

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 September 30, 2014

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 0-14112

JACK HENRY & ASSOCIATES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

43-1128385

(I.R.S Employer Identification No.)

663 Highway 60, P.O. Box 807, Monett, MO 65708

(Address of Principle Executive Offices)

(Zip Code)

417-235-6652

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 3, 2014, Registrant had 81,775,635 shares of Common Stock outstanding (\$0.01 par value).

**JACK HENRY & ASSOCIATES, INC.
TABLE OF CONTENTS**

Page Reference

PART I	FINANCIAL INFORMATION	
ITEM 1.	Condensed Consolidated Balance Sheets as of September 30, 2014 and June 30, 2014 (Unaudited)	<u>4</u>
	Condensed Consolidated Statements of Income for the Three Months Ended September 30, 2014 and 2013 (Unaudited)	<u>5</u>
	Condensed Consolidated Statements of Cash Flows for the Three Months Ended September 30, 2014 and 2013 (Unaudited)	<u>6</u>
	Notes to Condensed Consolidated Financial Statements (Unaudited)	<u>7</u>
ITEM 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>14</u>
ITEM 3.	Quantitative and Qualitative Disclosures about Market Risk	<u>19</u>
ITEM 4.	Controls and Procedures	<u>20</u>
PART II	OTHER INFORMATION	<u>21</u>
ITEM 2.	Unregistered Sales of Equity Securities and Use of Proceeds	<u>21</u>
ITEM 6.	Exhibits	<u>21</u>
	Signatures	<u>22</u>

In this report, all references to "JHA", the "Company", "we", "us", and "our", refer to Jack Henry & Associates, Inc., and its wholly owned subsidiaries.

FORWARD LOOKING STATEMENTS

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may appear throughout this report, including without limitation, in Management's Discussion and Analysis of Financial Condition and Results of Operations. Forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements are identified at "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended June 30, 2014. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	September 30, 2014	June 30, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 39,402	\$ 70,377
Receivables, net	159,110	224,041
Income tax receivable	2,618	7,937
Prepaid expenses and other	72,340	59,824
Prepaid cost of product	28,649	22,202
Total current assets	302,119	384,381
PROPERTY AND EQUIPMENT, net	301,132	291,675
OTHER ASSETS:		
Non-current prepaid cost of product	36,370	34,708
Computer software, net of amortization	167,585	160,391
Other non-current assets	37,389	38,121
Customer relationships, net of amortization	132,893	136,602
Other intangible assets, net of amortization	27,805	25,653
Goodwill	552,761	552,761
Total other assets	954,803	948,236
Total assets	\$ 1,558,054	\$ 1,624,292
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 8,316	\$ 10,516
Accrued expenses	58,038	63,299
Accrued income taxes	14,690	—
Deferred income tax liability	37,592	37,592
Notes payable and current maturities of long term debt	9,964	5,407
Deferred revenues	260,552	312,002
Total current liabilities	389,152	428,816
LONG TERM LIABILITIES:		
Non-current deferred revenues	9,017	8,985
Non-current deferred income tax liability	136,576	134,918
Debt, net of current maturities	1,041	3,729
Other long-term liabilities	10,349	9,683
Total long term liabilities	156,983	157,315
Total liabilities	546,135	586,131
STOCKHOLDERS' EQUITY		
Preferred stock - \$1 par value; 500,000 shares authorized, none issued	—	—
Common stock - \$0.01 par value; 250,000,000 shares authorized; 102,611,471 shares issued at September 30, 2014; 102,429,926 shares issued at June 30, 2014	1,026	1,024
Additional paid-in capital	412,092	412,512
Retained earnings	1,237,126	1,202,406
Less treasury stock at cost 20,843,232 shares at September 30, 2014; 19,794,559 shares at June 30, 2014	(638,325)	(577,781)
Total stockholders' equity	1,011,919	1,038,161
Total liabilities and equity	\$ 1,558,054	\$ 1,624,292

See notes to condensed consolidated financial statements

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	Three Months Ended September 30,	
	<u>2014</u>	<u>2013</u>
REVENUE		
License	\$ 13,610	\$ 11,779
Support and service	292,454	269,544
Hardware	12,755	14,338
Total revenue	318,819	295,661
COST OF SALES		
Cost of license	1,389	1,412
Cost of support and service	169,697	154,583
Cost of hardware	9,385	10,941
Total cost of sales	180,471	166,936
GROSS PROFIT	138,348	128,725
OPERATING EXPENSES		
Selling and marketing	22,408	21,458
Research and development	16,791	15,673
General and administrative	16,510	14,250
Total operating expenses	55,709	51,381
OPERATING INCOME	82,639	77,344
INTEREST INCOME (EXPENSE)		
Interest income	57	131
Interest expense	(266)	(280)
Total interest income (expense)	(209)	(149)
INCOME BEFORE INCOME TAXES	82,430	77,195
PROVISION FOR INCOME TAXES	29,668	27,407
NET INCOME	\$ 52,762	\$ 49,788
Diluted earnings per share	\$ 0.64	\$ 0.58
Diluted weighted average shares outstanding	82,589	85,854
Basic earnings per share	\$ 0.64	\$ 0.58
Basic weighted average shares outstanding	82,195	85,294

See notes to condensed consolidated financial statements

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

(Unaudited)

Three Months Ended
September 30,

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 52,762	\$ 49,788
Adjustments to reconcile net income from operations to net cash from operating activities:		
Depreciation	13,631	12,963
Amortization	15,817	12,893
Change in deferred income taxes	1,658	1,862
Excess tax benefits from stock-based compensation	(3,801)	(2,947)
Expense for stock-based compensation	2,068	1,922
(Gain)/loss on disposal of assets	(56)	(30)
Changes in operating assets and liabilities:		
Change in receivables	64,931	78,489
Change in prepaid expenses, prepaid cost of product and other	(19,893)	(12,591)
Change in accounts payable	(2,200)	2,213
Change in accrued expenses	(4,680)	(16,238)
Change in income taxes	24,329	21,531
Change in deferred revenues	(51,418)	(52,165)
Net cash from operating activities	93,148	97,690
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(21,485)	(7,351)
Proceeds from sale of assets	58	2,702
Internal use software	(3,455)	(3,183)
Computer software developed	(17,999)	(14,076)
Net cash from investing activities	(42,881)	(21,908)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on credit facilities	(170)	(2,798)
Purchase of treasury stock	(60,544)	—
Dividends paid	(18,042)	(17,054)
Excess tax benefits from stock-based compensation	3,801	2,947
Proceeds from issuance of common stock upon exercise of stock options	161	111
Minimum tax withholding payments related to share based compensation	(7,602)	(6,176)
Proceeds from sale of common stock, net	1,154	1,070
Net cash from financing activities	(81,242)	(21,900)
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (30,975)	\$ 53,882
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	\$ 70,377	\$ 127,905
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 39,402	\$ 181,787

See notes to condensed consolidated financial statements

JACK HENRY & ASSOCIATES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, Except Per Share Amounts)
(Unaudited)

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF THE COMPANY

Jack Henry & Associates, Inc. and subsidiaries ("JHA" or the "Company") is a provider of integrated computer systems and services that has developed and acquired a number of banking and credit union software systems. The Company's revenues are predominately earned by marketing those systems to financial institutions nationwide together with computer equipment (hardware), by providing the conversion and software implementation services for financial institutions to utilize JHA software systems, and by providing other related services. JHA also provides continuing support and services to customers using in-house or outsourced systems.

CONSOLIDATION

The consolidated financial statements include the accounts of JHA and all of its subsidiaries, which are wholly-owned, and all intercompany accounts and transactions have been eliminated.

PRIOR PERIOD RECLASSIFICATION

Certain amounts included within the condensed consolidated statements of cash flows for the three months ended September 30, 2013 have been restated to correct an error related to the presentation of excess tax benefits from stock based compensation within cash flows from operating activities. Such correction adjusted the cash flow statement for the three months ended September 30, 2013 by presenting excess tax benefits from stock based compensation as a separate line item and increasing the change in income taxes by \$2,947. There was no change in total cash flows from operating, investing or financing activities.

COMPREHENSIVE INCOME

Comprehensive income for the three months ended September 30, 2014 and 2013 equals the Company's net income.

COMMON STOCK

The Board of Directors has authorized the Company to repurchase shares of its common stock. Under this authorization, the Company may finance its share repurchases with available cash reserves or short-term borrowings on its existing credit facilities. The share repurchase program does not include specific price targets or timetables and may be suspended at any time. At September 30, 2014, there were 20,843 shares in treasury stock and the Company had the remaining authority to repurchase up to 4,147 additional shares. The total cost of treasury shares at September 30, 2014 is \$638,325. During the first quarter of fiscal 2015, the Company repurchased 1,049 treasury shares for \$60,544. At June 30, 2014, there were 19,795 shares in treasury stock and the Company had authority to repurchase up to 5,196 additional shares.

Dividends declared per share were \$0.22 and \$0.20 for the three months ended September 30, 2014 and 2013, respectively.

INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission and in accordance with accounting principles generally accepted in the United States of America applicable to interim condensed consolidated financial statements, and do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements. The condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes, which are included in its Annual Report on Form 10-K ("Form 10-K") for the fiscal year ended June 30, 2014. The accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements included in its Form 10-K for the fiscal year ended June 30, 2014.

In the opinion of the management of the Company, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary (consisting of normal recurring adjustments) to present fairly the financial position of the Company as of September 30, 2014, the results of its operations for the three months ended September 30, 2014 and 2013, and its cash flows for the three months ended September 30, 2014 and 2013.

The results of operations for the period ended September 30, 2014 are not necessarily indicative of the results to be expected for the entire year.

LITIGATION

We are subject to various routine legal proceedings and claims, including the following:

In May 2013 a patent infringement lawsuit entitled *DataTreasury Corporation v. Jack Henry & Associates, Inc. et. al.* was filed against the Company, several subsidiaries and a number of customer financial institutions in the US District Court for the Eastern District of Texas. The complaint seeks damages, interest, injunctive relief, and attorneys' fees for the alleged infringement of two patents, as well as trebling of damage awards for alleged willful infringement. We believe we have strong defenses and intend to defend the lawsuit vigorously. At this stage, we cannot make a reasonable estimate of possible loss or range of loss, if any, arising from this lawsuit.

NOTE 2. FAIR VALUE OF FINANCIAL INSTRUMENTS

For cash equivalents, amounts receivable or payable and short-term borrowings, fair values approximate carrying value, based on the short-term nature of the assets and liabilities. The fair value of long term debt also approximates carrying value as estimated using discounted cash flows based on the Company's current incremental borrowing rates or quoted prices in active markets.

The Company's estimates of the fair value for financial assets and financial liabilities are based on the framework established in the fair value accounting guidance. The framework is based on the inputs used in valuation, gives the highest priority to quoted prices in active markets, and requires that observable inputs be used in the valuations when available. The three levels of the hierarchy are as follows:

Level 1: inputs to the valuation are quoted prices in an active market for identical assets

Level 2: inputs to the valuation include quoted prices for similar assets in active markets that are observable either directly or indirectly

Level 3: valuation is based on significant inputs that are unobservable in the market and the Company's own estimates of assumptions that we believe market participants would use in pricing the asset

Fair value of financial assets, included in cash and cash equivalents, is as follows:

	Estimated Fair Value Measurements			Total Fair Value
	Level 1	Level 2	Level 3	
September 30, 2014				
Financial Assets:				
Money market funds	\$ 2,915	\$ —	\$ —	\$ 2,915
June 30, 2014				
Financial Assets:				
Money market funds	\$ 28,877	\$ —	\$ —	\$ 28,877

NOTE 3. RECENT ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers in May 2014. The new standard will supersede much of the existing authoritative literature for revenue recognition. The standard and related amendments will be effective for the Company for its annual reporting period beginning July 1, 2017, including interim periods within that reporting period. Early application is not permitted. Entities are allowed to transition to the new standard by either recasting prior periods or recognizing the cumulative effect. The Company is currently evaluating the newly issued guidance, including which transition approach will be applied and the estimated impact it will have on our consolidated financial statements.

NOTE 4. DEBT

The Company's outstanding long and short term debt is as follows:

	September 30, 2014	June 30, 2014
LONG TERM DEBT		
Capital leases	\$ 6,365	\$ 7,757
	<u>6,365</u>	<u>7,757</u>
Less current maturities	5,324	4,028
Debt, net of current maturities	<u>\$ 1,041</u>	<u>\$ 3,729</u>
SHORT TERM DEBT		
Capital leases	\$ 4,640	\$ 1,379
Current maturities of long-term debt	5,324	4,028
Notes payable and current maturities of long term debt	<u>\$ 9,964</u>	<u>\$ 5,407</u>

Capital leases

The Company has entered into various capital lease obligations for the use of certain computer equipment. Long term capital lease obligations were entered into of which \$6,365 remains outstanding at September 30, 2014 and \$5,324 will be maturing within the next twelve months. The Company also has short term capital lease obligations totaling \$4,640 at September 30, 2014.

Other lines of credit

The long term revolving credit facility allows for borrowings of up to \$150,000, which may be increased by the Company at any time until maturity to \$250,000. The credit facility bears interest at a variable rate equal to (a) a rate based on LIBOR or (b) an alternate base rate (the greater of (a) the Federal Funds Rate plus 0.5%, (b) the Prime Rate or (c) LIBOR plus 1.0%), plus an applicable percentage in each case determined by the Company's leverage ratio. The credit facility is secured by pledges of capital stock of certain subsidiaries of the Company and also guaranteed by certain subsidiaries of the Company. The credit facility is subject to various financial covenants that require the Company to maintain certain financial ratios as defined in the agreement. As of September 30, 2014, the Company was in compliance with all such covenants. The revolving loan terminates June 4, 2015 and at September 30, 2014, there was no outstanding revolving loan balance.

The Company renewed an unsecured bank credit line on March 3, 2014 which provides for funding of up to \$5,000 and bears interest at the prime rate less 1%. The credit line was renewed through April 30, 2017. At September 30, 2014, no amount was outstanding.

Interest

The Company paid interest of \$285 and \$299 during the three months ended September 30, 2014 and 2013, respectively.

Property and Equipment

Property and equipment included \$1,605 and \$5,337 in accrued liabilities or acquired via capital lease at September 30, 2014 and 2013, respectively. These amounts were excluded from capital expenditures on the statement of cash flows.

NOTE 5. INCOME TAXES

The effective tax rate of 36.0% of income before income taxes for the quarter ended September 30, 2014 is higher than 35.5% for the same quarter in fiscal 2013 primarily due to the effect of the Research and Experimentation Credit ("R&E Credit") which expired December 31, 2013.

The Company paid income taxes of \$3,681 and \$4,015 in the three months ended September 30, 2014 and 2013, respectively.

At September 30, 2014, the Company had \$8,235 of gross unrecognized tax benefits, \$5,627 of which, if recognized, would affect our effective tax rate. We had accrued interest and penalties of \$1,433 and \$682 related to uncertain tax positions at September 30, 2014 and 2013, respectively.

The U.S. federal and state income tax returns for June 30, 2011 and all subsequent years remain subject to examination as of September 30, 2014 under statute of limitations rules. We anticipate potential changes could reduce the unrecognized tax benefits balance by \$1,700 - \$2,300 within twelve months of September 30, 2014.

NOTE 6. STOCK-BASED COMPENSATION

Our pre-tax operating income for the three months ended September 30, 2014 and 2013, includes \$2,068 and \$1,922 of equity-based compensation costs, respectively.

2005 NSOP and 1996 SOP

The Company previously issued options to employees under the 1996 Stock Option Plan ("1996 SOP") and to outside directors under the 2005 Non-Qualified Stock Option Plan ("2005 NSOP"). No stock options were issued under the 1996 SOP or the 2005 NSOP during the three months ended September 30, 2014.

A summary of option plan activity under the plan is as follows:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Aggregate Intrinsic Value</u>
Outstanding July 1, 2014	125	22.29	
Granted	—	—	
Forfeited	—	—	
Exercised	(9)	19.04	
Outstanding September 30, 2014	116	\$ 22.54	\$ 3,842
Vested September 30, 2014	116	\$ 22.54	\$ 3,842
Exercisable September 30, 2014	116	\$ 22.54	\$ 3,842

Compensation cost related to outstanding options has been fully recognized. The weighted average remaining contractual term on options currently exercisable as of September 30, 2014 was 3.48 years.

Restricted Stock Plan

The Company issues both share awards and unit awards under the Restricted Stock Plan. The following table summarizes non-vested share awards as of September 30, 2014, as well as activity for the three months then ended:

Share awards

	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding July 1, 2014	138	33.56
Granted	9	56.06
Vested	(32)	26.18
Forfeited	(7)	46.39
Outstanding September 30, 2014	108	\$ 36.79

At September 30, 2014, there was \$1,496 of compensation expense that has yet to be recognized related to non-vested restricted stock share awards, which will be recognized over a weighted-average period of 1.18 years.

The following table summarizes non-vested unit awards as of September 30, 2014, as well as activity for the three months then ended:

Unit awards	Shares	Weighted Average Grant Date Fair Value
Outstanding July 1, 2014	709	31.66
Granted	164	53.04
Vested	(277)	19.69
Forfeited	(101)	19.69
Outstanding September 30, 2014	495	47.83

The weighted average assumptions used in this model to estimate fair value at the measurement date and resulting values are as follows:

Volatility	17.8%
Risk free interest rate	1.06%
Dividend yield	1.5%
Stock Beta	0.765

At September 30, 2014, there was \$15,369 of compensation expense that has yet to be recognized related to non-vested restricted stock unit awards, which will be recognized over a weighted-average period of 1.94 years.

NOTE 7. EARNINGS PER SHARE

The following table reflects the reconciliation between basic and diluted earnings per share:

	Three Months Ended September 30,	
	<u>2014</u>	<u>2013</u>
Net Income	\$ 52,762	\$ 49,788
Common share information:		
Weighted average shares outstanding for basic earnings per share	82,195	85,294
Dilutive effect of stock options and restricted stock	394	560
Weighted average shares outstanding for diluted earnings per share	82,589	85,854
Basic earnings per share	\$ 0.64	\$ 0.58
Diluted earnings per share	\$ 0.64	\$ 0.58

Per share information is based on the weighted average number of common shares outstanding for each of the fiscal years. Stock options and restricted stock have been included in the calculation of earnings per share to the extent they are dilutive. There were 78 anti-dilutive restricted shares excluded for the three months ended September 30, 2014 (18 restricted shares were excluded for the three months ended September 30, 2013).

NOTE 8. BUSINESS ACQUISITION

Banno, LLC

Effective March 1, 2014, the Company acquired all of the equity interests of Banno, an Iowa-based company that provides Web hosting, mobile banking, and transaction marketing services with a focus on the mobile medium, for \$27,910 paid in cash. This acquisition was funded using existing operating cash. The acquisition of Banno expanded the Company's presence in online and mobile technologies within the industry.

Management has completed a preliminary purchase price allocation of Banno and its assessment of the fair value of acquired assets and liabilities assumed. The recognized amounts of identifiable assets acquired and liabilities assumed, based upon their preliminary fair values as of March 1, 2014 are set forth below:

Current assets	\$ 610
Long-term assets	87
Identifiable intangible assets	9,255
Total liabilities assumed	(1,512)
Total identifiable net assets	8,440
Goodwill	19,470
Net assets acquired	\$ 27,910

The amounts shown above may change in the near term as management continues to assess the fair value of acquired assets and liabilities and evaluate the income tax implications of this business combination.

The goodwill of \$19,470 arising from this acquisition consists largely of the growth potential, synergies and economies of scale expected from combining the operations of the Company with those of Banno, together with the value of Banno's assembled workforce. Goodwill from this acquisition has been allocated to our Banking Systems and Services segment. Approximately 95% of the goodwill is expected to be deductible for income tax purposes.

Identifiable intangible assets from this acquisition consists of customer relationships of \$3,946, \$3,546 of computer software and other intangible assets of \$1,763. The weighted average amortization period for acquired customer relationships, acquired computer software, and other intangible assets is 15 years, 8 years, and 20 years, respectively.

Current assets is inclusive of cash acquired of \$16. The fair value of current assets acquired included accounts receivable of \$476. The gross amount receivable is \$501, of which \$25 is expected to be uncollectible.

The accompanying consolidated statements of income for the three months ended September 30, 2013 do not include any revenues and expenses related to this acquisition. The impact of this acquisition was considered immaterial to both the current and prior periods of our consolidated financial statements and pro forma financial information has not been provided.

NOTE 9. REPORTABLE SEGMENT INFORMATION

The Company is a provider of integrated computer systems that perform data processing (available for in-house installations or outsourced services) for banks and credit unions. The Company's operations are classified into two reportable segments: bank systems and services ("Bank") and credit union systems and services ("Credit Union"). The Company evaluates the performance of its segments and allocates resources to them based on various factors, including prospects for growth, return on investment, and return on revenue.

	Three Months Ended September 30, 2014			Three Months Ended September 30, 2013		
	Bank	Credit Union	Total	Bank	Credit Union	Total
REVENUE						
License	\$ 8,611	\$ 4,999	\$ 13,610	\$ 6,379	\$ 5,400	\$ 11,779
Support and service	222,474	69,980	292,454	204,045	65,499	269,544
Hardware	9,745	3,010	12,755	10,585	3,753	14,338
Total revenue	240,830	77,989	318,819	221,009	74,652	295,661
COST OF SALES						
Cost of license	884	505	1,389	1,012	400	1,412
Cost of support and service	130,680	39,017	169,697	117,996	36,587	154,583
Cost of hardware	7,171	2,214	9,385	8,180	2,761	10,941
Total cost of sales	138,735	41,736	180,471	127,188	39,748	166,936
GROSS PROFIT	\$ 102,095	\$ 36,253	138,348	\$ 93,821	\$ 34,904	128,725
OPERATING EXPENSES			55,709			
INTEREST INCOME (EXPENSE)			(209)			
INCOME BEFORE INCOME TAXES			\$ 82,430			

	September 30, 2014	June 30, 2014
Property and equipment, net		
Bank systems and services	\$ 268,698	\$ 258,437
Credit Union systems and services	32,434	33,238
Total	\$ 301,132	\$ 291,675
Intangible assets, net		
Bank systems and services	\$ 650,637	\$ 643,972
Credit Union systems and services	230,407	231,435
Total	\$ 881,044	\$ 875,407

The Company has not disclosed any additional asset information by segment, as the information is not produced internally and its preparation is impracticable.

NOTE 10. SUBSEQUENT EVENTS
Sale of business

On October 3, 2014, it was announced that the Profitstars® division of the Company had sold its TeleWeb suite of Internet and mobile banking software products to Data Center Inc. (DCI). The transaction completed on October 1, 2014 and will result in a gain, net of tax, of approximately \$3,000 in the second quarter of fiscal 2015.

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

This discussion and analysis should be read in conjunction with the condensed consolidated financial statements and the accompanying notes to the condensed consolidated financial statements included in this Form 10-Q.

OVERVIEW

Jack Henry & Associates, Inc. (JHA) is a leading provider of technology solutions and payment processing services primarily for financial services organizations. Our solutions are marketed and supported through three primary brands. Jack Henry Banking® supports banks ranging from community to mid-tier, multi-billion dollar institutions with information and transaction processing solutions. Symitar® is a leading provider of information and transaction processing solutions for credit unions of all sizes. ProfitStars® provides specialized products and services that enable financial institutions of every asset size and charter, and diverse corporate entities outside the financial services industry, to mitigate and control risks, optimize revenue and growth opportunities, and contain costs. JHA's integrated solutions are available for in-house installation, outsourced services and hosted delivery.

A significant proportion of our revenue is derived from recurring outsourcing fees and transaction processing fees that predominantly have contract terms of five years or greater at inception. Support and service fees also include in-house maintenance fees on primarily annual contract terms. Less predictable software license fees and hardware sales complement our primary revenue sources. We continually seek opportunities to increase revenue while at the same time containing costs to expand margins.

RESULTS OF OPERATIONS

In the first quarter of fiscal 2015, revenues increased 8% or \$23,158 compared to the same period in the prior year, with strong growth continuing in our support & service revenue component. Cost of sales increased 8%, in line with revenue, operating expenses increased 8% for the quarter due mainly to increased headcount and related salaries, and provision for income taxes increased slightly over the prior year first quarter. The increased revenue and above changes resulted in a 6% increase in net income for the quarter.

We move into the second quarter of fiscal 2015 following strong performance in the first quarter. Significant portions of our business continue to come from recurring revenue and our healthy sales pipeline is also encouraging. Our customers continue to face regulatory and operational challenges which our products and services address, and in these times they have an even greater need for our solutions that directly address institutional profitability and efficiency. Our strong balance sheet, access to extensive lines of credit, the strength of our existing product line and an unwavering commitment to superior customer service position us well to address current and future opportunities.

A detailed discussion of the major components of the results of operations for the three months ended September 30, 2014 follows. All dollar amounts are in thousands and discussions compare the current three months ended September 30, 2014 to the prior year three months ended September 30, 2013.

REVENUE

License Revenue	Three Months Ended September 30,		% Change
	2014	2013	
License	\$ 13,610	\$ 11,779	16%
Percentage of total revenue	4%	4%	

License revenue increased due mainly to an increase in license revenue from both our core and complementary products. While license fees will fluctuate, recent trends indicate that our customers are increasingly electing to contract for our products via outsourced delivery rather than a traditional license as our outsourced delivery does not require an up-front capital investment in license fees. We expect this trend to continue in the long term.

Support and Service Revenue

	Three Months Ended September 30,		<u>% Change</u>
	<u>2014</u>	<u>2013</u>	
Support and service	\$ 292,454	\$ 269,544	8%
Percentage of total revenue	92%	91%	
	<u>Qtr over Qtr</u>		
	<u>\$ Change</u>	<u>% Change</u>	
In-House Support & Other Services	\$ 2,177	3%	
Electronic Payment Services	9,920	9%	
Outsourcing Services	7,244	13%	
Implementation Services	3,569	16%	
Total Increase	\$ 22,910		

There was growth in all support and service revenue components in the first quarter of fiscal 2015.

In-house support and other services revenue increased due to annual maintenance fee increases for both core and complementary products as our customers' assets grow and due to maintenance fees associated with new software implemented since September 30, 2013.

Electronic payment services continue to experience the largest dollar growth. The revenue increases are attributable to strong performance across debit/credit card transaction processing services, online bill payment services and ACH processing.

Outsourcing services for banks and credit unions continue to drive revenue growth as customers continue to show a preference for outsourced delivery of our solutions. We expect the trend towards outsourced product delivery to benefit outsourcing services revenue for the foreseeable future. Revenues from outsourcing services are typically earned under multi-year service contracts and therefore provide a long-term stream of recurring revenues.

Implementation services revenue increased, particularly for our online banking and imaging solutions products.

Hardware Revenue

	Three Months Ended September 30,		<u>% Change</u>
	<u>2014</u>	<u>2013</u>	
Hardware	\$ 12,755	\$ 14,338	(11)%
Percentage of total revenue	4%	5%	

Hardware revenue decreased due to a decrease in complementary hardware products. Although there will be continuing quarterly fluctuations, we expect there to be an overall decreasing trend in hardware sales due to the change in sales mix towards outsourcing contracts, which typically do not include hardware, and the general deflationary trend of computer prices.

COST OF SALES AND GROSS PROFIT

	Three Months Ended September 30,		% Change
	<u>2014</u>	<u>2013</u>	
Cost of License	\$ 1,389	\$ 1,412	(2)%
Percentage of total revenue	<1%	<1%	
License Gross Profit	\$ 12,221	\$ 10,367	18 %
Gross Profit Margin	90%	88%	
Cost of support and service	\$ 169,697	\$ 154,583	10 %
Percentage of total revenue	53%	52%	
Support and Service Gross Profit	\$ 122,757	\$ 114,961	7 %
Gross Profit Margin	42%	43%	
Cost of hardware	\$ 9,385	\$ 10,941	(14)%
Percentage of total revenue	3%	4%	
Hardware Gross Profit	\$ 3,370	\$ 3,397	(1)%
Gross Profit Margin	26%	24%	
TOTAL COST OF SALES	\$ 180,471	\$ 166,936	8 %
Percentage of total revenue	57%	56%	
TOTAL GROSS PROFIT	\$ 138,348	\$ 128,725	7 %
Gross Profit Margin	43%	44%	

Cost of license consists of the direct costs of third party software. Sales of third party software products decreased slightly compared to last year, causing a slight increase in gross profit margins.

Gross profit margins in support and service remained fairly consistent with the prior year. The increase in cost is primarily due to increased personnel costs and depreciation and amortization.

In general, changes in cost of hardware trend consistently with hardware revenue. For the fiscal year, margins are slightly higher due to increased sales of higher margin hardware upgrade products.

OPERATING EXPENSES**Selling and Marketing**

	Three Months Ended September 30,		%
	<u>2014</u>	<u>2013</u>	Change
Selling and marketing	\$ 22,408	\$ 21,458	4%
Percentage of total revenue	7%	7%	

Selling and marketing expenses for the year increased mainly due to higher commission expenses and a general increase in sales headcount and related personnel costs. This is in line with increased sales volume of long term service contracts on which commissions are paid as a percentage of total revenue.

Research and Development

	Three Months Ended September 30,		%
	<u>2014</u>	<u>2013</u>	Change
Research and development	\$ 16,791	\$ 15,673	7%
Percentage of total revenue	5%	5%	

Research and development expenses increased primarily due to increased headcount and related personnel costs of 9%.

General and Administrative

	Three Months Ended September 30,		%
	<u>2014</u>	<u>2013</u>	Change
General and administrative	\$ 16,510	\$ 14,250	16%
Percentage of total revenue	5%	5%	

General and administrative expenses increased mainly due to additional headcount and related personnel costs. In addition, there were small gains on asset disposals in the prior year reducing the prior year expense.

INTEREST INCOME AND EXPENSE

	Three Months Ended September 30,		%
	<u>2014</u>	<u>2013</u>	Change
Interest Income	\$ 57	\$ 131	(56)%
Interest Expense	\$ (266)	\$ (280)	(5)%

Interest income fluctuated due to changes in invested balances and yields on invested balances. Interest expense was low in both periods as there were no outstanding balances on our term loan or revolving line of credit in the current or prior periods.

PROVISION FOR INCOME TAXES

The provision for income taxes was \$29,668 or 36.0% of income before income taxes for the three months ended September 30, 2014 compared with \$27,407 or 35.5% of income before income taxes in the three months ended September 30, 2013. The prior year income tax rate was slightly lower primarily due to the effect of the Research and Experimentation Credit ("R&E Credit"), which expired effective December 31, 2013.

NET INCOME

Net income increased 6% for the three months ended September 30, 2014. For the first quarter of fiscal 2015, it was \$52,762 or \$0.64 per diluted share compared to \$49,788, or \$0.58 per diluted share in the same period last year.

REPORTABLE SEGMENT DISCUSSION

The Company is a provider of integrated computer systems that perform data processing (available for in-house installations or outsourced services) for banks and credit unions. The Company's operations are classified into two reportable segments: bank systems and services ("Bank") and credit union systems and services ("Credit Union"). The Company evaluates the performance of its segments and allocates resources to them based on various factors, including prospects for growth, return on investment, and return on revenue.

Bank Systems and Services

	Three Months Ended September 30,		% Change
	2014	2013	
Revenue	\$ 240,830	\$ 221,009	9%
Gross profit	\$ 102,095	\$ 93,821	9%
Gross profit margin	42%	42%	

Revenue in the Bank segment increased 9% compared to the equivalent quarter last fiscal year. This was primarily due to growth support & service revenue, particularly electronic payment transaction processing services revenue and outsourcing services revenue which both grew 11% over the prior year quarter.

Gross profit margins remain consistent for the quarter compared to the same period last year.

Credit Union Systems and Services

	Three Months Ended September 30,		% Change
	2014	2013	
Revenue	\$ 77,989	\$ 74,652	4%
Gross profit	\$ 36,253	\$ 34,904	4%
Gross profit margin	46%	47%	

Revenue in the Credit Union segment increased 4% from the same quarter last year driven mainly by a 7% increase in support & service revenue as Credit Union continues to grow in in-house maintenance, outsourcing and electronic payments.

Gross profit margins for the Credit Union segment for the three month period decreased less than 1% compared to the same quarter last year primarily due to a decrease in license revenues, which achieve higher margins relative to the other components of revenue.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents decreased to \$39,402 at September 30, 2014 from \$70,377 at June 30, 2014, primarily due to ongoing purchases of treasury stock.

The following table summarizes net cash from operating activities in the statement of cash flows:

	Three Months Ended September 30,	
	2014	2013
Net income	\$ 52,762	\$ 49,788
Non-cash expenses	29,317	26,663
Change in receivables	64,931	78,489
Change in deferred revenue	(51,418)	(52,165)
Change in other assets and liabilities	(2,444)	(5,085)
Net cash provided by operating activities	\$ 93,148	\$ 97,690

Cash provided by operating activities decreased 5% compared to last year. Cash from operations is primarily used to repay debt, pay dividends, repurchase stock and other capital expenditures.

Cash used in investing activities for the first quarter of fiscal 2015 totaled \$42,881 and included capital expenditures on facilities and equipment of \$21,485, which mainly included the purchase of aircraft and computer equipment. Other uses of cash included \$17,999 for the development of software and \$3,455 for the purchase and development of internal use software. Cash used in investing activities for the first three months of fiscal year 2014 totaled \$21,908 and included capital expenditures on facilities and equipment of \$7,351, which included spending on our outsourcing data center infrastructure and computer equipment. Other uses of cash included \$14,076 for the development of software and \$3,183 for the purchase and development of internal use software. These expenditures were partially offset by \$2,702 proceeds received primarily from sale of an aircraft.

Financing activities used cash of \$81,242 during the first three months of the current fiscal year. Cash used was mainly \$60,544 for the purchase of treasury shares, dividends paid to stockholders of \$18,042 and \$2,486 net cash outflow from the issuance of stock and tax related to stock-based compensation. Financing activities used cash

of \$21,900 during the first three months of last year, including dividends paid to stockholders of \$17,054, repayments of capital leases of \$2,798, and \$2,048 related to stock-based compensation.

At September 30, 2014, the Company had negative working capital of \$87,033; however, the largest component of current liabilities was deferred revenue of \$260,552, which primarily relates to our annual in-house maintenance agreements. The cash outlay necessary to provide the services related to these deferred revenues is significantly less than this recorded balance. In addition, we have not experienced any significant issues with our current collection efforts and we continue to have access to unused lines of credit in excess of \$150,000 and continue to generate substantial cash inflows from operations. Therefore, we do not anticipate any liquidity problems arising from this condition.

Capital Requirements and Resources

The Company generally uses existing resources and funds generated from operations to meet its capital requirements. Capital expenditures totaling \$21,485 and \$7,351 for the three months ended September 30, 2014 and 2013, respectively, were made primarily for additional equipment and the improvement of existing facilities. These additions were funded from cash generated by operations. Total consolidated capital expenditures for the Company for fiscal year 2015 are not expected to exceed \$70,000 and will be funded from cash generated by operations.

The Board of Directors has authorized the Company to repurchase shares of its common stock. Under this authorization, the Company may finance its share repurchases with available cash reserves or short-term borrowings on its existing credit facilities. The share repurchase program does not include specific price targets or timetables and may be suspended at any time. At September 30, 2014, there were 20,843 shares in treasury stock and the Company had the remaining authority to repurchase up to 4,147 additional shares. The total cost of treasury shares at September 30, 2014 is \$638,325. During the first quarter of fiscal 2015, the Company repurchased 1,049 treasury shares for \$60,544. At June 30, 2014, there were 19,795 shares in treasury stock and the Company had authority to repurchase up to 5,196 additional shares.

Capital leases

The Company has entered into various capital lease obligations for the use of certain computer equipment. Long term capital lease obligations were entered into of which \$6,365 remains outstanding at September 30, 2014 of which \$5,324 will be maturing within the next twelve months. The Company also has short term capital lease obligations totaling \$4,640 at September 30, 2014.

Other lines of credit

The long term revolving credit facility allows for borrowings of up to \$150,000, which may be increased by the Company at any time until maturity to \$250,000. The credit facility bears interest at a variable rate equal to (a) a rate based on LIBOR or (b) an alternate base rate (the greater of (a) the Federal Funds Rate plus 0.5%, (b) the Prime Rate or (c) LIBOR plus 1.0%), plus an applicable percentage in each case determined by the Company's leverage ratio. The credit facility is secured by pledges of capital stock of certain subsidiaries of the Company and also guaranteed by certain subsidiaries of the Company. The credit facility is subject to various financial covenants that require the Company to maintain certain financial ratios as defined in the agreement. As of September 30, 2014, the Company was in compliance with all such covenants. The revolving loan terminates June 4, 2015 and at September 30, 2014, there was no outstanding revolving loan balance.

The Company renewed an unsecured bank credit line on March 3, 2014 which provides for funding of up to \$5,000 and bears interest at the prime rate less 1%. The credit line was renewed through April 30, 2017. At September 30, 2014, no amount was outstanding.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, indices, volatilities, correlations or other market factors such as liquidity, will result in losses for a certain financial instrument or group of financial instruments. We are currently exposed to credit risk on credit extended to customers and interest risk on outstanding debt. We do not currently use any derivative financial instruments. We actively monitor these risks through a variety of controlled procedures involving senior management.

Based on the controls in place and the credit worthiness of the customer base, we believe the credit risk associated with the extension of credit to our customers will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

We have no outstanding debt with variable interest rates as of September 30, 2014 and are therefore not currently exposed to interest risk.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision and with the participation of our management, including our Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. Based upon that evaluation, the CEO and CFO concluded that our disclosure controls and procedures are effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. For this purpose, disclosure controls and procedures include controls and procedures designed to ensure that information that is required to be disclosed under the Exchange Act is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

During the fiscal quarter ending September 30, 2014, there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

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

(c) Issuer Purchases of Equity Securities

The following shares of the Company were repurchased during the quarter ended September 30, 2014:

	Total Number of Shares Purchased ⁽¹⁾	Average Price of Share	Total Number of Shares Purchased as Part of Publicly Announced Plans ⁽¹⁾	Maximum Number of Shares that May Yet Be Purchased Under the Plans ⁽²⁾
July 1 - July 31, 2014	1,141	\$ 59.71	—	5,196,057
August 1 - August 31, 2014	514,140	57.45	513,385	4,682,672
September 1 - September 30, 2014	545,571	58.03	535,288	4,147,384
Total	1,060,852	57.75	1,048,673	4,147,384

⁽¹⁾ 1,048,673 shares were purchased through a publicly announced repurchase plan. There were 129,654 shares surrendered to the Company to satisfy tax withholding obligations in connection with employee restricted stock awards.

⁽²⁾ Stock repurchase authorizations approved by the Company's Board of Directors as of May 3, 2013 was 25.0 million shares. These authorizations have no specific dollar or share price targets and no expiration dates.

ITEM 6. EXHIBITS

10.49	Jack Henry & Associates, Inc. Deferred Compensation Plan.
10.50	Jack Henry & Associates, Inc. Non-Employee Director Deferred Compensation Plan.
10.51	Form of Performance Shares Agreement Under the Jack Henry & Associates, Inc. Restricted Stock Plan.
31.1	Certification of the Chief Executive Officer.
31.2	Certification of the Chief Financial Officer.
32.1	Written Statement of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.
32.2	Written Statement of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Furnished with this quarterly report on Form 10-Q are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets at September 30, 2014 and June 30, 2014, (ii) the Condensed Consolidated Statements of Income for the three months ended September 30, 2014 and 2013, (iii) the Condensed Consolidated Statements of Cash Flows for the three months ended September 30, 2014 and 2013, and (iv) Notes to Condensed Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this quarterly report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

JACK HENRY & ASSOCIATES, INC.

Date: November 5, 2014

/s/ John F. Prim

John F. Prim

Chief Executive Officer and Chairman

Date: November 5, 2014

/s/ Kevin D. Williams

Kevin D. Williams

Chief Financial Officer and Treasurer

Jack Henry & Associates, Inc.
Deferred Compensation Plan

Effective Generally September 1, 2014

Jack Henry & Associates, Inc. Deferred Compensation Plan

Article I	
Establishment and Purpose.....	1
Article II	
Definitions.....	1
Article III	
Eligibility and Participation.....	9
Article IV	
Deferrals.....	9
Article V	
Company Contributions.....	13
Article VI	
Benefits.....	13
Article VII	
Modifications to Payment Schedules.....	16
Article VIII	
Valuation of Account Balances; Investments.....	17
Article IX	
Administration.....	18
Article X	
Amendment and Termination.....	19
Article XI	
Informal Funding.....	20
Article XII	
Claims.....	20
Article XIII	
General Provisions.....	27

Jack Henry & Associates, Inc. Deferred Compensation Plan

Article I

Establishment and Purpose

- 1.1 Establishment. Jack Henry & Associates, Inc. (the "Company") hereby establishes the Jack Henry & Associates, Inc. Deferred Compensation Plan (the "Plan"), effective September 1, 2014.
- 1.2 Purpose. The purpose of the Plan is to attract and retain key employees by providing Participants with an opportunity to defer receipt of a portion of their salary, bonus, and other specified compensation, included equity awards granted pursuant to a shareholder-approved equity incentive plan. The Plan is not intended to meet the qualification requirements of Code Section 401(a), but is intended to meet the requirements of Code Section 409A, and shall be operated and interpreted consistent with that intent.
- 1.3 Top-Hat Status and Unfunded Plan. The Plan constitutes an unsecured promise by a Participating Employer to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company or the Adopting Employer, as applicable. Each Participating Employer shall be solely responsible for payment of the benefits of its employees and their beneficiaries. The Plan is unfunded for Federal tax purposes and is intended to be an unfunded arrangement for eligible employees who are part of a select group of management or highly compensated employees of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. Any amounts set aside to defray the liabilities assumed by the Company or an Adopting Employer will remain the general assets of the Company or the Adopting Employer and shall remain subject to the claims of the Company's or the Adopting Employer's creditors until such amounts are distributed to the Participants.

Article II

Definitions

Account. Account means a bookkeeping account maintained by the Company to record the payment obligation of a Participating Employer to a Participant as determined under the terms of the Plan. The Company may maintain an Account to record the total obligation to a Participant and component Accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Company, as the context requires. Accounts are intended to constitute unfunded obligations within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

Account Balance. Account Balance means, with respect to any Account, the total payment obligation owed to a Participant from such Account as of the most recent Valuation Date.

Adopting Employer. Adopting Employer means an Affiliate who, with the consent of the Company, has adopted the Plan for the benefit of its Eligible Employees.

Affiliate. Affiliate means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Section 414(b) or (c).

Beneficiary. Beneficiary means a natural person, estate, or trust designated by a Participant to receive payments to which a Beneficiary is entitled in accordance with provisions of the Plan. The Participant's spouse, if living, otherwise the Participant's estate, shall be the Beneficiary if: (i) the Participant has failed to properly designate a Beneficiary, or (ii) all designated Beneficiaries have predeceased the Participant.

A former spouse shall have no interest under the Plan, as Beneficiary or otherwise, unless the Participant designates such person as a Beneficiary after dissolution of the marriage, except to the extent provided under the terms of a domestic relations order as described in Code Section 414(p)(1)(B).

Board. Board means the Board of Directors of the Company.

Business Day. Business Day means each day on which the Nasdaq Stock Market is open for business.

Change in Control. Change in Control means, with respect to the Company, any of the following events: (i) a "Change in the Ownership of the Company", (ii) a "Change in the Effective Control of the Company", or (iii) a "Change in the Ownership of a Substantial Portion of the Assets of the Company".

For purposes of this definition:

(1) A "Change in the Ownership of the Company" occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group constitutes more than 50% of the total fair market value or total voting power of the stock of the Company;

(2) A "Change in the Effective Control of the Company" occurs on the date on which either: (a) a person, or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (b) a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board before the date of the appointment or election, but only if no other corporation is a majority shareholder of the Company.

(3) A "Change in the Ownership of a Substantial Portion of the Assets of the Company" occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Company, acquires assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change in Control shall be based on objective facts and in accordance with the requirements of Code Section 409A.

Claimant. Claimant means a Participant or Beneficiary filing a claim under Article XII of this Plan.

Code. Code means the Internal Revenue Code of 1986, as amended from time to time.

Code Section 409A. Code Section 409A means section 409A of the Code, and regulations and other guidance issued by the Treasury Department and Internal Revenue Service thereunder.

Committee. Committee means the Compensation Committee of the Board of the Company (or the appropriate committee of such board) appointed to oversee the administration of the Plan. The Committee shall have the full authority to delegate any of its authority, powers and responsibility with respect to the administration of the Plan to officers and key employees of the Company.

Company. Company means Jack Henry & Associates, Inc., a Delaware company.

Company Contribution. Company Contribution means a credit by a Participating Employer to a Participant's Account(s) in accordance with the provisions of Article V of the Plan. Company Contributions are credited at the sole discretion of the Participating Employer and the fact that a Company Contribution is credited in one year shall not obligate the Participating Employer to continue to make such Company Contribution in subsequent years. Unless the context clearly indicates otherwise, a reference to Company Contribution shall include Earnings attributable to such contribution.

Compensation. Compensation means a Participant's base salary, incentive, bonus, commission and such other cash or equity-based compensation approved by the Committee as Compensation that may be deferred under this Plan. Compensation shall not include any compensation that has been previously deferred under this Plan or any other arrangement subject to Code Section 409A.

Compensation Deferral Agreement. Compensation Deferral Agreement means an agreement between a Participant and a Participating Employer that specifies: (i) the amount of each component of Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV, and (ii) the Payment Schedule applicable to one or more Accounts. The Committee may permit different deferral amounts for each component of Compensation and may establish a minimum or maximum deferral amount for each such component. Unless otherwise specified by the Committee in the Compensation Deferral Agreement, Participants may defer up to (75%) of their base salary and up to 100%, less required tax withholding, of other types of Compensation for a Plan Year. A Compensation Deferral Agreement may also specify the investment allocation described in Section 8.4.

Death Benefit. Death Benefit means the benefit payable under the Plan to a Participant's Beneficiary(ies) upon the Participant's death as provided in Section 6.1 of the Plan.

Deferral. Deferral means a credit to a Participant's Account(s) that records that portion of the Participant's Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV. Unless the context of the Plan clearly indicates otherwise, a reference to Deferrals includes Earnings attributable to such Deferrals.

To the extent a deferral election relates to a Participant's cash compensation, deferrals shall be calculated with respect to the gross cash Compensation payable to the Participant before any deductions or withholdings, but shall be reduced by the Committee as necessary so that it does not exceed 100% of the cash Compensation of the Participant remaining after deduction of all required income and employment taxes, 401(k) and other employee benefit deductions, and other deductions required by law. Changes to payroll withholdings that affect the amount of Compensation being deferred to the Plan shall be allowed only to the extent permissible under Code Section 409A.

Disability Benefit. Disability Benefit means the benefit payable under the Plan to a Participant in the event such Participant is determined to be Disabled.

Disabled. Disabled means that a 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: (i) unable to engage in any substantial gainful activity, or (ii) receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant's employer. The Committee shall determine whether a Participant is Disabled in accordance with Code Section 409A provided, however, that a Participant shall be deemed to be Disabled if determined to be totally disabled by the Social Security Administration.

Earnings. Earnings means an adjustment to the value of an Account in accordance with Article VIII.

Effective Date. Effective Date means September 1, 2014, provided, however, deferral elections made in accordance with Article IV may be submitted to the Company before the Effective Date.

Eligible Employee. Eligible Employee means a member of a "select group of management or highly compensated employees" of a Participating Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, as determined by the Committee from time to time in its sole discretion.

Employee. Employee means a common-law employee of an Employer.

Employer. Employer means, with respect to Employees it employs, the Company and each Affiliate.

ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.

Fiscal Year Compensation. Fiscal Year Compensation means Compensation earned during one or more consecutive fiscal years of a Participating Employer, all of which is paid after the last day of such fiscal year or years.

Participant. Participant means an Eligible Employee who has received notification of his or her eligibility to defer Compensation under the Plan under Section 3.1 and any other person with an Account Balance greater than zero, regardless of whether such individual continues to be an Eligible Employee. A Participant's continued participation in the Plan shall be governed by Section 3.2 of the Plan.

Participating Employer. Participating Employer means the Company and each Adopting Employer.

Payment Schedule. Payment Schedule means the date as of which payment of an Account under the Plan will commence and the form in which payment of such Account will be made.

Performance-Based Compensation. Performance-Based Compensation means Compensation where the amount of, or entitlement to, the Compensation is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months. Organizational or individual performance criteria are considered pre-established if established in writing by not later than 90 days after the commencement of the period of service to which the criteria relate, provided that the outcome is substantially uncertain at the time the criteria are established. The determination of whether Compensation qualifies as "Performance-Based Compensation" will be made in accordance with Treas. Reg. Section 1.409A-1(e) and subsequent guidance.

Plan. Generally, the term Plan means the "Jack Henry & Associates, Inc., Inc. Deferred Compensation Plan" as documented herein and as may be amended from time to time hereafter. However, to the extent permitted or required under Code Section 409A, the term Plan may in the appropriate context also mean a portion of the Plan that is treated as a single plan under Treas. Reg. Section 1.409A-1(c), or the Plan or portion of the Plan and any other nonqualified deferred compensation plan or portion thereof that is treated as a single plan under such section.

Plan Year. Plan Year means the January 1 through December 31.

Separation from Service. Separation from Service means an Employee's termination of employment with the Employer. Whether a Separation from Service has occurred shall be determined by the Committee in accordance with Code Section 409A.

Except in the case of an Employee on a bona fide leave of absence as provided below, an Employee is deemed to have incurred a Separation from Service if the Employer and the Employee reasonably anticipated that the level of services to be performed by the Employee after a date certain would be reduced to 20% or less of the average services rendered by the Employee during the immediately preceding 36-month period (or the total period of employment, if less than 36 months), disregarding periods during which the Employee was on a bona fide leave of absence.

An Employee who is absent from work due to military leave, sick leave, or other bona fide leave of absence shall incur a Separation from Service on the first date immediately following the later of: (i) the six month anniversary of the commencement of the leave, or (ii) the expiration of the Employee's right, if any, to reemployment under statute or contract. Notwithstanding the preceding, however, an Employee who is absent from work due to a physical or mental impairment that is expected to result in death or last for a continuous period of at least six months and that prevents the Employee from performing the duties of his position of employment or a similar position shall incur a Separation from Service on the first date immediately following the 29-month anniversary of the commencement of the leave.

For purposes of determining whether a Separation from Service has occurred, the Employer means the Employer as defined above, except that in applying Code sections 1563(a)(1), (2) and (3) for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(b), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(c), "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in those sections.

The Committee specifically reserves the right to determine whether a sale or other disposition of substantial assets to an unrelated party constitutes a Separation from Service with respect to a Participant providing services to the seller immediately before

the transaction and providing services to the buyer after the transaction. Such determination shall be made in accordance with the requirements of Code Section 409A.

Specified Date Account. If permitted by the Company, Specified Date Account means an Account established by the Committee to record the amounts payable at a future date as specified in the Participant's Compensation Deferral Agreement. Unless otherwise determined by the Committee, a Participant may maintain no more than three Specified Date Accounts. A Specified Date Account may be identified in enrollment materials as an "In-Service Account" or such other name as established by the Committee without affecting the meaning thereof.

Specified Date Benefit. Specified Date Benefit means the benefit payable to a Participant under the Plan in accordance with Section 6.1(c).

Specified Employee. Specified Employee means any employee of an Employer that the Company determines is a "Specified Employee" within the meaning of Section 409A of the Code. The Company shall determine whether an employee is a Specified Employee by applying the Company's Specified Employee Identification Procedure effective September 1, 2014, and if no longer in effect, by applying reasonable, objectively determinable identification procedures established by the Committee from time to time in accordance with Section 409A of the Code.

In the event of corporate transactions described in Treas. Reg. Section 1.409A-1(i)(6), the identification of Specified Employees shall be determined in accordance with the default rules described therein, unless the Employer elects to utilize the available alternative methodology through designations made within the timeframes specified therein.

Specified Employee Identification Date. Specified Employee Identification Date means December 31, unless the Employer has elected a different date through action that is legally binding with respect to all nonqualified deferred compensation plans maintained by the Employer and is memorialized in the Company's Specified Employee Identification Procedure.

Specified Employee Effective Date. Specified Employee Effective Date means the first day of the fourth month following the Specified Employee Identification Date, or such earlier date as is selected by the Committee and is memorialized in the Company's Specified Employee Identification Procedure.

Substantial Risk of Forfeiture. Substantial Risk of Forfeiture means the description specified in Treas. Reg. Section 1.409A-1(d).

Termination Account. Termination Account means an Account established by the Committee to record the amounts payable to a Participant upon Separation from Service. Unless the Participant has established a Specified Date Account, all Deferrals and

Company Contributions shall be allocated to a Termination Account on behalf of the Participant.

Termination Benefit. Termination Benefit means the benefit payable to a Participant under the Plan following the Participant's Separation from Service.

Unforeseeable Emergency. Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's dependent (as defined in Code section 152, without regard to section 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The types of events which may qualify as an Unforeseeable Emergency may be limited by the Committee.

Valuation Date. Valuation Date means each Business Day.

Year of Service. Year of Service means each 12-month period of continuous service with the Employer.

Article III

Eligibility and Participation

- 3.1 Eligibility and Participation. An Eligible Employee becomes a Participant upon the earlier to occur of: (i) a credit of Company Contributions under Article V, or (ii) receipt of notification from the Committee of his or her eligibility to participate in the Plan.
- 3.2 Duration. A Participant shall be eligible to defer Compensation and receive allocations of Company Contributions, subject to the terms of the Plan, for as long as such Participant remains an Eligible Employee. A Participant who is no longer an Eligible Employee but has not Separated from Service may not make a new deferral of Compensation under the Plan beyond the Plan Year in which he or she became ineligible but may otherwise exercise all of the rights of a Participant under the Plan with respect to his or her Account(s). To the extent a Participant has made an election to defer cash Compensation, on and after a Separation from Service, a Participant shall remain a Participant as long as his or her Account Balance is greater than zero (0), and during such time may continue to make allocation elections as provided in Section 8.4. An individual shall cease being a Participant in the Plan when all benefits under the Plan to which he or she is entitled have been paid.

Article IV Deferrals

4.1 Deferral Elections, Generally.

- (a) A Participant may elect to defer Compensation by submitting a Compensation Deferral Agreement during the enrollment periods established by the Committee and in the manner specified by the Committee, but in any event, in accordance with Section 4.2. A Compensation Deferral Agreement that is not timely filed with respect to a service period or component of Compensation shall be considered void and shall have no effect with respect to such service period or Compensation. The Committee may modify any Compensation Deferral Agreement before the date the election becomes irrevocable under the rules of Section 4.2.
- (b) The Participant shall specify on his or her Compensation Deferral Agreement the amount of Deferrals and whether to allocate Deferrals to a Termination Account or to a Specified Date Account. If no designation is made, Deferrals shall be allocated to the Termination Account. A Participant may also specify in his or her Compensation Deferral Agreement the Payment Schedule applicable to his or her Plan Accounts. If the Payment Schedule is not specified in a Compensation Deferral Agreement, the Payment Schedule shall be the Payment Schedule specified in Section 6.2.

4.2 Timing Requirements for Compensation Deferral Agreements.

- (a) *First Year of Eligibility.* In the case of the first year in which an Eligible Employee becomes eligible to participate in the Plan, he or she has up to 30 days following his or her initial eligibility to submit a Compensation Deferral Agreement with respect to Compensation to be earned during such year. The Compensation Deferral Agreement described in this paragraph becomes irrevocable upon the end of such 30-day period. The determination of whether an Eligible Employee may file a Compensation Deferral Agreement under this paragraph shall be determined in accordance with the rules of Code Section 409A, including the provisions of Treas. Reg. Section 1.409A-2(a)(7).

A Compensation Deferral Agreement filed under this paragraph applies to Compensation earned on and after the date the Compensation Deferral Agreement becomes irrevocable.

- (b) *Prior Year Election.* Except as otherwise provided in this Section 4.2, Participants may defer Compensation by filing a Compensation Deferral Agreement no later than December 31 of the year before the year in which the Compensation to be deferred is earned. A Compensation Deferral Agreement described in this paragraph shall become irrevocable with respect to such Compensation as of

11:59 p.m. on the December 31 of the year immediately preceding the year in which such Compensation is to be earned.

- (c) *Performance-Based Compensation.* Participants may file a Compensation Deferral Agreement with respect to Performance-Based Compensation no later than the date that is six months before the end of the performance period, provided that:
- (i) the Participant performs services continuously from the later of the beginning of the performance period or the date the criteria are established through the date the Compensation Deferral Agreement is submitted; and
 - (ii) the Compensation is not readily ascertainable as of the date the Compensation Deferral Agreement is filed.

A Compensation Deferral Agreement becomes irrevocable with respect to Performance-Based Compensation as of the day immediately following the latest date for filing such election. Any election to defer Performance-Based Compensation that is made in accordance with this paragraph and that becomes payable as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-1(e)) or upon a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)) before the satisfaction of the performance criteria, will be void.

- (d) *Sales Commissions.* Sales commissions (as defined in Treas. Reg. Section 1.409A-2(a)(12)(i)) are considered to be earned by the Participant in the taxable year of the Participant in which the sale occurs. The Compensation Deferral Agreement must be filed before the last day of the year preceding the year in which the sales commissions are earned, and becomes irrevocable after that date.
- (e) *Fiscal Year Compensation.* A Participant may defer Fiscal Year Compensation by filing a Compensation Deferral Agreement before the first day of the fiscal year or years in which such Fiscal Year Compensation is earned. The Compensation Deferral Agreement described in this paragraph becomes irrevocable on the first day of the fiscal year or years to which it applies.
- (f) *Short-Term Deferrals.* Compensation that meets the definition of a "short-term deferral" described in Treas. Reg. Section 1.409A-1(b)(4) may be deferred in accordance with the rules of Article VII, applied as if the date the Substantial Risk of Forfeiture lapses is the date payments were originally scheduled to commence, provided, however, that the provisions of Section 7.3 shall not apply to payments attributable to a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)).
- (g) *Certain Forfeitable Rights.* With respect to a legally binding right to a payment in a subsequent year that is subject to a forfeiture condition requiring the

Participant's continued services for a period of at least 12 months from the date the Participant obtains the legally binding right, an election to defer such Compensation may be made on or before the 30th day after the Participant obtains the legally binding right to the Compensation, provided that the election is made at least 12 months in advance of the earliest date at which the forfeiture condition could lapse. The Compensation Deferral Agreement described in this paragraph becomes irrevocable after such 30th day. If the forfeiture condition applicable to the payment lapses before the end of the required service period as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-3(i)(4)) or upon a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)), the Compensation Deferral Agreement will be void unless it would be considered timely under another rule described in this Section.

- (h) *Company Awards.* Participating Employers may unilaterally provide for deferrals of Company awards before the date of such awards. Deferrals of Company awards (such as sign-on, retention, or severance pay) may be negotiated with a Participant before the date the Participant has a legally binding right to such Compensation.
- (i) *"Evergreen" Deferral Elections.* The Committee, in its discretion, may provide in the Compensation Deferral Agreement that such Compensation Deferral Agreement will continue in effect for each subsequent year or performance period. Such "evergreen" Compensation Deferral Agreements will become effective with respect to an item of Compensation on the date such election becomes irrevocable under this Section 4.2. An evergreen Compensation Deferral Agreement may be terminated or modified prospectively with respect to Compensation for which such election remains revocable under this Section 4.2. A Participant whose Compensation Deferral Agreement is cancelled in accordance with Section 4.6 will be required to file a new Compensation Deferral Agreement under this Article IV in order to recommence Deferrals under the Plan.

- 4.3 Allocation of Deferrals. A Compensation Deferral Agreement may allocate Deferrals to one or more Specified Date Accounts and/or to the Termination Account. The Committee may, in its discretion, establish a minimum deferral period for the establishment of a Specified Date Account (for example, the third Plan Year following the year Compensation is allocated to such accounts.).
- 4.4 Deductions from Pay. The Committee has the authority to determine the payroll practices under which any component of Compensation subject to a Compensation Deferral Agreement will be deducted from a Participant's Compensation.
- 4.5 Vesting. Participant Deferrals shall be 100% vested at all times.
- 4.6 Cancellation of Compensation Deferral Agreement. The Committee may cancel a Participant's Compensation Deferral Agreement: (i) for the balance of the Plan Year in

which an Unforeseeable Emergency occurs, (ii) if the Participant receives a hardship distribution under the Employer's qualified 401(k) plan, through the end of the Plan Year in which the six month anniversary of the hardship distribution falls, and (iii) during periods in which the Participant is unable to perform the duties of his or her position or any substantially similar position due to a mental or physical impairment that can be expected to result in death or last for a continuous period of at least six months, provided cancellation occurs by the later of the end of the taxable year of the Participant or the 15th day of the third month following the date the Participant incurs the disability (as defined in this paragraph).

Article V

Company Contributions

- 5.1 Discretionary Company Contributions. The Participating Employer may, from time to time in its sole and absolute discretion, credit Company Contributions to any Participant's Account in any amount determined by the Participating Employer. Such contributions will be credited to a Participant's Termination Account.
- 5.2 Vesting. All Company Contributions described in Section 5.1, above, shall be 100% vested and nonforfeitable at all times.

Article VI

Benefits

- 6.1 Benefits, Generally. A Participant shall be entitled to the following benefits under the Plan:
- (a) *Automatic Default Payment Events.* Notwithstanding any other Participant election or Plan provision to the contrary, all Accounts shall commence to be paid upon a Participant's Separation from Service in such form (i.e., installments or lump sum) as selected by the Participant or, if earlier, upon Change in Control of the Company. Upon a Change in Control, all Accounts, whether or not otherwise being paid, shall be paid (or accelerated) and paid in a single lump sum payment as soon as administratively practicable following the Change in Control.
 - (b) *Disability Benefit.* Upon the Participant's Disability, the Participant shall be paid his Disability Benefit. The Disability Benefit shall be equal to the Termination Account and all remaining amounts credited to the Participant's Specified Date Account(s) based on the value of such Account(s) as of the end of the Business Day immediately preceding the date the benefit is to be paid. The Participant's Disability Benefit shall be paid in the manner elected by the Participant; provided, however, if the Participant becomes Disabled following payment commencement of his Termination Benefit the Participant shall not have a Disability Benefit and his Termination Benefit shall continue to be paid as if no Disability had occurred. Unless otherwise specified in the Participant's deferral election, the Disability

Benefit shall be paid or commence to be paid within 90 days of the Participant's Disability.

- (c) *Termination and Death Benefit.* Upon the Participant's Separation from Service or Death, he or she shall be entitled to a Termination or Death Benefit, as the case may be. The Termination or Death Benefit shall be equal to the Termination Account and all remaining amounts credited to the Participant's Specified Date Account(s) based on the value of such Account(s) as of the end of the Business Day immediately preceding the date the benefit is to be paid. The Participant's Termination or Death Benefit shall be paid in the manner elected by the Participant; provided, however, for any Participant who is a Specified Employee, payment of the Participant's Termination Benefit on account of the Participant's Separation from Service will be made or commence in the seventh month following the month in which Separation from Service occurs.
- (d) *Specified Date Benefit.* If the Participant has established one or more Specified Date Accounts, he or she shall be entitled to a Specified Date Benefit with respect to each such Specified Date Account. The Specified Date Benefit shall be equal to the Specified Date Account, based on the value of that Account as of the end of the Business Day immediately preceding the date on which the payment is to be made or payments are to commence. Payment of the Specified Date Benefit will be made or begin in the month following the designated month. Notwithstanding the designated benefit commencement date for a Specified Date Benefit, all Specified Date Accounts will be paid, or begin to be paid, upon a Participant's Disability, death or Separation from Service if such Separation from Service, death, or Disability occurs before payment (or commencement of payment) of the Participant's Specified Date Benefit in accordance with the Participant's election for those payment events.
- (e) *Unforeseeable Emergency Payments.* A Participant who experiences an Unforeseeable Emergency may submit a written request to the Committee to receive payment of all or any portion of his or her vested Accounts. Whether a Participant or Beneficiary is faced with an Unforeseeable Emergency permitting an emergency payment shall be determined by the Committee based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of Unforeseeable Emergency may not be made to the extent that such emergency is or may be reimbursed through insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of Deferrals under this Plan. If an emergency payment is approved by the Committee, the amount of the payment shall not exceed the amount reasonably necessary to satisfy the need, taking into account the additional compensation that is available to the Participant as the result of cancellation of deferrals to the Plan, including amounts necessary to pay any taxes or penalties that the Participant reasonably anticipates will result from the payment. The amount of the emergency payment shall be subtracted first

from the Participant's Termination Account until depleted and then from the Specified Date Accounts, beginning with the Specified Date Account with the latest payment commencement date. Emergency payments shall be paid in a single lump sum within the 90-day period following the date the payment is approved by the Committee.

6.2 Form of Payment.

- (a) *Termination, Disability or Death Benefit.* A Participant who is entitled to receive a Termination, Disability or Death Benefit shall receive payment of such benefit in a single lump sum, unless the Participant elects on his or her initial Compensation Deferral Agreement to have such benefit paid in one of the following alternative forms of payment (i) substantially equal annual installments over a period of two to fifteen years, as elected by the Participant, or (ii) a lump sum payment of a percentage of the balance in the Termination Account, with the balance paid in substantially equal annual installments over a period of two to fifteen years, as elected by the Participant. A separate payment form election may be made for each of the Termination Benefit, Disability Benefit or Death Benefit. If a Participant's Termination Benefit or Disability Benefit has already commenced, a Participant may also elect to accelerate the payment of any remaining benefit upon the Participant's death.
- (b) *Change in Control Benefit.* A Participant who is entitled to receive a Change in Control Benefit shall receive payment of such benefit in a single lump sum.
- (c) *Specified Date Benefit.* The Specified Date Benefit shall be paid in a single lump sum, unless the Participant elects on the Compensation Deferral Agreement with which the account was established to have the Specified Date Account paid in substantially equal annual installments over a period of two to five years, as elected by the Participant. Notwithstanding the designated benefit commencement date for a Specified Date Benefit, all Specified Date Accounts will commence to be paid upon a Participant's Separation from Service, death or Disability if such Separation from Service, death or Disability occurs before the Specified Date(s) the Specified Date Account(s) would otherwise have been paid.
- (d) *Small Account Balances.* The Company shall pay the value of the Participant's Accounts upon a Separation from Service in a single lump sum if the balance of such Accounts is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), provided the payment represents the complete liquidation of the Participant's interest in the Plan.
- (e)
- (f) Notwithstanding any Participant election or other provisions of the Plan, a Participant's Accounts will be paid in a single lump sum if, upon the commencement of his or her Termination, Death or Disability Benefit, the combined value of his or her Accounts is not greater than \$25,000.

- (g) *Rules Applicable to Installment Payments.* If a Payment Schedule specifies installment payments, annual payments will be made beginning as of the payment commencement date for such installments and shall continue on each anniversary thereof until the number of installment payments specified in the Payment Schedule has been paid. The amount of each installment payment shall be determined by dividing (a) by (b), where (a) equals the Account Balance as of the Valuation Date and (b) equals the remaining number of installment payments.

For purposes of Article VII, installment payments will be treated as a single form of payment. If a lump sum equal to less than 100% of the Termination Account is paid, the payment commencement date for the installment form of payment will be the first anniversary of the payment of the lump sum.

- 6.3 Acceleration of or Delay in Payments. The Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Committee may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7). If the Plan receives a domestic relations order (within the meaning of Code Section 414(p)(1)(B)) directing that all or a portion of a Participant's Accounts be paid to an "alternate payee," any amounts to be paid to the alternate payee(s) shall be paid in a single lump sum.

Article VII

Modifications to Payment Schedules

- 7.1 Participant's Right to Modify. A Participant may modify any or all of the alternative Payment Schedules with respect to an Account, consistent with the permissible Payment Schedules available under the Plan, provided such modification complies with the requirements of this Article VII.
- 7.2 Time of Election. The date on which a modification election is submitted to the Committee must be at least 12 months before the date on which payment is scheduled to commence under the Payment Schedule in effect before the modification.
- 7.3 Date of Payment under Modified Payment Schedule. Except with respect to modifications that relate to the payment of a Death Benefit or a Disability Benefit, the date payments are to commence under the modified Payment Schedule must be no earlier than five years after the date payment would have commenced under the original Payment Schedule. Under no circumstances may a modification election result in an acceleration of payments in violation of Code Section 409A.

7.4 Effective Date. A modification election submitted in accordance with this Article VII is irrevocable upon receipt by the Committee and becomes effective 12 months after such date.

7.5 Effect on Accounts. An election to modify a Payment Schedule is specific to the Account or payment event to which it applies, and shall not be construed to affect the Payment Schedules of any other Accounts.

Article VIII

Valuation of Account Balances; Investments

8.1 Valuation. Deferrals shall be credited to appropriate Accounts on the date such Compensation would have been paid to the Participant absent the Compensation Deferral Agreement. Company Contributions shall be credited to the Termination Account at the times determined by the Committee. Valuation of Accounts shall be performed under procedures approved by the Committee.

8.2 Earnings Credit. With respect to all deferrals of cash Compensation (i.e., not equity) each Account will be credited with Earnings on each Business Day, based upon the Participant's investment allocation among a menu of investment options selected in advance by the Committee, in accordance with the provisions of this Article VIII ("investment allocation").

8.3 Investment Options. Investment options for all Accounts with deferred cash Compensation (i.e., not equity) will be determined by the Company. The Company, in its sole discretion, shall be permitted to add or remove investment options from the Plan menu from time to time, provided that any such additions or removals of investment options shall not be effective with respect to any period before the effective date of such change.

8.4 Investment Allocations. A Participant's investment allocation constitutes a deemed, not actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Participating Employer or any trustee acting on its behalf have any obligation to purchase actual securities as a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account Balances.

A Participant shall specify an investment allocation for each of his Accounts in accordance with procedures established by the Committee. Allocation among the investment options must be designated in increments of 1%. The Participant's investment allocation will become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day.

A Participant may change an investment allocation on any Business Day, both with respect to future credits to the Plan and with respect to existing Account Balances, in accordance with procedures adopted by the Committee. Changes shall become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day, and shall be applied prospectively.

- 8.5 Unallocated Deferrals and Accounts. If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, the primary objective of which is the preservation of capital, as determined by the Committee.

Article IX

Administration

- 9.1 Plan Administration. This Plan shall be administered by the Committee which shall have discretionary authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Plan and its terms, as may arise in connection with the Plan. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in Article XII.
- 9.2 Administration Upon Change in Control. Upon a Change in Control, the Committee, as constituted immediately before such Change in Control, shall continue to act as the Committee. The individual who was the Chief Executive Officer of the Company (or if such person is unable or unwilling to act, the next highest ranking officer) before the Change in Control shall have the authority (but shall not be obligated) to appoint an independent third party to act as the Committee.

Upon such Change in Control, the Company may not remove the Committee, unless 2/3rds of the members of the Board of the Company consent to the removal and replacement of the Committee. Notwithstanding the foregoing, neither the Committee nor the officer described above shall have authority to direct investment of trust assets under any rabbi trust described in Section 11.2.

The Participating Employer shall, with respect to the Committee identified under this Section: (i) pay all reasonable expenses and fees of the Committee, (ii) indemnify the Committee (including individuals serving as Committee members) against any costs, expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Committee's duties hereunder, except with respect to matters resulting from the Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Committee may reasonably require.

- 9.3 Withholding. The Participating Employer shall have the right to withhold from any payment due under the Plan (or with respect to any amounts credited to the Plan) any taxes required by law to be withheld in respect of such payment (or credit). Withholdings with respect to amounts credited to the Plan shall be deducted from Compensation that has not been deferred to the Plan, or, with respect to any Participant who has terminated employment and as permitted by Code Section 409A, from the Participant's Account under the Plan.
- 9.4 Indemnification. The Participating Employers shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Plan or otherwise with respect to administration of the Plan, including, without limitation, the Committee and its agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or it (including but not limited to reasonable attorney fees) which arise as a result of his or its actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Participating Employer. Notwithstanding the foregoing, the Participating Employer shall not indemnify any person or organization if his or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Participating Employer consents in writing to such settlement or compromise.
- 9.5 Delegation of Authority. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who shall be legal counsel to the Company.
- 9.6 Binding Decisions or Actions. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

Article X

Amendment and Termination

- 10.1 Amendment and Termination. The Company may at any time and from time to time amend the Plan or may terminate the Plan as provided in this Article X. Each Participating Employer may also terminate its participation in the Plan.
- 10.2 Amendments. The Company, by action taken by its Board, may amend the Plan at any time and for any reason, provided that any such amendment shall not reduce the vested Account Balances of any Participant accrued as of the date of any such amendment or restatement (as if the Participant had incurred a voluntary Separation from Service on such date) or reduce any rights of a Participant under the Plan or other Plan features with

respect to Deferrals made before the date of any such amendment or restatement without the consent of the Participant. The Board may delegate to the Committee the authority to amend the Plan without the consent of the Board for the purpose of: (i) conforming the Plan to the requirements of law; (ii) facilitating the administration of the Plan; (iii) clarifying provisions based on the Committee's interpretation of the document; and (iv) making such other amendments as the Board may authorize.

- 10.3 Termination. The Company, by action taken by its Board, may terminate the Plan and pay Participants and Beneficiaries their Account Balances in a single lump sum at any time, to the extent and in accordance with Treas. Reg. Section 1.409A-3(j)(4)(ix). If a Participating Employer terminates its participation in the Plan, the benefits of affected Employees shall be paid at the time provided in Article VI.
- 10.4 Accounts Taxable Under Code Section 409A. The Plan is intended to constitute a plan of deferred compensation that meets the requirements for deferral of income taxation under Code Section 409A. In the event that any provision of this Plan shall be determined to contravene Code Section 409A, the regulations promulgated thereunder, regulatory interpretations or announcements with respect to Code Section 409A, any such provision shall be void and have no effect and may be amended by the Company without the consent of the Participant, for the purpose of Code Section 409A compliance. Moreover, this Plan shall be interpreted at all times in such a manner that the terms and provisions of the Plan comply with Code Section 409A, the regulations promulgated thereunder, and regulatory interpretations or announcements with respect to Code Section 409A. The Company shall have the authority to void any Participant election hereunder if necessary to maintain the Plan in compliance with Code Section 409A and, pursuant to its authority to interpret the Plan, may sever from the Plan or any Compensation Deferral Agreement any provision or exercise of a right that otherwise would result in a violation of Code Section 409A.

Article XI

Informal Funding

- 11.1 General Assets. Obligations established under the terms of the Plan may be satisfied from the general funds of the Participating Employers, or a trust described in this Article XI. No Participant, spouse or Beneficiary shall have any right, title or interest whatever in assets of the Participating Employers. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Participating Employers and any Employee, spouse, or Beneficiary. To the extent that any person acquires a right to receive payments hereunder, such rights are no greater than the right of an unsecured general creditor of the Participating Employer.
- 11.2 Rabbi Trust. A Participating Employer may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Plan. Payments under the Plan may be paid from the general assets of the

Participating Employer or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Plan.

Article XII

Claims

- 12.1 Filing a Claim. Any controversy or claim arising out of or relating to the Plan shall be filed in writing with the Committee which shall make all determinations concerning such claim. Any claim filed with the Committee and any decision by the Committee denying such claim shall be in writing and shall be delivered to the Participant or Beneficiary filing the claim (the "Claimant").
- (a) *In General.* Notice of a denial of benefits (other than Disability benefits) will be provided within 90 days of the Committee's receipt of the Claimant's claim for benefits. If the Committee determines that it needs additional time to review the claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial 90-day period. The extension will not be more than 90 days from the end of the initial 90-day period and the notice of extension will explain the special circumstances that require the extension and the date by which the Committee expects to make a decision.
 - (b) *Disability Benefits.* Notice of denial of Disability benefits will be provided within forty-five (45) days of the Committee's receipt of the Claimant's claim for Disability benefits. If the Committee determines that it needs additional time to review the Disability claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial 45-day period. If the Committee determines that a decision cannot be made within the first extension period due to matters beyond the control of the Committee, the time period for making a determination may be further extended for an additional 30 days. If such an additional extension is necessary, the Committee shall notify the Claimant before the expiration of the initial 30-day extension. Any notice of extension shall indicate the circumstances necessitating the extension of time, the date by which the Committee expects to furnish a notice of decision, the specific standards on which such entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and any additional information needed to resolve those issues. A Claimant will be provided a minimum of 45 days to submit any necessary additional information to the Committee. In the event that a 30-day extension is necessary due to a Claimant's failure to submit information necessary to decide a claim, the period for furnishing a notice of decision shall be tolled from the date on which the notice of the extension is sent to the Claimant until the earlier of the date the Claimant responds to the request for additional information or the response deadline.
 - (c) *Contents of Notice.* If a claim for benefits is completely or partially denied, notice of such denial shall be in writing and shall set forth the reasons for denial in plain

language. The notice shall: (i) cite the pertinent provisions of the Plan document, and (ii) explain, where appropriate, how the Claimant can perfect the claim, including a description of any additional material or information necessary to complete the claim and why such material or information is necessary. The claim denial also shall include an explanation of the claims review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision on review. In the case of a complete or partial denial of a Disability benefit claim, the notice shall provide a statement that the Committee will provide to the Claimant, upon request and free of charge, a copy of any internal rule, guideline, protocol, or other similar criterion that was relied upon in making the decision.

12.2 Appeal of Denied Claims. A Claimant whose claim has been completely or partially denied shall be entitled to appeal the claim denial by filing a written appeal with a committee designated to hear such appeals (the "Appeals Committee"). A Claimant who timely requests a review of the denied claim (or his or her authorized representative) may review, upon request and free of charge, copies of all documents, records and other information relevant to the denial and may submit written comments, documents, records and other information relevant to the claim to the Appeals Committee. All written comments, documents, records, and other information shall be considered "relevant" if the information: (i) was relied upon in making a benefits determination, (ii) was submitted, considered or generated in the course of making a benefits decision regardless of whether it was relied upon to make the decision, or (iii) demonstrates compliance with administrative processes and safeguards established for making benefit decisions. The Appeals Committee may, in its sole discretion and if it deems appropriate or necessary, decide to hold a hearing with respect to the claim appeal.

- (a) *In General.* Appeal of a denied benefits claim (other than a Disability benefits claim) must be filed in writing with the Appeals Committee no later than 60 days after receipt of the written notification of such claim denial. The Appeals Committee shall make its decision regarding the merits of the denied claim within 60 days following receipt of the appeal (or within 120 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant before the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. The review will take into account comments, documents, records and other information submitted by the Claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

- (b) *Disability Benefits.* Appeal of a denied Disability benefits claim must be filed in writing with the Appeals Committee no later than 180 days after receipt of the written notification of such claim denial. The review shall be conducted by the Appeals Committee (exclusive of the person who made the initial adverse decision or such person's subordinate). In reviewing the appeal, the Appeals Committee shall: (i) not afford deference to the initial denial of the claim, (ii) consult a medical professional who has appropriate training and experience in the field of medicine relating to the Claimant's disability and who was neither consulted as part of the initial denial nor is the subordinate of such individual, and (iii) identify the medical or vocational experts whose advice was obtained with respect to the initial benefit denial, without regard to whether the advice was relied upon in making the decision. The Appeals Committee shall make its decision regarding the merits of the denied claim within 45 days following receipt of the appeal (or within 90 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant before the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. Following its review of any additional information submitted by the Claimant, the Appeals Committee shall render a decision on its review of the denied claim.
- (c) *Contents of Notice.* If a benefits claim is completely or partially denied on review, notice of such denial shall be in writing and shall set forth the reasons for denial in plain language.

The decision on review shall set forth: (i) the specific reason or reasons for the denial, (ii) specific references to the pertinent Plan provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, or other information relevant (as defined above) to the Claimant's claim, and (iv) a statement describing any voluntary appeal procedures offered by the plan and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

- (d) For the denial of a Disability benefit, the notice will also include a statement that the Appeals Committee will provide, upon request and free of charge: (i) any internal rule, guideline, protocol or other similar criterion relied upon in making the decision, (ii) any medical opinion relied upon to make the decision, and (iii) the required statement under Section 2560.503-1(j)(5)(iii) of the Department of Labor regulations.

12.3 Claims Appeals Upon Change in Control. Upon a Change in Control, the Appeals Committee, as constituted immediately before such Change in Control, shall continue to

act as the Appeals Committee. Upon such Change in Control, the Company may not remove any member of the Appeals Committee, but may replace resigning members if 2/3rds of the members of the Board of the Company and a majority of Participants and Beneficiaries with Account Balances consent to the replacement.

The Appeals Committee shall have the exclusive authority at the appeals stage to interpret the terms of the Plan and resolve appeals under the Claims Procedure.

Each Participating Employer shall, with respect to the Committee identified under this Section: (i) pay its proportionate share of all reasonable expenses and fees of the Appeals Committee, (ii) indemnify the Appeals Committee (including individual committee members) against any costs, expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Appeals Committee hereunder, except with respect to matters resulting from the Appeals Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Appeals Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Appeals Committee may reasonably require.

- 12.4 Legal Action. A Claimant may not bring any legal action, including commencement of any arbitration, relating to a claim for benefits under the Plan unless and until the Claimant has followed the claims procedures under the Plan and exhausted his or her administrative remedies under such claims procedures.

If a Participant or Beneficiary prevails in a legal proceeding brought under the Plan to enforce the rights of such Participant or any other similarly situated Participant or Beneficiary, in whole or in part, the Participating Employer shall reimburse such Participant or Beneficiary for all legal costs, expenses, attorneys' fees and such other liabilities incurred as a result of such proceedings. If the legal proceeding is brought in connection with a Change in Control, or a "change in control" as defined in a rabbi trust described in Section 11.2, the Participant or Beneficiary may file a claim directly with the trustee for reimbursement of such costs, expenses and fees. For purposes of the preceding sentence, the amount of the claim shall be treated as if it were an addition to the Participant's or Beneficiary's Account Balance.

- 12.5 Discretion of Appeals Committee. All interpretations, determinations and decisions of the Appeals Committee with respect to any claim shall be made in its sole discretion, and shall be final and conclusive.

Article XIII *General Provisions*

- 13.1 Assignment. Except with respect to a Permitted Transferee, no interest of any Participant, spouse or Beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no

effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary.

Notwithstanding anything to the contrary herein, however, (i) the Committee has the discretion to make payments to an alternate payee in accordance with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)) and (ii) pursuant to conditions and procedures established by the Committee from time to time, the Committee may permit Accounts to be paid to certain persons or entities related to a Participant, including members of the Participant's immediate family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's immediate family and/or charitable institutions (a "Permitted Transferee"). Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer or payment is being made for estate and/or tax planning purposes on a gratuitous or donative basis and without consideration (other than nominal consideration).

The Company may assign any or all of its liabilities under this Plan in connection with any restructuring, recapitalization, sale of assets or other similar transactions affecting a Participating Employer without the consent of the Participant.

- 13.2 **No Legal or Equitable Rights or Interest.** No Participant or other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in this Plan does not give any person any right to be retained in the service of the Participating Employer. The right and power of a Participating Employer to dismiss or discharge an Employee is expressly reserved. The Participating Employers make no representations or warranties as to the tax consequences to a Participant or a Participant's beneficiaries resulting from a deferral of income pursuant to the Plan.
- 13.3 **No Employment Contract.** Nothing contained herein shall be construed to constitute a contract of employment between an Employee and a Participating Employer.
- 13.4 **Notice.** Any notice or filing required or permitted to be delivered to the Committee under this Plan shall be delivered in writing, in person, or through such electronic means as is established by the Committee. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Written transmission shall be sent by certified mail to:

**JACK HENRY & ASSOCIATES, INC.
ATTN: CHIEF FINANCIAL OFFICER
663 W HIGHWAY 60
MONETT, MO 65708**

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing or hand-delivered, or sent by mail to the last known address of the Participant.

- 13.5 Headings. The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.
- 13.6 Invalid or Unenforceable Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and the Committee may elect in its sole discretion to construe such invalid or unenforceable provisions in a manner that conforms to applicable law or as if such provisions, to the extent invalid or unenforceable, had not been included.
- 13.7 Lost Participants or Beneficiaries. Any Participant or Beneficiary who is entitled to a benefit from the Plan has the duty to keep the Committee advised of his or her current mailing address. If benefit payments are returned to the Plan or are not presented for payment after a reasonable amount of time, the Committee shall presume that the payee is missing. The Committee, after making such efforts as in its discretion it deems reasonable and appropriate to locate the payee, shall stop payment on any uncashed checks and may discontinue making future payments until contact with the payee is restored.
- 13.8 Facility of Payment to a Minor. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Committee may, in its discretion, make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (ii) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Committee, the Company, and the Plan from further liability on account thereof.
- 13.9 Governing Law. To the extent not preempted by ERISA, the laws of the State of Missouri shall govern the construction and administration of the Plan.

The undersigned executed this Plan as of the 25th day of August, 2014, to be effective as of the Effective Date.

JACK HENRY & ASSOCIATES, INC.

By: Kevin D. Williams (Print Name)

Its: CFO (Title)

/s/ Kevin D. Williams (Signature)

Jack Henry & Associates, Inc.
Non-Employee Director Deferred Compensation Plan

Effective September 1, 2014

Jack Henry & Associates, Inc. Non-Employee Director Deferred Compensation Plan

ARTICLE I

Establishment and Purpose

1.1	Establishment	1
1.2	Purpose	1
1.3	ERISA and Unfunded Plan	1

ARTICLE II

Definitions

1

ARTICLE III

Eligibility and Participation

5

3.1	Eligibility and Participation	5
3.2	Duration	5

ARTICLE IV

Deferrals

5

4.1	Deferral Elections, Generally	5
4.2	Timing Requirements for Compensation Deferral Agreements	6
4.3	Allocation of Deferrals	7
4.4	Deductions from Pay	7
4.5	Vesting	7
4.6	Cancellation of Compensation Deferral Agreement	8

ARTICLE V

Benefits

8

5.1	Benefits, Generally	8
5.2	Form of Payment	9
5.3	Acceleration of or Delay in Payments	10

ARTICLE VI

Modifications to Payment Schedules

11

6.1	Participant's Right to Modify	11
6.2	Time of Election	11
6.3	Date of Payment under Modified Payment Schedule	11
6.4	Effective Date	11
6.5	Effect on Accounts	11

ARTICLE VII

Valuation of Account Balances; Investments

11

7.1	Valuation	11
-----	-----------	----

7.2	Earnings Credit	11
7.3	Investment Options	11
7.4	Investment Allocations	12
7.5	Unallocated Deferrals and Accounts	12
7.6	Diversification	12
7.7	Effect on Installment Payments	12

ARTICLE VIII

Administration 12

8.1	Plan Administration	12
8.2	Administration Upon Change in Control	13
8.3	Withholding	13
8.4	Indemnification	13
8.5	Delegation of Authority	13
8.6	Binding Decisions or Actions	14

ARTICLE IX

Amendment and Termination 14

9.1	Amendment and Termination	14
9.2	Amendments	14
9.3	Termination	14
9.4	Accounts Taxable Under Code Section 409A	14

ARTICLE X

Informal Funding 15

10.1	General Assets	15
10.2	Rabbi Trust	15

ARTICLE XI

Claims 15

11.1	Filing a Claim	15
------	----------------	----

ARTICLE XII

General Provisions 16

12.1	Assignment	16
12.2	No Legal or Equitable Rights or Interest	16
12.3	Notice	16
12.4	Headings	16
12.5	Invalid or Unenforceable Provisions	16
12.6	Lost Participants or Beneficiaries	17
12.7	Facility of Payment to a Minor	17
12.8	Governing Law	17

Jack Henry & Associates, Inc. Non-Employee Director Deferred Compensation Plan

ARTICLE I

Establishment and Purpose

- 1.1 Establishment. Jack Henry & Associates, Inc. (the "Company") hereby establishes the Jack Henry & Associates, Inc. Non-Employee Director Deferred Compensation Plan (the "Plan"), effective September 1, 2014.
- 1.2 Purpose. The purpose of the Plan is to attract and retain non-employee directors of the Company by providing Participants with an opportunity to defer receipt of all or a portion of their directors' fees and other specified compensation. The Plan is intended to meet the requirements of Code Section 409A, and shall be operated and interpreted consistent with that intent.
- 1.3 ERISA and Unfunded Plan. The Plan constitutes an unsecured promise by the Company to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company. The Plan is unfunded for Federal tax purposes and, because the Plan does not provide any benefits to employees of the Company or employees of its Affiliates, is not subject to ERISA. Any amounts set aside to defray the liabilities assumed by the Company will remain the general assets of the Company and shall remain subject to the claims of the Company's creditors until such amounts are distributed to the Participants.

ARTICLE II

Definitions

Account. Account means a bookkeeping account maintained by the Company to record the payment obligation of the Company to a Participant as determined under the terms of the Plan. The Company may maintain an Account to record the total obligation to a Participant and component Accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Company, as the context requires.

Account Balance. Account Balance means, with respect to any Account, the total payment obligation owed to a Participant from such Account as of the most recent Valuation Date.

Affiliate. Affiliate means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Section 414(b) or (c).

Beneficiary. Beneficiary means a natural person, estate, or trust designated by a Participant to receive payments to which a Beneficiary is entitled in accordance with provisions of the Plan. The Participant's spouse, if living, otherwise the Participant's

estate, shall be the Beneficiary if: (i) the Participant has failed to properly designate a Beneficiary, or (ii) all designated Beneficiaries have predeceased the Participant.

A former spouse shall have no interest under the Plan, as Beneficiary or otherwise, unless the Participant designates such person as a Beneficiary after dissolution of the marriage, except to the extent provided under the terms of a domestic relations order as described in Code Section 414(p)(1)(B).

Board. Board means the Board of Directors of the Company.

Business Day. Business Day means each day on which the Nasdaq Stock Market is open for business.

Change in Control. Change in Control means, with respect to the Company, any of the following events: (i) a "Change in the Ownership of the Company", (ii) a "Change in the Effective Control of the Company", or (iii) a "Change in the Ownership of a Substantial Portion of the Assets of the Company".

For purposes of this definition:

(1) A "Change in the Ownership of the Company" occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group constitutes more than 50% of the total fair market value or total voting power of the stock of the Company;

(2) A "Change in the Effective Control of the Company" occurs on the date on which either: (a) a person, or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (b) a majority of the members of the Company's Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board of Directors before the date of the appointment or election, but only if no other corporation is a majority shareholder of the Company.

(3) A "Change in the Ownership of a Substantial Portion of the Assets of the Company" occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Company, acquires assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

The determination as to the occurrence of a Change in Control shall be based on objective facts and in accordance with the requirements of Code Section 409A.

Claimant. Claimant means a Participant or Beneficiary filing a claim under Article XI of this Plan.

Code. Code means the Internal Revenue Code of 1986, as amended from time to time.

Code Section 409A. Code Section 409A means section 409A of the Code, and regulations and other guidance issued by the Treasury Department and Internal Revenue Service thereunder.

Committee. Committee means the Compensation Committee of the Board.

Company. Company means Jack Henry & Associates, Inc., a Delaware company.

Compensation. Compensation means a Participant's remuneration from the Company for Participant's services as an Eligible Director. As specified in Participant's deferral election, Compensation may include any or all of a Participant's cash remuneration or equity remuneration from the Company. Compensation shall not include any compensation that has been previously deferred under this Plan or any other arrangement subject to Code Section 409A.

Compensation Deferral Agreement. Compensation Deferral Agreement means an agreement between a Participant and the Company that specifies: (i) the amount of each component of Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV, and (ii) the Payment Schedule applicable to one or more Accounts. The Committee may permit different deferral amounts for each component of Compensation and may establish a minimum or maximum deferral amount for each such component. A Compensation Deferral Agreement may also specify the investment allocation described in Section 7.4.

Death Benefit. Death Benefit means the benefit payable under the Plan to a Participant's Beneficiary(ies) upon the Participant's death as provided in Section 5.1 of the Plan.

Deferral. Deferral means a credit to a Participant's Account(s) that records that portion of the Participant's Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV. Unless the context of the Plan clearly indicates otherwise, a reference to Deferrals includes Earnings attributable to such Deferrals.

Earnings. Earnings means an adjustment to the value of an Account in accordance with Article VII.

Effective Date. Effective Date means September 1, 2014, provided, however, deferral elections made in accordance with Article IV may be submitted to the Company before the Effective Date.

Eligible Director. Eligible Director means a current or former non-employee director on the Board.

ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.

Fiscal Year Compensation. Fiscal Year Compensation means Compensation earned during one or more consecutive fiscal years of the Company, all of which is paid after the last day of such fiscal year or years.

Participant. Participant means an Eligible Director who has received notification of his or her eligibility to defer Compensation under the Plan under Section 3.1 and any other person with an Account Balance greater than zero. A Participant's continued participation in the Plan shall be governed by Section 3.2 of the Plan.

Payment Schedule. Payment Schedule means the date as of which payment of an Account under the Plan will commence and the form in which payment of such Account will be made.

Plan. Generally, the term Plan means the "Jack Henry & Associates, Inc., Inc. Non-Employee Deferred Compensation Plan" as documented herein and as may be amended from time to time hereafter. However, to the extent permitted or required under Code Section 409A, the term Plan may in the appropriate context also mean a portion of the Plan that is treated as a single plan under Treas. Reg. Section 1.409A-1(c), or the Plan or portion of the Plan and any other nonqualified deferred compensation plan or portion thereof that is treated as a single plan under such section.

Plan Year. Plan Year means January 1 to December 31 except that the initial Plan Year begins on the Effective Date and ends on December 31, 2014.

Separation from Service. Separation from Service means an Eligible Director's cessation from service on the Board. Whether a Separation from Service has occurred shall be determined by the Committee in accordance with Code Section 409A.

Specified Date Account. Specified Date Account means an Account established by the Company to record the amounts payable at a future date as specified in the Participant's Compensation Deferral Agreement. Unless otherwise determined by the Committee, a Participant may maintain no more than three Specified Date Accounts. A Specified Date Account may be identified in enrollment materials as an "In-Service Account" or such other name as established by the Committee without affecting the meaning thereof.

Specified Date Benefit. Specified Date Benefit means the benefit payable to a Participant under the Plan in accordance with Section 5.1(c).

Substantial Risk of Forfeiture. Substantial Risk of Forfeiture means the description specified in Treas. Reg. Section 1.409A-1(d).

Termination Account. Termination Account means an Account established by the Company to record the amounts payable to a Participant upon Separation from Service. Unless the Participant has established a Specified Date Account, all Deferrals shall be allocated to a Termination Account on behalf of the Participant.

Unforeseeable Emergency. Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's dependent (as defined in Code section 152, without regard to section 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The types of events which may qualify as an Unforeseeable Emergency may be limited by the Committee.

Valuation Date. Valuation Date means each Business Day.

ARTICLE III

Eligibility and Participation

- 3.1 Eligibility and Participation. An Eligible Director becomes a Participant upon the receipt of notification from the Committee of his or her eligibility to participate in the Plan.
- 3.2 Duration. A Participant shall be eligible to defer Compensation subject to the terms of the Plan, for as long as such Participant remains an Eligible Director. A Participant who is no longer an Eligible Director due to a Separation from Service may not make a new deferral of Compensation under the Plan beyond the Plan Year in which he or she became ineligible but may otherwise exercise all of the rights of a Participant under the Plan with respect to his or her Account(s). On and after a Separation from Service, a Participant shall remain a Participant as long as his or her Account Balance is greater than zero (0), and during such time may continue to make allocation elections as provided in Section 7.4. An individual shall cease being a Participant in the Plan when all benefits under the Plan to which he or she is entitled have been paid.

ARTICLE IV

Deferrals

- 4.1 Deferral Elections, Generally.

- (a) A Participant may elect to defer Compensation by submitting a Compensation Deferral Agreement during the enrollment periods established by the Company and in the manner specified by the Company, but in any event, in accordance with Section 4.2. A Compensation Deferral Agreement that is not timely filed with respect to a service period or component of Compensation shall be considered void and shall have no effect with respect to such service period or Compensation. The Company may modify any Compensation Deferral Agreement before the date the election becomes irrevocable under the rules of Section 4.2.
- (b) The Participant shall specify on his or her Compensation Deferral Agreement the amount of Deferrals and whether to allocate Deferrals to a Termination Account or to a Specified Date Account. If no designation is made, Deferrals shall be allocated to the Termination Account. A Participant may also specify in his or her Compensation Deferral Agreement the Payment Schedule applicable to his or her Plan Accounts. If the Payment Schedule is not specified in a Compensation Deferral Agreement, the Payment Schedule shall be the Payment Schedule specified in Section 5.2.

4.2 Timing Requirements for Compensation Deferral Agreements.

- (a) *First Year of Eligibility.* In the case of the first year in which an Eligible Director becomes eligible to participate in the Plan, he or she has up to 30 days following his or her initial eligibility to submit a Compensation Deferral Agreement with respect to Compensation to be earned during such year. The Compensation Deferral Agreement described in this paragraph becomes irrevocable upon the end of such 30-day period. The determination of whether an Eligible Director may file a Compensation Deferral Agreement under this paragraph shall be determined in accordance with the rules of Code Section 409A, including the provisions of Treas. Reg. Section 1.409A-2(a)(7).

A Compensation Deferral Agreement filed under this paragraph applies to Compensation earned on and after the date the Compensation Deferral Agreement becomes irrevocable.

- (b) *Prior Year Election.* Except as otherwise provided in this Section 4.2, Participants may defer Compensation by filing a Compensation Deferral Agreement no later than December 31 of the year before the year in which the Compensation to be deferred is earned. A Compensation Deferral Agreement described in this paragraph shall become irrevocable with respect to such Compensation as of 11:59 p.m. on December 31 of the year immediately preceding the year in which such Compensation is to be earned.
- (c) *Fiscal Year Compensation.* A Participant may defer Fiscal Year Compensation by filing a Compensation Deferral Agreement before the first day of the fiscal year or years in which such Fiscal Year Compensation is earned. The Compensation

Deferral Agreement described in this paragraph becomes irrevocable on the first day of the fiscal year or years to which it applies.

- (d) *Short-Term Deferrals.* Compensation that meets the definition of a "short-term deferral" described in Treas. Reg. Section 1.409A-1(b)(4) may be deferred in accordance with the rules of Article VI, applied as if the date the Substantial Risk of Forfeiture lapses is the date payments were originally scheduled to commence, provided, however, that the provisions of Section 6.3 shall not apply to payments attributable to a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)).
- (e) *Certain Forfeitable Rights.* With respect to a legally binding right to a payment in a subsequent year that is subject to a forfeiture condition requiring the Participant's continued services for a period of at least 12 months from the date the Participant obtains the legally binding right, an election to defer such Compensation may be made on or before the 30th day after the Participant obtains the legally binding right to the Compensation, provided that the election is made at least 12 months in advance of the earliest date at which the forfeiture condition could lapse. The Compensation Deferral Agreement described in this paragraph becomes irrevocable after such 30th day. If the forfeiture condition applicable to the payment lapses before the end of the required service period as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-3(i)(4)) or upon a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)), the Compensation Deferral Agreement will be void unless it would be considered timely under another rule described in this Section.
- (f) *"Evergreen" Deferral Elections.* The Company, in its discretion, may provide in the Compensation Deferral Agreement that such Compensation Deferral Agreement will continue in effect for each subsequent year or performance period. Such "evergreen" Compensation Deferral Agreements will become effective with respect to an item of Compensation on the date such election becomes irrevocable under this Section 4.2. An evergreen Compensation Deferral Agreement may be terminated or modified prospectively with respect to Compensation for which such election remains revocable under this Section 4.2. A Participant whose Compensation Deferral Agreement is cancelled in accordance with Section 4.6 will be required to file a new Compensation Deferral Agreement under this Article IV in order to recommence Deferrals under the Plan.

4.3 Allocation of Deferrals. A Compensation Deferral Agreement may allocate Deferrals to one or more Specified Date Accounts and/or to the Termination Account. The Company may, in its discretion, establish a minimum deferral period for the establishment of a Specified Date Account (for example, the third Plan Year following the year Compensation is allocated to such accounts.).

- 4.4 Deductions from Pay. The Company has the authority to determine the payroll practices under which any component of Compensation subject to a Compensation Deferral Agreement will be deducted from a Participant's Compensation.
- 4.5 Vesting. Participant Deferrals shall be 100% vested at all times.
- 4.6 Cancellation of Compensation Deferral Agreement. The Company may cancel a Participant's Compensation Deferral Agreement: (i) for the balance of the Plan Year in which an Unforeseeable Emergency occurs and (ii) during periods in which the Participant is unable to perform the duties of his or her position or any substantially similar position due to a mental or physical impairment that can be expected to result in death or last for a continuous period of at least six months, provided cancellation occurs by the later of the end of the taxable year of the Participant or the 15th day of the third month following the date the Participant incurs the disability (as defined in this paragraph).

ARTICLE V

Benefits

- 5.1 Benefits, Generally. A Participant shall be entitled to the following benefits under the Plan:
- (a) *Termination Benefit.* Upon the Participant's Separation from Service, he or she shall be entitled to a Termination Benefit. The Termination Benefit shall be equal to the Termination Account and (i) if the Termination Account is payable in a lump sum, the unpaid balances of any Specified Date Accounts, or (ii) if the Termination Account is payable in installments, the portion of any Specified Date Accounts with respect to which payments have not yet commenced. If the Termination Benefit is to be paid in a lump sum, the Termination Benefit payment is to be made within the 90-day period following the Participant's Separation from Service and the amount of the Termination Benefit shall be based on the value of the Participant's Account(s) as of the end of the Business Day immediately preceding the date the payment is to be made. If the Termination Benefit is to be paid in installments, the payments will be determined in accordance with Section 5.2(f).
- (b) *Death and Disability Benefit.* Upon the Participant's Separation from Service on account of Death or Disability, he or she shall be entitled to a Death or Disability Benefit, as the case may be. The Death or Disability Benefit shall be equal to the Termination Account and all remaining amounts credited to the Participant's Specified Date Account(s) based on the value of such Account(s) as of the end of the Business Day immediately preceding the date the benefit is to be paid. The benefit paid under this paragraph shall be payable in a lump sum within 90 days after the effective date of the Participant's Separation from Service except that, for any Participant who is a Specified Employee, payment of the benefit will be made

in a lump sum in the seventh month following the month in which Separation from Service occurs.

- (c) *Specified Date Benefit.* If the Participant has established one or more Specified Date Accounts, he or she shall be entitled to a Specified Date Benefit with respect to each such Specified Date Account. The Specified Date Benefit shall be equal to the Specified Date Account, based on the value of that Account as of the end of the Business Day immediately preceding the date on which the payment is to be made or payments are to commence. Payment of the Specified Date Benefit will be made or begin in the month following the designated month. Notwithstanding the designated benefit commencement date for a Specified Date Benefit and unless such benefit is paid earlier, all Specified Date Accounts will be paid within the 90-day period following a Participant's Separation from Service.
- (d) *Unforeseeable Emergency Payments.* A Participant who experiences an Unforeseeable Emergency may submit a written request to the Committee to receive payment of all or any portion of his or her vested Accounts. Whether a Participant or Beneficiary is faced with an Unforeseeable Emergency permitting an emergency payment shall be determined by the Committee based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of Unforeseeable Emergency may not be made to the extent that such emergency is or may be reimbursed through insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of Deferrals under this Plan. If an emergency payment is approved by the Committee, the amount of the payment shall not exceed the amount reasonably necessary to satisfy the need, taking into account the additional compensation that is available to the Participant as the result of cancellation of deferrals to the Plan, including amounts necessary to pay any taxes or penalties that the Participant reasonably anticipates will result from the payment. The amount of the emergency payment shall be subtracted first from the Participant's Termination Account until depleted and then from the Specified Date Accounts, beginning with the Specified Date Account with the latest payment commencement date. Emergency payments shall be paid in a single lump sum within the 90-day period following the date the payment is approved by the Committee.

5.2 Form of Payment.

- (a) *Termination Benefit.* A Participant who is entitled to receive a Termination Benefit shall receive payment of such benefit in a single lump sum, unless the Participant elects on his or her initial Compensation Deferral Agreement to have such benefit paid in one of the following alternative forms of payment (i) substantially equal annual installments over a period of two to five years, as elected by the Participant, or (ii) a lump sum payment of a percentage of the balance in the

Termination Account, with the balance paid in substantially equal annual installments over a period of [two] to [five] years, as elected by the Participant.

- (b) *Death and Disability Benefit.* A Participant who is entitled to receive a Death Benefit or Disability Benefit shall receive payment of such benefit in a single lump sum.
- (c) *Specified Date Benefit.* The Specified Date Benefit shall be paid in a single lump sum, unless the Participant elects on the Compensation Deferral Agreement with which the account was established to have the Specified Date Account paid in substantially equal annual installments over a period of [two] to [five] years, as elected by the Participant. Notwithstanding the designated benefit commencement date for a Specified Date Benefit, all Specified Date Accounts will be paid upon a Participant's Separation from Service for any other reason other than Retirement if such Separation from Service occurs before the Specified Date(s) the Specified Date Account(s) would otherwise have been paid.
- (d) *Change in Control.* A Participant will receive his or her Termination Benefit in a single lump sum payment equal to the unpaid balance of all of his or her Accounts if Separation from Service occurs within 24 months following a Change in Control.

A Participant or Beneficiary receiving installment payments when a Change in Control occurs, will receive the remaining account balance in a single lump sum within 90 days following the Change in Control.

- (e) *Small Account Balances.* The Company shall pay the value of the Participant's Accounts upon a Separation from Service in a single lump sum if the balance of such Accounts is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), provided the payment represents the complete liquidation of the Participant's interest in the Plan.

Notwithstanding any Participant election or other provisions of the Plan, a Participant's Accounts will be paid in a single lump sum if, upon the commencement of his or her Retirement, Termination, Death or Disability Benefit, the combined value of his or her Accounts is not greater than \$25,000.

- (f) *Rules Applicable to Installment Payments.* If a Payment Schedule specifies installment payments, annual payments will be made beginning as of the payment commencement date for such installments and shall continue on each anniversary thereof until the number of installment payments specified in the Payment Schedule has been paid. The amount of each installment payment shall be determined by dividing (a) by (b), where (a) equals the Account Balance as of the Valuation Date and (b) equals the remaining number of installment payments.

For purposes of Article V, installment payments will be treated as a single form of payment. If a lump sum equal to less than 100% of the Termination Account is paid, the payment commencement date for the installment form of payment will be the first anniversary of the payment of the lump sum.

- 5.3 Acceleration of or Delay in Payments. The Company, in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Company may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7). If the Plan receives a domestic relations order (within the meaning of Code Section 414(p)(1)(B)) directing that all or a portion of a Participant's Accounts be paid to an "alternate payee," any amounts to be paid to the alternate payee(s) shall be paid in a single lump sum.

ARTICLE VI

Modifications to Payment Schedules

- 6.1 Participant's Right to Modify. A Participant may modify any or all of the alternative Payment Schedules with respect to an Account, consistent with the permissible Payment Schedules available under the Plan, provided such modification complies with the requirements of this Article VI.
- 6.2 Time of Election. The date on which a modification election is submitted to the Company must be at least 12 months before the date on which payment is scheduled to commence under the Payment Schedule in effect before the modification.
- 6.3 Date of Payment under Modified Payment Schedule. Except with respect to modifications that relate to the payment of a Death Benefit or a Disability Benefit, the date payments are to commence under the modified Payment Schedule must be no earlier than five years after the date payment would have commenced under the original Payment Schedule. Under no circumstances may a modification election result in an acceleration of payments in violation of Code Section 409A.
- 6.4 Effective Date. A modification election submitted in accordance with this Article VI is irrevocable upon receipt by the Company and becomes effective 12 months after such date.
- 6.5 Effect on Accounts. An election to modify a Payment Schedule is specific to the Account or payment event to which it applies, and shall not be construed to affect the Payment Schedules of any other Accounts.

ARTICLE VII

Valuation of Account Balances; Investments

- 7.1 Valuation. Deferrals shall be credited to appropriate Accounts on the date such Compensation would have been paid to the Participant absent the Compensation Deferral Agreement. Company Contributions shall be credited to the Termination Account at the times determined by the Company. Valuation of Accounts shall be performed under procedures approved by the Committee.
- 7.2 Earnings Credit. With respect to all deferrals of cash Compensation (i.e., not equity) each Account will be credited with Earnings on each Business Day, based upon the Participant's investment allocation among a menu of investment options selected in advance by the Committee, in accordance with the provisions of this Article VII ("investment allocation").
- 7.3 Investment Options. Investment options for all Accounts with deferred cash Compensation (i.e., not equity) will be determined by the Committee. The Committee, in its sole discretion, shall be permitted to add or remove investment options from the Plan menu from time to time, provided that any such additions or removals of investment options shall not be effective with respect to any period before the effective date of such change.
- 7.4 Investment Allocations. A Participant's investment allocation constitutes a deemed, not actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Company or any trustee acting on its behalf have any obligation to purchase actual securities as a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account Balances.
- A Participant shall specify an investment allocation for each of his Accounts in accordance with procedures established by the Company. Allocation among the investment options must be designated in increments of 1%. The Participant's investment allocation will become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Company, the next Business Day.
- A Participant may change an investment allocation on any Business Day, both with respect to future credits to the Plan and with respect to existing Account Balances, in accordance with procedures adopted by the Company. Changes shall become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Company, the next Business Day, and shall be applied prospectively.
- 7.5 Unallocated Deferrals and Accounts. If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, the primary objective of which is the preservation of capital, as determined by the Company.

ARTICLE VIII

Administration

- 8.1 Plan Administration. This Plan shall be administered by the Committee which shall have discretionary authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Plan and its terms, as may arise in connection with the Plan. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in Article XII.
- 8.2 Administration Upon Change in Control. Upon a Change in Control, the Committee, as constituted immediately before such Change in Control, shall continue to act as the Committee. The individual who was the Chief Executive Officer of the Company (or if such person is unable or unwilling to act, the next highest ranking officer) before the Change in Control shall have the authority (but shall not be obligated) to appoint an independent third party to act as the Committee.
- Upon such Change in Control, the Company may not remove the Committee, unless 2/3rds of the members of the Board consent to the removal and replacement of the Committee. Notwithstanding the foregoing, neither the Committee nor the officer described above shall have authority to direct investment of trust assets under any rabbi trust described in Section 10.2.
- The Company shall, with respect to the Committee identified under this Section: (i) pay all reasonable expenses and fees of the Committee, (ii) indemnify the Committee (including individuals serving as Committee members) against any costs, expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Committee's duties hereunder, except with respect to matters resulting from the Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Committee may reasonably require.
- 8.3 Withholding. To the extent required by law and if at all, the Company shall have the right to withhold from any payment due under the Plan (or with respect to any amounts credited to the Plan) any taxes required by law to be withheld in respect of such payment (or credit). Withholdings with respect to amounts credited to the Plan shall be deducted from Compensation that has not been deferred to the Plan.
- 8.4 Indemnification. The Company shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Plan or otherwise with respect to administration of the Plan, including, without limitation, the Committee and its agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or it (including but not limited to reasonable attorney fees) which arise as a result of his or its actions or failure to act in connection with the operation and

administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Company. Notwithstanding the foregoing, the Company shall not indemnify any person or organization if his or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Company consents in writing to such settlement or compromise.

- 8.5 Delegation of Authority. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who shall be legal counsel to the Company.
- 8.6 Binding Decisions or Actions. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

ARTICLE IX

Amendment and Termination

- 9.1 Amendment and Termination. The Company may at any time and from time to time amend the Plan or may terminate the Plan as provided in this Article IX.
- 9.2 Amendments. The Company, by action taken by its Board, may amend the Plan at any time and for any reason, provided that any such amendment shall not reduce the vested Account Balances of any Participant accrued as of the date of any such amendment or restatement (as if the Participant had incurred a voluntary Separation from Service on such date) or reduce any rights of a Participant under the Plan or other Plan features with respect to Deferrals made before the date of any such amendment or restatement without the consent of the Participant. The Board may delegate to the Committee the authority to amend the Plan without the consent of the Board for the purpose of: (i) conforming the Plan to the requirements of law; (ii) facilitating the administration of the Plan; (iii) clarifying provisions based on the Committee's interpretation of the document; and (iv) making such other amendments as the Board may authorize.
- 9.3 Termination. The Company, by action taken by its Board, may terminate the Plan and pay Participants and Beneficiaries their Account Balances in a single lump sum at any time, to the extent and in accordance with Treas. Reg. Section 1.409A-3(j)(4)(ix). If the Company terminates the Plan, the benefits of affected Employees shall be paid at the time provided in Article V.
- 9.4 Accounts Taxable Under Code Section 409A. The Plan is intended to constitute a plan of deferred compensation that meets the requirements for deferral of income taxation under Code Section 409A. In the event that any provision of this Plan shall be determined to contravene Code Section 409A, the regulations promulgated thereunder, regulatory

interpretations or announcements with respect to Code Section 409A, any such provision shall be void and have no effect and may be amended by the Company without the consent of the Participant, for the purpose of Code Section 409A compliance. Moreover, this Plan shall be interpreted at all times in such a manner that the terms and provisions of the Plan comply with Code Section 409A, the regulations promulgated thereunder, and regulatory interpretations or announcements with respect to Code Section 409A. The Company shall have the authority to void any Participant election hereunder if necessary to maintain the Plan in compliance with Code Section 409A and, pursuant to its authority to interpret the Plan, may sever from the Plan or any Compensation Deferral Agreement any provision or exercise of a right that otherwise would result in a violation of Code Section 409A.

ARTICLE X

Informal Funding

- 10.1 General Assets. Obligations established under the terms of the Plan may be satisfied from the general funds of the Company, or a trust described in this Article X. No Participant, spouse or Beneficiary shall have any right, title or interest whatever in assets of the Company. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and any Employee, spouse, or Beneficiary. To the extent that any person acquires a right to receive payments hereunder, such rights are no greater than the right of an unsecured general creditor of the Company.
- 10.2 Rabbi Trust. The Company may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Plan. Payments under the Plan may be paid from the general assets of the Company or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Plan.

ARTICLE XI

Claims

- 11.1 Filing a Claim. Any Participant claiming a benefit, requesting an interpretation or ruling, or requesting information (a "Claimant"), under the Plan, shall present the request in writing to the Committee, which shall respond in writing as soon as practicable. If the claim or request is denied, the written notice of denial shall state the following:
- (a) The reasons for denial, with specific reference to the Plan provisions upon which the denial is based;
 - (b) A description of any additional material or information required and an explanation of why it is necessary; and
 - (c) An explanation of the Plan's review procedure.

The initial notice of denial shall normally be given within 90 days after receipt of the claim. If special circumstances require an extension of time, the Claimant shall be so notified and the time limit shall be 180 days. Any person whose claim or request is denied, or who has not received a response within 30 days, may request review by notice in writing to the Claimant. The original decision shall be reviewed by the Committee, which may, but shall not be required to, grant the claimant a hearing. On review, whether or not there is a hearing, the claimant may have representation, examine pertinent documents and submit issues and comments in writing. The decision on review shall ordinarily be made within 60 days. If an extension of time is required for a hearing or other special circumstances, the Claimant shall be so notified and the time limit shall be extended to 120 days. The decision on review shall be in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

ARTICLE XII

General Provisions

- 12.1 Assignment. Except with respect to a Permitted Transferee, no interest of any Participant, spouse or Beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary. Notwithstanding anything to the contrary herein, however, (i) the Committee has the discretion to make payments to an alternate payee in accordance with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)) and (ii) pursuant to conditions and procedures established by the Committee from time to time, the Committee may permit Accounts to be paid to certain persons or entities related to a Participant, including members of the Participant's immediate family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's immediate family and/or charitable institutions (a "Permitted Transferee"). Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer or payment is being made for estate and/or tax planning purposes on a gratuitous or donative basis and without consideration (other than nominal consideration). No interest of any Participant, spouse or Beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary.

The Company may assign any or all of its liabilities under this Plan in connection with any restructuring, recapitalization, sale of assets or other similar transactions affecting the Company without the consent of the Participant.

- 12.2 No Legal or Equitable Rights or Interest. No Participant or other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in this Plan does not give any person any right to be retained in the service of the Company. The right and power of the Company to dismiss or discharge an Employee is expressly reserved. The Company make no representations or warranties as to the tax consequences to a Participant or a Participant's beneficiaries resulting from a deferral of income pursuant to the Plan.
- 12.3 Notice. Any notice or filing required or permitted to be delivered to the Committee under this Plan shall be delivered in writing, in person, or through such electronic means as is established by the Committee. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Written transmission shall be sent by certified mail to:
- JACK HENRY & ASSOCIATES, INC.**
ATTN: CHIEF FINANCIAL OFFICER
663 W HIGHWAY 60
MONETT, MO 65708
- Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing or hand-delivered, or sent by mail to the last known address of the Participant.
- 12.4 Headings. The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.
- 12.5 Invalid or Unenforceable Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and the Committee may elect in its sole discretion to construe such invalid or unenforceable provisions in a manner that conforms to applicable law or as if such provisions, to the extent invalid or unenforceable, had not been included.
- 12.6 Lost Participants or Beneficiaries. Any Participant or Beneficiary who is entitled to a benefit from the Plan has the duty to keep the Committee advised of his or her current mailing address. If benefit payments are returned to the Plan or are not presented for payment after a reasonable amount of time, the Committee shall presume that the payee is missing. The Committee, after making such efforts as in its discretion it deems reasonable and appropriate to locate the payee, shall stop payment on any uncashed checks and may discontinue making future payments until contact with the payee is restored.
- 12.7 Facility of Payment to a Minor. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Committee may, in its discretion, make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (ii) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall

fully discharge the Committee, the Company, and the Plan from further liability on account thereof.

12.8 Governing Law. The laws of the State of Missouri shall govern the construction and administration of the Plan.

IN WITNESS WHEREOF, the undersigned executed this Plan as of the 25th day of August, 2014, to be effective as of the Effective Date.

JACK HENRY & ASSOCIATES, INC.

By: Kevin D. Williams (Print Name)

Its: CFO (Title)

/s/ Kevin D. Williams (Signature)

**PERFORMANCE SHARES AGREEMENT
UNDER THE
JACK HENRY & ASSOCIATES, INC. RESTRICTED STOCK PLAN
(Executives)**

THIS AGREEMENT is made as of the 10th day of September, 2014, and is between Jack Henry & Associates, Inc., a Delaware corporation (hereinafter called the "Company"), and _____ (hereinafter called "Awardee").

WHEREAS, the Board of Directors of the Company ("Board") has adopted the Jack Henry & Associates, Inc. Restricted Stock Plan ("Plan") pursuant to which performance shares ("Performance Shares") may be granted to employees of the Company; and

WHEREAS, the Company desires to make a Performance Shares grant to Awardee ("Award") under the terms hereinafter set forth and pursuant to which shares of the Company's Common Stock are eligible to be issued to Awardee;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements hereinafter set forth, the parties to this Agreement agree as follows:

1. Award Subject to Plan. This Award is made under and is expressly subject to all the terms and provisions of the Plan, a copy of which Awardee acknowledges has been given to Awardee, and which Plan's terms are incorporated herein by reference. Awardee agrees to be bound by all the terms and provisions of the Plan. Terms not defined herein shall have the meaning ascribed thereto in the Plan.

2. Grant of Award. Pursuant to the action of the Board, which action was taken on September 10, 2014 ("Date of Award"), the Company awards to Awardee _____ (_____)¹ Performance Shares, as determined pursuant to the terms and conditions set forth in this Agreement and including Appendix A hereto. Each Performance Share shall initially be deemed to be the equivalent of one share of Common Stock; provided, however, that certain levels of achievement may result in settlement of less than one, or more than one, share of Common Stock (or its cash equivalent) for each Performance Share. In the sole discretion of the Board, the Company may elect to settle a Performance Share for cash with a cash payment equal to the fair market value of each Performance Share the Board elects to settle for cash.

3. Restrictions. Except as may be permitted under the Plan or by the Board, none of Awardee's rights to payment hereunder are transferable by: sale, assignment, disposition, gift, exchange, pledge, hypothecation, or otherwise. Any attempted disposition of any of Awardee's rights hereunder, or the levy of any execution, attachment or similar process upon any of the Performance Shares prior to settlement, shall be null and void and

¹ This number of Performance Shares should equal the number of Shares that would be issued if 100% of the Performance Shares were issued.

without effect. Holding Performance Shares does not give Awardee the rights of a shareholder (including without limitation the right to vote or receive dividends or other distributions) with respect to shares of Common Stock underlying the Performance Shares that the Company may issue under the terms and conditions of this Agreement.

4. Settlement, Forfeiture and Share Issuance.

(a) Appendix A Performance Measures. The performance measures applicable to the Performance Shares (the "Performance Measures") are set forth in Appendix A to this Agreement. By accepting the terms and conditions of this Agreement, Awardee shall be deemed to have consented to Appendix A, and at all times, Appendix A, its Performance Measures, terms and conditions are incorporated herein by reference. The Performance Measures relate to the Company's 2015, 2016 and 2017 fiscal years (each a "Performance Year", and collectively the "Performance Period"). Appendix A also sets forth the "Scheduled Settlement Date", which, if it occurs due to achievement of one or more of the Performance Measures, shall follow the meeting of the Compensation Committee of the Company's Board of Directors (the "Committee") at which the applicable level of performance goal achievement is determined for Award purposes ("Applicable Committee Meeting"). At the Applicable Committee Meeting following the 2017 Performance Year, the Committee shall conduct an objective analysis as to whether one or more of the Performance Measures have been satisfied. If one or more of such Performance Measures have been satisfied, the Committee shall certify such achievement ("Certification") and instruct the Company to begin the Performance Shares settlement process.

(b) Performance Settlement.

(i) The Performance Shares shall be settled in connection with Certification (as provided in Appendix A, but no earlier than any Scheduled Settlement Date). Settlement shall not occur if Certification does not occur at the Applicable Committee Meeting in 2017 (the "Deadline"), and if Certification does not occur by the Deadline, no Performance Shares shall be settled and all of Awardee's rights under this Agreement shall be forfeited as of the Deadline.

(ii) To the extent that the settlement of Performance Shares would result in the issuance of one or more shares in excess of the limitations set forth in Section 6(b) of the Plan (which relates to the terms and conditions for satisfaction of the performance-based compensation exception to Section 162(m) of the Internal Revenue Code, as amended (the "Code")), issuance of such excess shares shall be delayed until the first taxable year in which the delivery of such shares can be made in accordance with Section 6(b) of the Plan and the tax deduction for such payment will not be barred by application of Code section 162(m).

(iii) To the extent permissible under the Plan, the Committee, in its sole discretion, may elect to settle one or more Performance Shares by making a cash payment to Awardee in an amount equal to the then fair market value of the share of Common Stock underlying the Performance Share being settled, less any amounts necessary to satisfy the Company's tax withholding obligations.

(c) Other Settlement.

(i) *Effect of Change in Control on Settlement.* If any of the events constituting a Change in Control of the Company shall have occurred and the Awardee's employment with the Company is terminated by the Company within the period commencing 90 days prior to, and ending two years following such Change in Control (the "Applicable Period"), all Performance Shares shall be settled, regardless of whether one or more Performance Measures are achieved; provided, however, that the Performance Shares shall not be settled pursuant to the prior clause in the event of a termination by the Company for "Cause" (as hereinafter defined). If any of the events constituting a Change in Control of the Company shall have occurred and the Awardee terminates his employment during the Applicable Period for "Good Reason" (as hereinafter defined), all Performance Shares shall be settled. If there is an event pursuant to which Performance Shares shall be settled pursuant to this Section 4(c)(i), settlement of the Performance Shares shall occur as if goal achievement occurred at the Target level of goal achievement and as soon as practicable following the later to occur of the Change in Control or the termination of Awardee's employment, but in no event later than the 90th day following the later to occur of such events, and in no event shall Awardee have any discretion to direct when the Performance Shares shall be settled.

(ii) For purposes of this Award, "Cause" shall mean (A) failure of the Awardee to adequately perform his duties assigned by the Board; or (B) any act or acts of gross dishonesty or gross misconduct on the Awardee's part which result or are intended to result directly or indirectly in gain or personal enrichment at the expense of the Company or its subsidiaries to which the Awardee is not legally entitled. For purposes of this Award, "Good Reason" shall mean (v) a material diminution of the Awardee's authority, duties or responsibilities from those being exercised and performed by the Awardee immediately prior to the Change in Control; (w) a transfer of the Awardee to a location which is more than 75 miles away from the location where the Awardee was employed immediately prior to the Change in Control; (x) a material diminution in the rate of the Awardee's annual salary below his rate of annual salary immediately prior to the Change in Control; (y) a material diminution in the Awardee's annual target bonus opportunity below his annual target bonus opportunity immediately prior to the Change

in Control; or (z) a material breach by the Company of any incentive award agreement covering the Awardee; provided, however, that Good Reason shall not be deemed to exist unless the Awardee has first provided notice to the Company of the existence of one of the events described above within a period of 90 days from the initial existence of the event, and after such notice the Company has been provided a period of 30 days to eliminate the existence of Good Reason.

(iii) *Effect of Death, Incapacity and Retirement on Settlement.* Upon Awardee's death or termination of employment due to Incapacity or "Retirement", no forfeiture or accelerated settlement of the Performance Shares shall occur (except as provided in Section 4(c)(i) above). Rather, on the Scheduled Settlement Date following the Applicable Committee Meeting, if Certification occurs, a pro rata portion of the Performance Shares subject to this Agreement shall be settled based on the period of time in the Performance Period that elapsed prior to Awardee's termination of employment.

The pro rata portion of the Performance Shares being settled shall be determined by (A) dividing the aggregate number of Performance Shares Awardee would have been entitled to receive had he or she been employed through the end of the Performance Period by 36 (i.e., the number of calendar months in the Performance Period), and then (B) multiplying the quotient obtained in (A) by the number of whole months elapsed from the commencement of the 2015 fiscal year to the date of Awardee's death or termination of employment due to Incapacity or Retirement. For purposes of this pro rata calculation, Awardee must have been actively employed as a full-time employee for an entire calendar month in the Performance Period to receive credit that that month.

For purposes of this Agreement, a "Retirement" means an Awardee's termination of employment for the express reason of retirement, as determined by the Board or Committee in its sole discretion, (A) following a minimum of thirty (30) years of employment with the Company, (B) on or after age 57 and following a minimum of fifteen (15) years of employment with the Company, or (C) on or after age 62 and following a minimum of five (5) years of employment with the Company. Unless otherwise determined by the Board or the Committee, Awardee must have been actively employed as a full-time employee for an entire calendar year to receive credit for such year of employment for purposes of this definition of "Retirement."

d. Forfeiture. Subject to the other provisions of this Section 4, all rights relating to any non-settled Performance Shares shall be forfeited if either (A) Certification does not occur prior to or on the Deadline, or (B) Awardee ceases to be employed by the Company during the Performance Period (except as provided

in Section 4(c) above). Awardee is not deemed to have terminated employment through, and Awardee's rights relating to the Performance Shares shall not be forfeited solely as a result of, any change in Awardee's duties or position or Awardee's temporary leave of absence approved by the Company. Upon any such forfeiture, under no circumstances will the Company be obligated to make any payment to Awardee, and no shares of Common Stock shall be issued, as a result of such forfeited Performance Shares.

e. Share Issuance. Except as otherwise provided herein, upon the settlement of a specific number of Performance Shares, for shares of Common Stock, as provided in Paragraphs 4(b) or (c), the Company shall issue a corresponding number of shares of Common Stock to Awardee on the Settlement Date, provided that tax withholding obligations have been satisfied as provided in Section 5. The Company's transfer agent may issue shares of Common Stock in certificated or book entry form as determined by the Company's Corporate Secretary. Upon issuance of the Shares, Awardee shall have all rights of a shareholder with respect thereto including the right to vote and receive all dividends or other distributions made or paid with respect to the shares of Common Stock.

f. Payments to Third Party. Upon death of Awardee followed by a valid written request for payment, the shares of Common Stock, to the extent eligible to be issued, shall be issued as soon as administratively practical to Awardee's beneficiary named in a written beneficiary designation filed with the Company's Corporate Secretary on a form for the Plan or, if there is no such designated beneficiary, to Awardee's executor or administrator or other personal representative acceptable to the Corporate Secretary. Any request to pay any person or persons other than Awardee shall be accompanied by such documentation as the Company may reasonably require, including without limitation, evidence satisfactory to the Company of the authority of such person or persons to receive the payment.

5. Tax Withholding. Awardee understands and agrees that, at the time any tax withholding obligation arises in connection with the issuance of a share of Common Stock or, if permitted under the Plan, a cash payment, the Company may withhold, in shares of Common Stock if a valid election applies under this Section 5 or in cash from payroll or other amounts the Company owes or will owe Awardee, any applicable withholding, payroll and other required tax amounts due upon the issuance of shares of Common Stock or cash payment. Tax withholding may be made by any means permitted under the Plan, as approved by the Committee, and as permitted under the law. The valuation of the Performance Shares, and any shares of Common Stock that the Company may issue attributable to Performance Shares, for tax and other purposes shall be determined in accordance with all applicable laws and regulations. In the absence of the satisfaction of tax obligations, the Company may refuse to issue shares of Common Stock or make any other payment hereunder.

6. Dividends and Voting. Prior to a Performance Share settlement date, Awardee shall have no right to receive any dividends or dividend equivalent payments with

respect to the Performance Shares. Awardee will have no voting rights with respect to any of the Performance Shares.

7. Administration. This Award has been made pursuant to a determination made by the Board, or a committee authorized by the Board, subject to the express terms of this Agreement, and the Board or such committee shall have plenary authority to interpret any provision of this Agreement and to make any determinations necessary or advisable for the administration of this Agreement and may waive or amend any provisions hereof in any manner not adversely affecting the rights granted to Awardee by the express terms hereof.

8. No Right to Continued Service. Nothing in this Agreement shall be deemed to create any limitation or restriction on such rights as the Company otherwise would have to terminate the employment of Awardee.

9. Compliance with Section 409A. Notwithstanding any provision in this Agreement or the Plan to the contrary, this Agreement shall be interpreted and administered in accordance with Code Section 409A and regulations and other guidance issued thereunder (“Section 409A”). For purposes of determining whether any payment made pursuant to this Agreement results in a “deferral of compensation” within the meaning of Treasury Regulation 1.409A-1(b), Company shall maximize the exemptions described in such section, as applicable. Any reference to a “termination of employment” or similar term or phrase shall be interpreted as a “separation from service” within the meaning of Section 409A. If any deferred compensation payment is payable while Awardee is a “specified employee” under Section 409A, and payment is due because of separation from service for any reason other than death, then payment of such amount shall be delayed for a period of six months and paid in a lump sum on the first payroll payment date following the earlier of the expiration of such six month period or Awardee's death. To the extent any payments under this Agreement are made in installments, each installment shall be deemed a separate payment for purposes of Section 409A and the regulations issued thereunder. Awardee or his or her beneficiary, as applicable, shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on Awardee or his or her beneficiary in connection with any payments to Awardee or his or her beneficiary pursuant to this Agreement, including but not limited to any taxes, interest and penalties under Section 409A, and Company shall have no obligation to indemnify or otherwise hold Awardee or his or her beneficiary harmless from any and all of such taxes and penalties.

10. Grant Subject to Recoupment. Executive acknowledges that the grant of Performance Shares made in this Agreement may be subject to certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank”) that will require the Company to recover certain amounts of incentive compensation paid to certain executive officers if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirements under any applicable securities laws. By accepting this grant, whether or not any compensation is ultimately paid hereunder, Executive agrees and consents to any

forfeiture or required recovery or reimbursement obligations of the Company with respect to any compensation paid to Executive that is forfeitable or recoverable by the Company pursuant to Dodd-Frank and in accordance with any Company policies and procedures adopted by the Compensation Committee in order to comply with Dodd Frank, as the same may be amended from time to time.

11. Choice of Law. This Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Agreement to the substantive law of another jurisdiction. Awardee is deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of Missouri to resolve any and all issues that may arise out of or relate to this agreement.

The Company has caused this Agreement to be executed on its behalf, and Awardee has signed this Agreement to evidence Awardee's acceptance of the terms hereof, all as of the date first above written.

JACK HENRY & ASSOCIATES, INC.

By:

Title: CFO

AWARDEE

Name: _____

APPENDIX A TO PERFORMANCE SHARES AWARD AGREEMENT

September 10, 2014 GRANT

Executive

CLIFF SETTLEMENT

(Settlement occurs based upon the level of achievement of the Performance Measures)

Achievement of the Performance Measures set forth below for the Performance Period (FYs 2015-2017) ("Performance Condition") is required for settlement, and settlement may occur no earlier than the later of September 10, 2017 or the first business day following the Applicable Committee Meeting (the "Scheduled Settlement Date"), except in the case of a Change in Control or as otherwise provided in the Agreement and this Appendix.

Calculation of the number of Performance Shares eligible to be settled depends on the Company's Total Stockholder Return ("TSR") compared against the Company's compensation peer group (as determined by the Committee) for the three (3) fiscal years ending June 30, 2017. For purposes of determining the TSR for both the Company and the Company's compensation peer group, TSR shall be determined based on the average of the closing prices for the relevant company's common stock for the 10 consecutive trading days ending on June 30, 2017. For this purpose, closing price means the last reported market price for one share of common stock, regular way, on the exchange or stock market on which such last reported market price is reported on the day in question. The percentage of Performance Shares eligible to be settled shall be determined in accordance with the following schedule:

Company's TSR Compared to Peer Group Percentage of Performance Shares Eligible to be Settled*

< 25% percentile	0% of Performance Shares (0 shares)
25 th percentile	35% of Performance Shares (shares)
50 th percentile	70% of Performance Shares (shares)
63 rd percentile	100% of Performance Shares (shares)
65 th percentile	105% of Performance Shares (shares)
70 th percentile	140% of Performance Shares (shares)
75 th percentile	175% of Performance Shares (shares)

*The percentage of Performance Shares eligible to be settled when the Company's TSR for the Performance Period falls in between any of the above-listed percentiles shall be determined using linear interpolation between the immediately preceding and immediately following data-points.

Unless earlier forfeited, any Performance Shares not settled by the Scheduled Settlement Date in 2017 will be forfeited.

CERTIFICATION

I, John F. Prim, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack Henry & Associates, 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 controls over financial reporting.

Date: November 5, 2014

/s/ John F. Prim
John F. Prim
Chief Executive Officer

CERTIFICATION

I, Kevin D. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jack Henry & Associates, 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 controls over financial reporting.

Date: November 5, 2014

/s/ Kevin D. Williams

Kevin D. Williams

Chief Financial Officer

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Executive Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the three month period ended September 30, 2014 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2014

*/s/ John F. Prim

John F. Prim

Chief Executive Officer

*A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Financial Officer of Jack Henry & Associates, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the three month period ended September 30, 2014 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2014

*/s/ Kevin D. Williams

Kevin D. Williams

Chief Financial Officer

*A signed original of this written statement required by Section 906 has been provided to Jack Henry & Associates, Inc. and will be retained by Jack Henry & Associates, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.