule promulgated thereunder or (c) the listing requirements of the national securities market on which the Shares are listed. In addition, no amendment that would materially impair the rights of a Participant under an outstanding Award may be made without the consent of the Participant, except as expressly authorized under the Plan. Unless otherwise provided, an Award shall be governed by the version of the Plan in effect at the time such Award was granted.

23. NONEXCLUSIVITY OF THE PLAN; UNFUNDED PLAN. None of the adoption of the Plan by the Board, the submission of the Plan to the stockholders of the Company for approval, or any provision of the Plan shall be construed as creating any limitations on the power

of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and bonuses otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases. The Plan shall be unfunded and no Participant shall have any claim on any particular assets or securities of the Company or any Subsidiary. Neither the Company nor the Board shall be required to segregate any assets that may at any time be represented by Awards made pursuant to the Plan. Neither the Company, the Committee, nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan.

24. NO LIABILITY OF COMPANY. Neither the Company nor any parent or Subsidiary that is in existence or hereafter comes into existence shall be liable to a Participant or any other person as to: (i) the non-issuance or sale of Shares as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder; and (ii) any tax consequence expected, but not realized, by any Participant or other person due to the receipt, exercise, settlement or change to the terms of any Award granted hereunder.

25. GOVERNING LAW. This Plan and any Award Agreement or other agreements or documents hereunder shall be governed by the laws of the State of Delaware, without regard to choice of law principles of Delaware or other jurisdictions. Any action, suit, or proceeding relating to the Plan or any Award Agreement will be brought in the state or federal courts of competent jurisdiction in Santa Clara County in the State of California.

26. RECOUPMENT OF AWARDS. In the event that the Company issues a restatement of its financial results after the distribution of Shares or cash upon settlement of an Award with vesting conditioned on the achievement of performance goals, which restatement decreases the level of achievement of the goals from the level(s) previously determined by the Committee, then the Participant will be required to deliver to the Company, within 30 days after receipt of written notification by the Company, an amount in cash or equivalent value in Shares (or a combination of the two) equal to the net proceeds realized by the Participant on the settlement of the Award and, if applicable, subsequent sale of any Shares that would not have vested or been issued based on the restated financial results. This Section 26 only will apply to a Participant if it is determined by the Committee in good faith that fraud or misconduct engaged in by the Participant (directly or indirectly) was a significant contributing factor to such restatement of financial results.

27. AGREEMENT TO REPAYMENTS OF INCENTIVE COMPENSATION WHEN REPAYMENTS ARE REQUIRED UNDER FEDERAL LAW. This provision applies to any policy adopted by NASDAQ Global Market (or any other exchange on which the securities of the Company are listed) pursuant to Section 10D of the Securities Exchange Act of 1934. To the extent any such policy requires the repayment of incentive-based compensation received by a Participant, whether paid pursuant to an Award granted under this Plan or any other plan of incentive-based compensation maintained in the past or adopted in the future by the Company, by accepting an Award under this Plan, the Participant agrees to the repayment of such amounts to the extent required by such policy and applicable law.

28. ADOPTION. This Amendment and Restatement of the Plan as set forth herein was approved by the Compensation and Organizational Development Committee on October 20, 2021.

29. SECTION 409A. Awards granted under the Plan are intended to comply with, or be exempt from, the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. Although the Company does not guarantee any particular tax treatment, to the extent that any Award is subject to Section 409A of the Code, it shall be paid in a manner that is intended to comply with Section 409A of the Code, including regulations and any other guidance issued by the Secretary of the United States Treasury and the Internal Revenue Service with respect thereto. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on a Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. Should any payments made in accordance with the Plan be determined to be payments from a nonqualified deferred compensation plan, as defined by Section 409A of the Code and are payable in connection with a Participant's Separation from Service, that 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 the Participant's date of Separation from Service, will be paid in a lump sum on the earlier of the date that is six (6) months after the Participant's date of Separation from Service or the date of the Participant's death. For purposes of the Plan, a "Separation from Service" means an anticipated permanent reduction in a Participant's level of bona fide services to twenty percent (20%) or less of the average level of bona fide services performed by a Participant over the immediately preceding thirty-six (36) month period. For purposes of Section 409A of the Code, the payments to be made to a Participant in accordance with this Plan shall be treated as a right to a series of separate payments.

30. DEFINITIONS. As used in the Plan, the following terms shall have the following meanings:

(a) "Authorized Transferee" means the permissible recipient, as authorized by the Plan and the Committee, of an Award that is transferred during the Participant's lifetime by the Participant by gift or domestic relations order. For purposes of this definition, a "permissible recipient" is: (i) a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the Participant, including any such person with such relationship to the Participant by adoption; (ii) any person (other than a tenant or employee) sharing the Participant's household; (iii) a trust in which the persons in (i) or (ii) have more than fifty percent of the beneficial interest; (iv) a foundation in which the persons in (i) or (ii) or the Participant control the management of assets; or (v) any other entity in which the person in (i) or (ii) or the Participant own more than fifty percent of the voting interests.

(b) "Award" means any award under the Plan, including any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit or Cash-Based Award.

(c) "Award Agreement" means, with respect to each Award, the written agreement delivered by the Company to the Participant (which agreement may be in electronic form) setting forth the terms and conditions of the Award (including but not limited to a Stock Option Agreement).

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

(e) "Cash-Based Award" means a cash-based opportunity awarded under Section 9 pursuant to which a Participant may become entitled to receive an amount based on satisfaction of enumerated performance and/or service criteria.

(f) "Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(g) “Committee” means the Compensation and Organizational Development Committee of the Board, or such other committee appointed by the Board to administer the Plan, or if no committee is appointed, the Board; provided, however, that (i) for purposes of granting any Award intended to be exempt from the application of Section 16(b) of the Exchange Act through complying with the requirements of Rule 16b-3 of the Exchange Act, “Committee” may mean a subcommittee of the Compensation and Organizational Development Committee of the Board comprised solely of two or more “non-employee directors” within the meaning of Section 16 and Rule 16b-3 of the Exchange Act; and (ii) for any purposes required under the NASDAQ Marketplace Rules, “Committee” may mean a subcommittee of the Compensation and Organizational Development Committee of the Board that satisfies Rule 5605(d) under the NASDAQ Marketplace Rules.

(h) “Company” means Intuit Inc., a corporation organized under the laws of the State of Delaware, or any successor corporation.

(i) “Corporate Transaction” means (a) consummation of a merger, consolidation, reorganization or similar transaction either (i) as a result of which the stockholders of the Company immediately prior to such transaction own directly or indirectly following such transaction less than 50% of the combined voting power of the outstanding voting securities of the controlling entity resulting from such transaction or (ii) after which such ownership as among those persons who were stockholders of the Company immediately prior to such transaction is not in substantially the same proportions both immediately before and immediately after such transaction; (b) a dissolution or liquidation of the Company; (c) the sale, exchange, lease or other transfer of all or substantially all of the assets of the Company; or (d) consummation of any other transaction which qualifies as a “corporate transaction” under Section 424(a) of the Code whereafter control of the Company is held by a person or group of related persons who did not control the Company immediately prior to the occurrence of such transaction.

(j) “Credit Karma Plan” means the Credit Karma, Inc. 2015 Equity Incentive Plan, as amended from time to time.

(k) “Disability” means (i) the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of Intuit; provided, however, that for purposes of determining the post-termination exercise period of ISOs, “Disability” shall have the meaning set forth under Section 22(e)(3) of the Code.

(l) “Effective Date” means, January 20, 2022, the date on which the Company’s stockholders approved the Plan, as amended to date.

(m) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder.

(n) “Exercise Price” means the price at which a Participant who holds an Option or SAR may purchase the Shares issuable upon exercise of the Option or SAR.

(o) “Fair Market Value” means, as of any date, the value of a share of the Company’s Common Stock determined as follows:

- (i) if such Common Stock is then quoted on the NASDAQ Global Market, its closing price on the NASDAQ Global Market on such date or if such date is not a trading date, the closing price on the NASDAQ Global Market on the last trading date that precedes such date;
 - (ii) if such Common Stock is publicly traded and is then listed on a national securities exchange, the last reported sale price on such date or, if no such reported sale takes place on such date, the average of the closing bid and asked prices on the principal national securities exchange on which the Common Stock is listed or admitted to trading;
 - (iii) if such Common Stock is publicly traded but is not quoted on the NASDAQ Global Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on such date, as reported by The Wall Street Journal, for the over-the-counter market; or
 - (iv) if none of the foregoing is applicable, by the Board of Directors in good faith.
- (p) “FINRA Dealer” means a broker-dealer that is a member of the Financial Industry Regulatory Authority.
- (q) “Insider” means an officer or director of the Company or any other person whose transactions in the Company’s Common Stock are subject to Section 16 of the Exchange Act.
- (r) “ISO” means an Option that satisfies the requirements for an “incentive stock option” within the meaning of Section 422 of the Code and does not provide that it will not be treated as an “incentive stock option”.
- (s) “NQSO” means an Option that is not an “incentive stock option” within the meaning of Section 422 of the Code.
- (t) “Non-Employee Director” means a member of the Company’s Board of Directors who is not a current employee of the Company or any Subsidiary.
- (u) “Option” means an Award pursuant to Section 5 of the Plan.
- (v) “Participant” means a person who receives an Award under the Plan.
- (w) “Plan” means this Intuit Inc. Amended and Restated 2005 Equity Incentive Plan, as amended from time to time.
- (x) “Prospectus” means the prospectus relating to the Plan, as amended from time to time, that is prepared by the Company and delivered or made available to Participants pursuant to the requirements of the Securities Act of 1933, as amended, and the regulations promulgated thereunder.
- (y) “Restricted Stock Award” means an award of Shares pursuant to Section 7 of the Plan.
- (z) “Restricted Stock Unit” means an Award granted pursuant to Section 8 of the Plan.
- (aa) “SEC” means the Securities and Exchange Commission.

(bb) “Shares” means shares of the Company’s Common Stock \$0.01 par value per share, and any successor security.

(cc) “Stock Appreciation Right” means an Award granted pursuant to Section 6 of the Plan.

(dd) “Stock Option Agreement” means the agreement which evidences an Option.

(ee) “Subsidiary” means any entity (other than the Company) in an unbroken chain of entities beginning with the Company if, at the time of granting of the Award, each of the entities other than the last entity in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of voting securities in one of the other entities in such chain.

(ff) “Ten Percent Stockholder” means any person who directly or by attribution owns more than ten percent of the total combined voting power of all classes of stock of the Company or any Subsidiary.

(gg) “Termination” or “Terminated” means, for purposes of the Plan with respect to a Participant, that the Participant has ceased to provide services as an employee, director, consultant, independent contractor or adviser, to the Company or a parent or Subsidiary; provided that a Participant shall not be deemed to be Terminated if the Participant is on a leave of absence approved by the Committee or by an officer of the Company designated by the Committee; and provided further, that during any approved leave of absence, vesting of Awards shall be suspended or continue in accordance with guidelines established from time to time by the Committee. Subject to the foregoing, the Committee shall have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the “Termination Date”).

END OF DOCUMENT

INTUIT INC.**EMPLOYEE STOCK PURCHASE PLAN**

(As Amended and Restated on January 19, 2022)

1. Establishment of Plan. The Company proposes to grant options for purchase of the Company's Common Stock, \$0.01 par value, to eligible employees of the Company and Participating Subsidiaries pursuant to the Plan. A total of 23,800,000 shares of the Company's Common Stock is reserved for issuance under the Plan. Such number shall be subject to adjustments effected in accordance with Section 14 of the Plan. Except as provided in Section 3(b) below, the Company intends that offerings under the Plan shall qualify as offerings under an "employee stock purchase plan" as set forth in Section 423 of the Code (including any amendments to or replacements of such Section), and the Plan shall be so construed. For avoidance of doubt, in the event that any such options are or become inconsistent with the terms of an offering under the Plan, such options shall not be treated as granted under an "employee stock purchase plan" under Section 423 of the Code, as described in further detail under Treas. Reg. §1.423-2(a)(4) or its successor, but shall be considered as granted under the Plan. Capitalized terms not defined in the text are defined in Section 28 below. Any term not expressly defined in the Plan that is defined in Section 423 of the Code shall have the same definition herein.

2. Purpose. The purpose of the Plan is to provide eligible employees of the Company and Participating Subsidiaries with a convenient means of acquiring an equity interest in the Company through payroll deductions, to enhance such employees' sense of participation in the affairs of the Company and Participating Subsidiaries, and to provide an incentive for continued employment.

3. Administration.

(a) The Plan shall be administered by the Committee. Subject to the provisions of the Plan and the provisions of governing law, including but not limited to Section 423 of the Code or any successor provision in the Code, all questions of interpretation or application of the Plan and any agreement or document executed pursuant to the Plan shall be determined by the Committee and its decisions shall be final and binding upon all Participants. The Committee shall have full power and authority to prescribe, amend and rescind rules and regulations relating to the Plan, including determining the sub-plans, forms and agreements used in connection with the Plan; provided that the Committee may delegate to the President, the Chief Financial Officer and/or the officer in charge of Human Resources, in consultation with the General Counsel or her designee, the authority (i) to approve revisions to the forms and agreements used in connection with the Plan that are designed to facilitate administration of the Plan both domestically and abroad and that are not inconsistent with the Plan, (ii) in accordance with Section 157(c) of the General Corporation Law of the State of Delaware, to determine the list of Participating Subsidiaries, as set forth in Exhibit A to the Plan and (iii) to interpret, administer and prescribe, amend and rescind rules and regulations used in connection with the

Plan, provided that no such exercise of authority under this clause (iii) may amend the option of a Participant who is an “officer” within the meaning of Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) in a manner that would cause such officer to lose the ability to rely upon an exemption from potential short-swing trading profits liability under Section 16(b) of the Exchange Act for purchases of Common Stock under the Plan. References to the Committee shall also include any delegate to the extent of such delegated authority. The Committee may amend the Plan as described in Section 27 below. Members of the Committee shall receive no compensation for their services in connection with the administration of the Plan, other than standard fees as established from time to time by the Board for services rendered by Committee members serving on Board committees. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

(b) The Committee may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures, including the laws of foreign jurisdictions. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules and procedures regarding handling of payroll deductions or other contributions by Participants, payment of interest, conversion of local currency, data privacy, security, payroll taxes, withholding procedures and handling of stock certificates which vary with local requirements; however, if such varying provisions are not in accordance with the provisions of Section 423(b) of the Code, including but not limited to the requirement of Section 423(b)(5) of the Code that all options granted under the Plan shall have the same rights and privileges unless otherwise provided under the Code and the regulations promulgated thereunder, then the individuals affected by such varying provisions shall be deemed to be participating under a sub-plan and not in the Plan. The Committee may also adopt sub-plans applicable to particular non-U.S. Participating Subsidiaries or locations, which sub-plans may be designed to be outside the scope of Section 423 of the Code and shall be deemed to be outside the scope of Section 423 of the Code unless the terms of the sub-plan provide to the contrary. The rules of such sub-plans may take precedence over other provisions of this Plan, except for any provision that requires approval of the Company’s stockholders, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan. The Committee shall not be required to obtain the approval of stockholders prior to the adoption, amendment or termination of any sub-plan unless required by the laws of the foreign jurisdiction in which employees participating in the sub-plan are located.

4. Eligibility.

(a) Any employee of the Company or of any Participating Subsidiary is eligible to participate in an Offering Period under the Plan, except the following:

(i) employees who are not employed prior to the commencement of the Enrollment Period with respect to such Offering Period; and

(ii) employees who, together with any other person whose stock would be attributed to such employee pursuant to Section 424(d) of the Code, own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or

value of all classes of stock of the Company or any of its Subsidiaries or who, as a result of being granted an option under the Plan with respect to such Offering Period, would own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any of its Subsidiaries.

(b) Only individuals who perform services for, and who are classified as employees on the payroll records of the Company or a Participating Subsidiary shall be treated as “employees” for purposes of the Plan. No other individual, including an individual who provides services for the Company, or any Participating Subsidiary, as an independent contractor, shall be considered an “employee” for purposes of the Plan, including this Section 4, and such individual shall not be eligible to participate in the Plan. This exclusion from participation shall apply even if the individual is reclassified as an employee, rather than an independent contractor, until such time as such individual is classified as an employee on the payroll records of the Company or a Participating Subsidiary, except to the extent that such exclusion shall cause an Offering Period not to be treated as satisfying the requirements of Section 423 of the Code.

5. Offering Dates.

(a) Offering Periods shall be of six (6) months duration, with one such Offering Period commencing on each September 16 and ending on the following March 15, and another commencing on each March 16 and ending on the following September 15. Each such Offering Period shall consist of two (2) Purchase Periods, each of which shall be of three (3) months duration. The Offering Period commencing on September 16 shall have Purchase Periods commencing on September 16 and December 16 and ending on the following December 15 and March 15, respectively. The Offering Period commencing on March 16 shall have Purchase Periods commencing on March 16 and June 16 and ending on the following June 15, and September 15, respectively. The first day of an Offering Period is the “Offering Date” for that Offering Period.

(b) The Committee shall have the power to change the duration of Offering Periods and/or the number or duration of Purchase Periods within an Offering Period with respect to future offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected; provided, however, that the duration of an Offering Period may not exceed twenty seven (27) months.

6. Participation in the Plan. An employee who is an eligible employee as provided in Section 4 may become a Participant in an Offering Period as of the Offering Date after satisfying the eligibility requirements by following the enrollment procedures established by the Company and enrolling in the Plan during the Enrollment Period established by the Company before the Offering Date. Each Enrollment Period shall be the same for all eligible employees with respect to a given Offering Period. An eligible employee who does not timely enroll after becoming eligible to participate in an Offering Period shall not participate in that Offering Period or any subsequent Offering Period unless such employee follows the enrollment procedures established by the Company and enrolls in the Plan during the Enrollment Period established by the Company before a subsequent Offering Period. For avoidance of doubt, an employee who does not timely enroll after becoming eligible to participate in a given Offering Period shall not be eligible to participate in any special three (3) month Offering Period in the event that the given Offering Period is shortened by operation of Section 8(b). A Participant will automatically participate in each Offering Period commencing immediately following the last day of the prior Offering Period unless he or she withdraws or is deemed to withdraw from the Plan, suspends

participation as set forth in Section 9(c)(ii) below, or terminates further participation in the Offering Period as set forth in Sections 11 or 12 below. A Participant is not required to file any additional agreement or follow further enrollment procedures in order to continue participation in the Plan. An employee may only participate in one Offering Period at a time.

7. Grant of Option on Enrollment. Enrollment by an eligible employee in the Plan with respect to an Offering Period will constitute the grant (as of the Offering Date) by the Company to such Participant of an option to purchase on the Purchase Date of each Purchase Period of such Offering Period up to that number of shares of Common Stock of the Company determined by dividing (a) the amount accumulated in such employee's payroll deduction account during the applicable Purchase Period by (b) the lower of (i) eighty-five percent (85%) of the Fair Market Value of a share of the Company's Common Stock on the Offering Date (but in no event less than the par value of a share of the Company's Common Stock), or (ii) eighty-five percent (85%) of the Fair Market Value of a share of the Company's Common Stock on the Purchase Date (but in no event less than the par value of a share of the Company's Common Stock); provided, however, that the number of shares of the Company's Common Stock subject to any option granted pursuant to the Plan shall not exceed the maximum number of shares which may be purchased pursuant to Sections 10(a), 10(b) or 10(c) below with respect to the applicable Purchase Period. The fair market value of a share of the Company's Common Stock shall be determined as provided in Section 8 hereof.

8. Purchase Price.

(a) The purchase price per share at which a share of Common Stock will be sold to Participants in any Purchase Period shall be eighty-five percent (85%) of the lesser of:

- (i) The Fair Market Value on the Offering Date; or
- (ii) The Fair Market Value on the Purchase Date;

provided, however, that in no event may the purchase price per share of the Company's Common Stock be below the par value per share of the Company's Common Stock.

(b) Notwithstanding the above, if the Fair Market Value on the day of commencement of the second Purchase Period of an Offering Period (i.e., the Purchase Period commencing on either June 16 or December 16, as applicable) is less than the amount specified in Section 8(a)(i) with respect to a Participant, each Participant who purchased shares of Common Stock in the first Purchase Period of that Offering Period shall automatically be withdrawn from that original Offering Period and re-enrolled in a new three-month Offering Period commencing on the day of commencement of the second Purchase Period of the original Offering Period. The Fair Market Value on the Offering Date for the new Offering Period (i.e., the day of commencement of the second Purchase Period of the original Offering Period) shall replace the amount otherwise specified in Section 8(a)(i) for purposes of calculating the Purchase Price applicable to such new Offering Period. For the avoidance of doubt, there shall be no available Enrollment Period with respect to any new three-month Offering Period in accordance with this Section 8(b). To be eligible to participate in any such new three-month Offering Period, an employee must be employed prior to the commencement of the Enrollment Period with respect to the original Offering Period and have enrolled in the original Offering Period.

9. Payment of Purchase Price; Changes In Payroll Deductions; Issuance of Shares.

(a) The purchase price of the shares is accumulated by regular payroll deductions made during each Purchase Period. The deductions are made as a percentage of the Participant's compensation in one percent (1%) increments, with an upper limit of fifteen percent (15%) or such lower limit set by the Committee. Compensation shall mean base salary, commissions and cash bonuses (including, but not limited to cash bonuses paid under the Intuit Inc. Performance Incentive Plan), which definition may be changed for any future Offering Period by the Committee, in its sole discretion, subject to compliance with Section 423 of the Code, as applicable. Payroll deductions shall commence on the first payday of each Purchase Period and shall end on the last payday that occurs in such Purchase Period unless sooner altered or terminated as provided in the Plan. Notwithstanding the foregoing, if the last payday that occurs in a Purchase Period is within five business days prior to the Purchase Date, the payroll deductions associated with such payday may not be credited to such Purchase Period, and may instead be credited to the next Purchase Period, in accordance with the Company's administrative procedures for the Plan, which shall comply with Section 423(b)(5) of the Code. A Participant may not make any additional payments into such account, unless payroll deductions are prohibited under Applicable Law, in which case the provisions of Section 9(b) of the Plan shall apply.

(b) Notwithstanding any other provisions of the Plan to the contrary, in locations where local law prohibits payroll deductions, an eligible Employee may elect to participate through contributions to his or her account under the Plan in a form acceptable to the Committee. In such event, any such Employees shall be deemed to be participating in a sub-plan and any references to payroll deductions in the Plan shall mean such alternate acceptable form of participation, unless the Committee otherwise expressly provides that such Employees shall be treated as participating in the Plan.

(c) (i) A Participant may decrease the rate of payroll deductions once during any Purchase Period for the remainder of that Purchase Period to an amount greater than zero percent (0%) by following the Company's established procedure for a new authorization for payroll deductions by the deadline established by the Company and in accordance with the Company's administrative procedures for the Plan. The authorized level of deductions in effect at the end of the first Purchase Period of a given Offering Period for an enrolled Participant will continue at the same level during any subsequent Purchase Period within the same Offering Period, unless the Participant makes an election in accordance with the preceding sentence to further decrease the rate of payroll deductions.

(ii) A Participant may suspend (in other words, decrease to zero percent (0%)) the rate of payroll deductions for the remainder of any then-current Offering Period by following the Company's established procedure for a new authorization for payroll deductions by the deadline established by the Company and in accordance with the Company's administrative procedures for the Plan. Such a suspension shall not be treated as a withdrawal from participation in the Plan and a purchase of Common Stock shall be made for such Participant on the next Purchase Date in accordance with Section 9(e) below.

(iii) If an enrolled Participant elects not to make any changes in the authorized level of deductions for a subsequent Offering Period, then the regular payroll deductions for that Participant will continue at the same level as in effect at the end of the immediately preceding Offering Period.

(iv) A Participant may not increase the rate of payroll deductions for the remainder of any then-current Offering Period. For the avoidance of doubt, a Participant may increase the rate of payroll deductions for any subsequent Offering Period by following the Company's established procedure for a new authorization for payroll deductions by the deadline established by the Company and in accordance with the Company's administrative procedures for the Plan.

(d) All payroll deductions made for a Participant are credited to his or her account under the Plan and are deposited with the general funds of the Company. No interest accrues on the payroll deductions. All payroll deductions received or held by the Company may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

(e) On each Purchase Date, so long as the Plan remains in effect, the Participant's employment has not terminated, and provided that the Participant has not timely completed the Company's standard withdrawal process before that date which notifies the Company that the Participant wishes to withdraw from that Offering Period under the Plan and have all payroll deductions accumulated in the account maintained on behalf of the Participant as of that date returned to the Participant, the Company shall apply the funds then in the Participant's account to the purchase of Common Stock reserved under the option granted to such Participant with respect to the Offering Period to the extent that such option is exercisable on the Purchase Date. The purchase price per share shall be as specified in Section 8 of the Plan. Any cash remaining in a Participant's account at the end of a Purchase Period following the purchase of shares shall be returned to the Participant without interest. Any cash remaining in a Participant's account after any Purchase Date due to the limitations in Section 10 below that prohibits such Participant from purchasing any additional shares of Common Stock during that Offering Period shall be returned to the Participant without interest. Subject to Section 12 below, no Common Stock shall be purchased on a Purchase Date on behalf of any employee whose participation in the Plan has terminated prior to such Purchase Date.

(f) Subject to Section 9(g) below, as promptly as practicable after each Purchase Date, the Company shall deliver, or cause to have delivered, shares of Common Stock representing the shares purchased.

(g) To the extent required by applicable law, at the time the option is exercised or at the time some or all of the shares of Common Stock issued under the Plan are disposed of (or at any other time that a taxable event related to the Plan occurs), the Participant must make adequate provision for any withholding obligation of the Company or a Participating Subsidiary with respect to any applicable income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to participation in the Plan and legally applicable to the Participant. At any time, the Company or the Participant's employer may, but shall not be obligated to, withhold from the Participant's wages or other cash compensation the

amount necessary for the Company or the Participant's employer to meet applicable withholding obligations. In addition, the Company or the Participant's employer may, but shall not be obligated to, withhold from the proceeds of the sale of Common Stock or by any other method of withholding the Company or the Participant's employer deems appropriate in compliance with applicable law.

(h) During a Participant's lifetime, such Participant's option to purchase shares hereunder is exercisable only by him or her. The Participant will have no interest or voting right in shares covered by his or her option until such option has been exercised. Shares issued for the benefit of a Participant under the Plan will be issued to an account in the name of the Participant. The Company may require shares to be issued to an account established by a broker dealer approved by the Company.

10. Limitations on Shares to be Purchased.

(a) No Participant shall be entitled to purchase stock under the Plan at a rate which, when aggregated with his or her rights to purchase stock under all other employee stock purchase plans of the Company or any Subsidiary, exceeds \$25,000 in fair market value, determined as of the Offering Date (or such other limit as may be imposed by the Code) for each calendar year in which the employee is a Participant in the Plan, as determined in accordance with Section 423(b)(8) of the Code.

(b) No Participant shall be entitled to purchase more than the Maximum Share Amount during any single Offering Period. Prior to the commencement of any Offering Period, the Committee shall set a Maximum Share Amount. In the event of the creation of a special three (3) month Offering Period pursuant to Section 8(b), the Maximum Share Amount shall apply to the six (6) month period comprised of the original shortened Offering Period and the special Offering Period together. If a new Maximum Share Amount is set, then all Participants must be notified of such Maximum Share Amount prior to the deadline established by the Company to enroll or change the rate of payroll deductions for the next Offering Period. Once the Maximum Share Amount is set, it shall continue to apply with respect to all succeeding Offering Periods unless revised by the Committee as set forth above.

(c) If the number of shares to be purchased on a Purchase Date by all Participants exceeds the number of shares then available for issuance under the Plan, then the Company will make a pro rata allocation of the remaining shares in as uniform a manner as shall be reasonably practicable and as the Committee shall determine to be equitable. In such event, the Company shall give written notice of such reduction of the number of shares to be purchased under a Participant's option to each Participant affected thereby.

(d) Any payroll deductions accumulated in a Participant's account which are not used to purchase stock due to the limitations in this Section 10 and may not be used to purchase stock in any future Purchase Period of the same Offering Period shall be returned to the Participant in accordance with the rules set forth in Section 9(d).

11. Withdrawal.

(a) Each Participant may withdraw from an Offering Period under the Plan by withdrawing from the Plan in accordance with the procedures established by the Company by the deadline established by the Company for withdrawals.

(b) Upon withdrawal from the Plan, the accumulated payroll deductions shall be returned to the withdrawn Participant, without interest, and his or her interest in the Plan shall terminate. In the event a Participant withdraws from the Plan in accordance with Section 11(a), he or she may not resume his or her participation in the Plan during the same Offering Period, but he or she may participate in any regular Offering Period established under Section 5 of the Plan which commences on a date subsequent to such withdrawal by filing a new authorization for payroll deductions in the same manner as set forth above in Section 6 for initial participation in the Plan.

12. Termination of Employment.

(a) Termination of a Participant's employment for any reason, including retirement, death or the failure of a Participant to remain an eligible employee under Section 4 above, immediately terminates his or her participation in the Plan. In such event, the payroll deductions credited to the Participant's account will be returned to him or her or, in the case of his or her death, to his or her legal representative, without interest.

(b) Notwithstanding the provisions of Section 12(a), an employee will remain an eligible employee in the case of sick leave, military leave, or any other leave of absence approved by the Company; provided that such leave is for a period of not more than ninety (90) days or reemployment upon the expiration of such leave is guaranteed by contract or Applicable Law.

13. Return of Payroll Deductions. In the event a Participant's interest in the Plan is terminated by withdrawal, termination of employment or otherwise, or in the event the Plan is terminated, the Company shall promptly deliver to the Participant all payroll deductions credited to such Participant's account. No interest shall accrue on the payroll deductions of a Participant in the Plan.

14. Capital Changes. Subject to any required action by the stockholders of the Company, if the outstanding shares of Common Stock are affected by a merger, consolidation, reorganization, liquidation, stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification, split-up, spin-off, share combination, share exchange, extraordinary dividend, or distribution of cash, property and/or securities, the number of shares of Common Stock (or other securities or property) covered by each option under the Plan which has not yet been exercised and the number of shares of Common Stock (or other securities or property) which have been authorized for issuance under the Plan but have not yet been placed under option, any Maximum Share Amount established under Section 10(b), and the price per share of Common Stock (or other securities or property) covered by each option under the Plan which has not yet been exercised shall be proportionately adjusted as shall be determined to be appropriate and equitable by the Committee, for the purpose of preventing the dilution or

enlargement of rights and privileges under the terms of the Plan or any outstanding option; provided, however, that the price per share of Common Stock shall not be reduced below its par value per share. For the avoidance of doubt, any adjustment to the price per share as contemplated in the previous sentence shall be applicable to the calculation of the purchase price under Section 8. Such adjustment shall be made by the Committee, whose determination shall be final, binding and conclusive. Beginning with the first Offering Period commencing in 2022, fractions of a share of Common Stock (or other security) may be issued, subject to the authority of the Committee not to provide for the purchase of fractional shares of Common Stock under the Plan and to permit Participants to carry forward amounts representing a fractional share of Common Stock that were withheld but not applied toward the purchase of Common Stock under an earlier Offering Period and apply such amounts toward the purchase of Common Stock under a subsequent Offering Period.

In the event of the proposed dissolution or liquidation of the Company, each Offering Period will terminate immediately prior to the consummation of such proposed action and the accrued payroll deductions will be returned to each Participant without interest, unless otherwise provided by the Committee. The Committee may, in the exercise of its sole discretion in such instances, shorten each Offering Period in progress and establish a new Purchase Date (the "Special Purchase Date") upon which the accrued payroll deductions of each Participant who does not elect to withdraw his or her payroll deductions will be used to purchase Common Stock, with any remaining cash balance in a Participant's account being returned to such Participant as soon as administratively practicable following the Special Purchase Date. In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger or consolidation of the Company with or into another corporation, each option under the Plan shall be continued, assumed or an equivalent option shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation. In the event the successor Parent Corporation does not continue, assume or substitute such options, the Committee shall shorten each Offering Period in progress and establish a Special Purchase Date upon which the accrued payroll deductions of each Participant who does not elect to withdraw his or her payroll deductions will be used to purchase Common Stock, with any remaining cash balance in a Participant's account being returned to such Participant as soon as administratively practicable following the Special Purchase Date. The price at which each share of Common Stock may be purchased on such Special Purchase Date shall be calculated in accordance with Section 8 above as if "Purchase Date" were replaced by "Special Purchase Date".

15. Nonassignability. Neither payroll deductions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 23 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be void and without effect.

16. Reports. Individual accounts will be maintained for each Participant in the Plan. Each Participant shall receive promptly after the end of each Purchase Period a report of his or her account setting forth the total payroll deductions accumulated, the number of shares purchased, the per share price thereof and any cash remaining in the Participant's account after the shares are purchased.

17. Notice of Disposition. In order that the Company may properly report the compensation attributable to a Participant's disposition of shares purchased under the Plan, the Company may require Participants to keep shares purchased under the Plan in an account established with a broker dealer approved by the Company until the earlier of the date that the Participant sells, gifts or otherwise transfers such shares, or two (2) years have passed since the date of the commencement of the Offering Period during which the shares were purchased. The Company may, at any time during the Notice Period, place a legend or legends on any certificate representing shares acquired pursuant to the Plan requesting the Company's transfer agent to notify the Company of any transfer of the shares or take other actions intended to accomplish the same purpose. The obligation of the Participant to provide such notice shall continue notwithstanding the placement of any such legend on the certificates or the taking by the Company of any other action under this Section 17.

18. No Rights to Continued Employment. Neither the Plan nor the grant of any option hereunder shall confer any right on any employee to remain in the employ of the Company or any Subsidiary, or restrict the right of the Company or any Subsidiary to terminate such employee's employment.

19. Equal Rights and Privileges. All eligible employees shall have equal rights and privileges with respect to the Plan within the meaning of Section 423(b)(5) of the Code so that the Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 or any successor provision of the Code and the related regulations. Any provision of the Plan which is inconsistent with Section 423 or any successor provision of the Code shall, without further act or amendment by the Company or the Committee, be reformed to comply with the requirements of Section 423. This Section 19 shall take precedence over all other provisions in the Plan, except to the extent otherwise expressly provided in Sections 1 and 3(b).

20. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. Tax Qualification. Although the Company (a) intends that the Plan satisfy the requirements of Section 423 of the Internal Revenue Code under the laws of the United States and (b) may endeavor to qualify an option for favorable tax treatment in jurisdictions outside of the United States, the Company expressly disavows any covenant to guarantee such favorable tax treatment to any Participant or avoid less favorable tax treatment for any Participant.

22. Term; Stockholder Approval. The Plan became effective October 7, 1996, the date on which it was adopted by the Board and was approved by the stockholders of the Company, in a manner permitted by applicable corporate law, within twelve (12) months after the date the Plan was adopted by the Board. No purchase of shares pursuant to the Plan occurred prior to such stockholder approval. The Plan shall continue until the earlier to occur of (a) termination of the Plan by the Board or the Committee (which termination may be effected at any time), or (b) issuance of all of the shares of Common Stock reserved for issuance under the Plan.

23. Death of a Participant. In the event of a Participant's death, payroll deductions in his or her account shall be refunded to the Participant's legal representative in accordance with the Company's then current procedures for payment of a deceased employee's wages. Any shares purchased under the Plan on behalf of a Participant are to be treated in accordance with the Participant's will or the laws of descent and distribution.

24. Conditions Upon Issuance of Shares; Limitation on Sale of Shares. Shares shall not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, and the rules and regulations promulgated thereunder, and the requirements of any stock exchange or automated quotation system upon which the shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

25. Stockholder Rights. No Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock purchased under the Plan unless and until such Participant is listed as a shareholder of record in the books and records of the Company.

26. Applicable Law. The Plan shall be governed by the substantive laws (excluding the conflict of laws rules) of the State of California.

27. Amendment or Termination of the Plan. The Committee may at any time amend, modify or terminate the Plan, except that any such termination cannot affect the terms of options previously granted under the Plan, nor may any modification or amendment make any change in an option previously granted which would materially adversely affect the rights of any Participant.

Notwithstanding the prohibition against affecting options previously granted under the Plan as described in the preceding paragraph, the Plan or an Offering Period may be terminated by the Committee on a Purchase Date or by the Committee setting a new Purchase Date with respect to an Offering Period then in progress if the Committee determines that termination of the Plan and/or the Offering Period is in the best interests of the Company and the stockholders or if continuation of the Plan and/or the Offering Period would cause the Company to incur adverse accounting charges as a result of a change in the generally accepted accounting rules or interpretations thereof that are applicable to the Plan.

The Company must obtain stockholder approval for each amendment of the Plan for which stockholder approval is required by the Code, the rules of any stock exchange or automated quotation system upon which the Company's shares may then be listed, or any other applicable laws or regulation. Such stockholder approval must be obtained, in a manner permitted by applicable corporate law, within twelve (12) months of the adoption of such amendment by the Committee.

28. Definitions.

- (a) "Board" means the Board of Directors of the Company.
- (b) "Code" means the Internal Revenue Code of 1986, as amended.
- (c) "Committee" means the Compensation and Organizational Development Committee appointed by the Board. The Committee is comprised of at least two (2) members of the Board, all of whom are non-employee directors.
- (d) "Company" means Intuit Inc., a Delaware corporation.
- (e) "Enrollment Period" means (i) with respect to an Offering Period commencing September 16, the period from August 15 through August 31 immediately preceding the commencement of such Offering Period, and (ii) with respect to an Offering Period commencing March 16, the period from February 15 through February 28 (or, for leap years, February 29) immediately preceding the commencement of such Offering Period.
- (f) "Fair Market Value" means as of any date, the value of a share of the Company's Common Stock determined as follows:
 - (i) if such Common Stock is then quoted on the Nasdaq Global Market, its last reported sale price on the Nasdaq Global Market or, if no such reported sale takes place on such date, the average of the closing bid and asked prices;
 - (ii) if such Common Stock is publicly traded and is then listed on a national securities exchange, its last reported sale price or, if no such reported sale takes place on such date, the average of the closing bid and asked prices on the principal national securities exchange on which the Common Stock is listed or admitted to trading;
 - (iii) if such Common Stock is publicly traded but is not quoted on the Nasdaq Global Market or listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on such date, as reported in *The Wall Street Journal*, for the over-the-counter market; or
 - (iv) if none of the foregoing is applicable, by the Board in good faith.
- (g) "Maximum Share Amount" means the maximum number of shares which may be purchased by any employee during any single Offering Period. Until and unless the Committee provides otherwise, the Maximum Share Amount shall be 1,000.
- (h) "Notice Period" is the period ending two (2) years from the Offering Date and one (1) year from the Purchase Date on which such shares were purchased.
- (i) "Offering Date" is the first business day of each Offering Period.
- (j) "Offering Period" means a six-month period containing two three-month Purchase Periods, unless such period is reduced to three months in accordance with Section 8(b).
- (k) "Parent Corporation" and "Subsidiary" (collectively, "Subsidiaries") shall have the same meanings as "parent corporation" and "subsidiary corporation" in Code Sections 424(e) and 424(f).

- (l) "Participant" means an employee who meets the eligibility requirements of Section 4 above and timely enrolls in the Plan in accordance with Section 6 above.
- (m) "Participating Subsidiaries" means Subsidiaries that have been designated by the Committee from time to time as eligible to participate in the Plan as set forth in Exhibit A to the Plan.
- (n) "Plan" means this Intuit Inc. Employee Stock Purchase Plan, as amended from time to time.
- (o) "Purchase Date" is the last business day of each Purchase Period.
- (p) "Purchase Period" means any period of three (3) months duration during an Offering Period as described in Section 5(b).

END OF DOCUMENT

EXHIBIT A

Participating Subsidiaries

Courier Holdings Limited (United Kingdom)
Intuit Australia Pty Limited (Australia)
Intuit Canada ULC (Canada)
Intuit Canada Tax ULC (Canada)
Intuit France SAS (France)
Intuit India Product Development Centre Private Ltd. (India)
Intuit India Software Solutions Private Limited (India)
Intuit India Technology and Services LLP (India)
Intuit (Check) Software Ltd. (Israel)
Intuit Quickbooks Mexico, S. de R.L. de C.V. (Mexico)
Intuit Limited (United Kingdom)
TradeGecko Pte Ltd (Singapore)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)**

I, Sasan K. Goodarzi, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: March 2, 2022

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)**

I, Michelle M. Clatterbuck, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: March 2, 2022

By: /s/ MICHELLE M. CLATTERBUCK

Michelle M. Clatterbuck

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

**Certification 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 Quarterly Report of Intuit Inc. (the "Company") on Form 10-Q for the quarter ended January 31, 2022 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:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) 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

Date: March 2, 2022

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 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 Quarterly Report of Intuit Inc. (the "Company") on Form 10-Q for the quarter ended January 31, 2022 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:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) 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

Date: March 2, 2022

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.