

AGREEMENT BY AND BETWEEN  
Jack Henry & Associates, Inc.  
Monett, Missouri  
and  
The Comptroller of the Currency,  
The Federal Deposit Insurance Corporation, and  
The Federal Reserve Bank of St. Louis

Jack Henry & Associates, Inc., Monett, Missouri, a technology service provider to depository institutions and their subsidiaries and affiliates, (“TSP”), and the Comptroller of the Currency of the United States of America (“Comptroller” or “OCC”), the Federal Deposit Insurance Corporation (“FDIC”), and the Federal Reserve Bank of St. Louis (“Reserve Bank”) (collectively “the Regulators”), wish to protect the interests of the TSP’s depository institution clients<sup>1</sup>, their depositors, and other customers. Toward that end, the Regulators expect the TSP to operate safely and soundly and in accordance with all laws, rules, and regulations, including guidance issued by the Regulators and the Federal Financial Institutions Examination Council (“FFIEC”).

The Regulators have identified unsafe and unsound practices relating to the TSP’s disaster recovery and business continuity planning and processes.

In consideration of the above premises, it is agreed, among the TSP, by and through its duly elected and acting Board of Directors (“Board”), and the Regulators, through their duly authorized representatives, that the TSP shall at all times operate in compliance with the articles of this Agreement.

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<sup>1</sup> Depository institution clients include national banks, federal savings associations, federal savings banks, state member banks, state non-member banks, and credit unions, as well as their subsidiaries and affiliates.

ARTICLE I  
JURISDICTION

(1) The TSP is a provider of services to depository institutions and subsidiaries and affiliates of depository institutions that are regularly examined by an appropriate Federal Banking Agency within the meaning of 12 U.S.C. § 1861(b)(1), 12 U.S.C. § 1867(c), and 12 U.S.C. § 1464(d)(7)(D).

(2) The Regulators have authority to enter into this Formal Agreement pursuant to 12 U.S.C. §§ 1867(c) and (d), 12 U.S.C. § 1464 (d)(7)(D) and (E), and 12 U.S.C. § 1818(b)(1).

(3) The TSP is an “institution-affiliated party” within the meaning of 12 U.S.C. § 1813(u).

(4) This Formal Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. § 1818(b)(1), and shall be construed to be a “written agreement” for the purposes of Section 8 of the Federal Deposit Insurance Act (“FDIA”), 12 U.S.C. § 1818.

(5) Unless otherwise informed in writing by the Comptroller, as the current Lead Agency in Charge (“AIC”), all reports, plans, and programs that the TSP has agreed to submit to the Regulators pursuant to this Agreement shall be forwarded to the Director for the AIC (“Director”):

Director, Bank Information Technology  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street, SW  
Mail Stop 7E-2, Room 7E-616  
Washington, D.C. 20219

## ARTICLE II

### COMPLIANCE COMMITTEE

(1) Effective immediately, the Board shall continue to maintain an active Compliance Committee of at least three (3) directors, of which at least two (2) shall not be employees, former employees, or controlling shareholders of the TSP or any of its affiliates (as the term “affiliate” is defined in 12 U.S.C. § 371c(b)(1)), or a family member of any such person. In the event of a change in the Compliance Committee membership, the name of any new member shall be immediately submitted in writing to the Director. The Compliance Committee shall be responsible for monitoring and coordinating the TSP’s adherence to the provisions of this Agreement.

(2) The Compliance Committee shall meet at least monthly and prepare a report as described in paragraph three (3) below.

(3) Within sixty (60) days of the date of this Agreement, and within sixty (60) days after the end of each calendar quarter thereafter, or within such other time period as the Regulators require in writing, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) actions taken to comply with each Article of this Agreement; and
- (b) a description of the remaining actions needed to achieve full compliance with each Article of this Agreement, TSP personnel responsible for implementing the corrective actions, and the timeframes for completion.

(4) The Board shall forward a copy of the Compliance Committee’s report, with any additional comments by the Board, to the Director within twenty (20) days of receiving such report.

(5) The TSP shall periodically communicate to its client depository institutions information accurately detailing the actions taken by the TSP to comply with the terms of this Agreement. Such communication shall be in writing and take place as frequently as necessary, to keep the client depository institutions adequately informed of the TSP's progress and its applicability to and impact upon the services they provide, but in no event less frequently than the quarterly progress reports to the Regulators.

### ARTICLE III

#### DISASTER RECOVERY AND BUSINESS CONTINUITY PLANNING

(1) The Board shall immediately take all steps necessary to continue to improve the TSP's Disaster Recovery ("DR") and Business Continuity Planning ("BCP") processes and correct each deficiency cited in the December 21, 2012 Supervisory Letter ("Supervisory Letter"), the February 11, 2013 Limited Report of Examination ("ROE"), and any subsequent supervisory communication from the Regulators.

(2) Within one hundred and twenty (120) days of this Agreement, the TSP and the Board shall develop, approve, and submit an updated formal, written, enterprise-wide DR and BCP process that fully complies with the requirements set forth in the Business Continuity Planning Booklet of the FFIEC Information Technology Examination Handbook ("DR/BCP Process") to the Director for prior written determination of no supervisory objection by the Regulators. The TSP shall promptly make and the Board shall promptly approve any revisions requested by the Regulators and resubmit the DR/BCP Process to the Director for review and determination of no supervisory objection by the Regulators.

- (3) At a minimum, the DR/BCP Process shall include for each TSP business unit:
- (a) a business impact analysis ("BIA") that includes:

- (i) an assessment and prioritization of all business functions, systems, and resource requirements, including interdependencies, as part of a work flow analysis;
  - (ii) recognition of the potential impact of business disruptions resulting from uncontrolled, non-specific events on the TSP's business functions, processes and its customers;
  - (iii) the identification of legal and regulatory requirements for the TSP's business functions and processes;
  - (iv) an estimation of the maximum allowable operational downtime, as well as the acceptable level of losses (e.g., data, operations, financial) associated with the TSP's business functions and processes; and
  - (v) an estimation of recovery time objectives ("RTOs"), recovery point objectives ("RPOs"), and recovery of the critical path, each of which should be specifically defined.
- (b) a risk assessment process that includes:
- (i) an evaluation of the BIA assumptions using various threat scenarios;
  - (ii) an analysis of threats based upon the impact to the TSP, its customers, and the financial markets it serves;
  - (iii) the prioritization of potential business disruptions based upon their severity, which is determined by their impact on operations and the probability of occurrence; and
  - (iv) the performance of a "gap analysis" comparing the TSP's existing DR/BCP to the policies and procedures that should be implemented based

on prioritized disruptions identified and their resulting impact point objectives.

- (c) a risk management process that identifies, assesses, and reduces risk to an acceptable level through the development, implementation, and maintenance of a written, enterprise-wide DR/BCP that shall be:
  - (i) based on a comprehensive BIA and risk assessment;
  - (ii) documented in a written program;
  - (iii) reviewed and approved by senior management and the Board at least annually;
  - (iv) disseminated to appropriate employees along with appropriate training;
  - (v) specific regarding what conditions should prompt implementation of the plan and the process for invoking the DR/BCP;
  - (vi) specific regarding what immediate steps should be taken during a disruption;
  - (vii) flexible to respond to unanticipated threat scenarios and changing internal conditions;
  - (viii) focused on the impact of various threats that could potentially disrupt operations rather than on specific events;
  - (ix) developed based on valid assumptions and an analysis of interdependencies; and
  - (x) effective in minimizing service disruptions and financial loss through the implementation of mitigation strategies.

- (d) a risk monitoring and testing process that ensures the DR/BCP remains viable and that includes:
- (i) incorporating the BIA and risk assessment into the DR/BCP and testing program
  - (ii) developing a thorough testing program proving RTOs and RPOs to be achieved;
  - (iii) assigning roles and responsibilities for implementation of the testing program
  - (iv) completing testing of the DR/BCP on at least an annual basis;
  - (v) an evaluation of the testing program and test results by senior management;
  - (vi) reporting of plan summaries, testing results, testing limitations, problems or challenges discovered, and any independent review exceptions to the Board on at least an annual basis;
  - (vii) assessing the testing program and test results on at least an annual basis by an independent party; and
  - (viii) periodically revising the DR/BCP and testing program, based upon changes in business operations and the results of annual testing, audits, and reviews.

(4) Upon receiving written notice of no supervisory objection from the Regulators, the Board shall promptly adopt the updated DR/BCP Process and direct and cause the TSP to implement and thereafter adhere to the DR/BCP Process. Following implementation of the DR/BCP Process, the TSP shall not take any action that will cause a significant deviation from, or

material change to the DR/BCP Process, unless and until the TSP has received prior written notice of no supervisory objection from the Regulators.

#### ARTICLE IV

### DISASTER RECOVERY AND BUSINESS CONTINUITY RISK MANAGEMENT AND INTERNAL AUDIT

#### Risk Management Program.

(1) Within one hundred and twenty (120) days of this Agreement, the TSP and the Board shall develop, approve, and submit an acceptable written risk management program for DR/BCP (“DR/BCP Risk Management Program”) to the Director for prior written determination of no supervisory objection by the Regulators. The TSP shall promptly make and the Board shall promptly approve any revisions requested by the Regulators and resubmit the DR/BCP Risk Management Program to the Director for review and determination of no supervisory objection by the Regulators.

(2) The DR/BCP Risk Management Program shall address the risk management deficiencies cited in the Supervisory Letter and the ROE including, at a minimum, the following:

- (a) identification of existing transaction, compliance, strategic, and reputation risks, and a written analysis of those risks;
- (b) action plans and time frames to reduce risks where exposure is high;
- (c) well defined policies, procedures, or standards that define the level or degree of risk the Board is willing to incur, consistent with the TSP’s strategic initiatives and financial condition, including:
  - (i) analyzing and limiting the risks associated with any new lines of business undertaken by the Board; and

- (ii) policies and procedures ensuring that strategic direction and risk tolerances are effectively communicated and followed throughout the company and describing the actions to be taken where noncompliance with risk policies is identified;
- (d) systems to measure and control risks within the DR/BCP, providing timely and accurate risk reports by business unit, department, or division; and
- (e) policies and procedures to ensure that employees have the necessary skills to effectively supervise the current and the new business risks within the organization, and procedures to describe the actions to be taken to address deficiencies in staff levels and skills.

(3) Upon receiving written notice of no supervisory objection from the Regulators, the Board shall promptly adopt the DR/BCP Risk Management Program and direct and cause the TSP to implement and thereafter adhere to the DR/BCP Risk Management Program. Following implementation of the DR/BCP Risk Management Program, the TSP shall not take any action that will cause a significant deviation from, or material change to the DR/BCP Risk Management Program, unless and until the TSP has received prior written notice of no supervisory objection from the Regulators.

(4) Within ninety (90) days of this Agreement, the Board shall identify and appoint an individual with demonstrated experience and skills in providing overall risk management to implement the DR/BCP Risk Management Program. This individual shall report to the Chief Executive Officer or a committee designated by the Board and shall be independent of other data processing operations.

Independent Assessment.

(5) Concurrent with the development of an effective DR/BCP Risk Management Program, the TSP shall engage the services of an independent third party with expertise in Enterprise Risk Management (“ERM”) to assess the TSP’s current enterprise-wide DR/BCP risk management program (“ERM Expert”). Within one hundred and fifty (150) days of this Agreement, the TSP and ERM Expert shall develop, approve, and submit a comprehensive, formal, written, enterprise-wide ERM DR/BCP Program (“ERM Program”) to the Director for prior written determination of no supervisory objection by the Regulators. The TSP shall promptly make and the Board shall promptly approve any revisions requested by the Regulators and resubmit the ERM Program to the Director for review and determination of no supervisory objection by the Regulators.

(6) Upon receiving written notice of no supervisory objection from the Regulators, the Board shall promptly adopt the ERM Program and direct and cause the TSP to implement and thereafter adhere to the ERM Program. Following implementation of the ERM Program, the TSP shall not take any action that will cause a significant deviation from, or material change to the ERM Program, unless and until the TSP has received prior written notice of no supervisory objection from the Regulators.

Review.

(7) Within one hundred and fifty (150) days of this Agreement, the Board shall conduct a review that assesses the quality and effectiveness of the TSP’s DR/BCP internal audit program (“IA Review”). The IA Review shall, at a minimum, consider and assess the adequacy of the DR/BCP internal audit function and staff relative to the TSP’s DR/BCP operational risk and ongoing compliance with this Agreement and all applicable DR/BCP interagency guidance. The

Board shall provide a copy of the IA Review to the Director within twenty (20) days of its receipt. Within thirty (30) days of receipt of the IA Review, the Board shall submit to the Director a written plan, with reasonable timeframes, to implement corrective action for any deficiencies identified in the IA Review.

(8) The Board shall review and update the TSP's DR/BCP internal audit program at least annually, and more frequently if necessary or if requested by the Regulators in writing, to ensure that the program is timely updated and addresses all issues arising from TSP's compliance with the requirements of this Agreement and any modifications to applicable DR/BCP interagency guidance.

## ARTICLE V

### CORRECTIVE ACTION

(1) The Board shall require and the TSP shall immediately take all necessary steps to continue to correct each deficiency and Matter Requiring Attention ("MRA") cited in the Supervisory Letter, the most recent ROE, any subsequent ROE, or brought to the Board's or TSPs attention in writing by management, regulators, auditors, or other compliance efforts relating to the TSP's DR/BCP deficiencies. Within ninety (90) days after any DR/BCP-related deficiency or MRA is cited or brought to the Board's or appropriate committee's attention, the TSP shall provide to the Board a list of any deficiency or MRA that has not been corrected. This list shall include an explanation of the actions taken to date to correct the deficiency or MRA, the reasons why the deficiency or MRA has not yet been corrected, and a plan to correct the deficiency or MRA by a specified time.

(2) The quarterly progress reports required by Article II of this Agreement shall include the date and manner in which each correction has been effected during that reporting period.

(3) Within ninety (90) days, the Board shall adopt and the TSP, subject to Board review and ongoing monitoring, shall implement and thereafter ensure adherence to:

- (a) specific policies and procedures to prevent future deficiencies or MRAs as cited in the Supervisory Letter and the most recent ROE; and
- (b) general safe and sound procedures addressing compliance management that incorporate internal control systems and education of employees regarding laws, rules, and regulations, including guidance issued by the Regulators and the FFIEC, applicable to their areas of responsibility.

(4) Upon adoption, a copy of these policies and procedures shall be provided to the Director.

## ARTICLE VI

### CLOSING

(1) Although the Board has agreed that the TSP shall submit certain proposed actions and programs to the Regulators for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the TSP.

(2) It is expressly and clearly understood that if, at any time, the Regulators deem it appropriate in fulfilling the responsibilities placed upon them by the several laws of the United States of America to undertake any action affecting the TSP, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Regulators from doing so.

(3) Unless this Agreement specifies otherwise, any time limitations imposed by this Agreement shall begin to run from the effective date of the Agreement. Such time requirements may be extended in writing by the Regulators for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Regulators.

(5) In each instance in this Agreement in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the TSP, it is intended to mean that the Board shall:

- (a) require the TSP
  - (i) to have sufficient processes, management, personnel, and control systems to effectively implement and adhere to all provisions of this Agreement;  
and
  - (ii) to provide TSP management and personnel sufficient training and authority to execute their duties and responsibilities under this Agreement;
- (b) authorize and adopt such actions on behalf of the TSP as may be necessary for the TSP to perform its obligations and undertakings under the terms of this Agreement;
- (c) require the timely reporting to the Board by TSP management of such actions directed by the Board to be taken under the terms of this Agreement;
- (d) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (e) require corrective actions be taken in a timely manner of any non-compliance with such actions.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Regulators or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Regulators may enforce any of the commitments or obligations herein undertaken by the TSP under their supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The TSP expressly acknowledges that neither the TSP nor the Regulators have any intention to enter into a contract. The TSP also expressly acknowledges that no officer or employee of the Regulators has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, the FDIC, the Reserve Bank, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Regulators’ exercise of their supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Regulators, have hereto set their hand on behalf of the identified Agency.

s/Aida Plaza Carter

12-4-13

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Aida Plaza Carter  
Director, Bank Information Technology  
Office of the Comptroller of the Currency

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Date

s/Mindy West

12/4/13

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Mindy West  
Deputy Director, Strategic Planning &  
Resource Management  
Division of Risk Management Supervision  
Federal Deposit Insurance Corporation

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Date

s/Allen North

11/25/13

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Allen North  
Assistant Vice President  
Federal Reserve Bank of St. Louis

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Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the TSP, have hereto set their hand on behalf of the TSP.

s/John F. Prim

November 13, 2013

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John F. Prim

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Date

s/Matthew C. Flanigan

November 13, 2013

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Matthew C. Flanigan

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Date

s/Wesley A. Brown

November 13, 2013

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Wesley A. Brown

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Date

s/Marla K. Shepard

November 13, 2013

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Marla K. Shepard

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Date

s/Tom H. Wilson, Jr

November 13, 2013

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Tom H. Wilson, Jr.

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Date

s/Jacqueline R. Fiegel

November 13, 2013

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Jacqueline R. Fiegel

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Date

s/Thomas A. Wimsett

November 13, 2013

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Thomas A. Wimsett

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Date

s/Laura G. Kelly

November 13, 2013

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Laura G. Kelly

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Date