

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

BRENDA KOEHLER, individually and)
on behalf of all others similarly situated,)

Plaintiff,)

v.)

NETSPEND HOLDINGS, INC., DANIEL R.)

HENRY, ANDREW W. ADAMS, THOMAS)

A. MCCULLOUGH, DANIEL M. SCHLEY,)

ALEXANDER R. CASTALDI, FRANCISCO)

J. RODRIGUEZ, ANN HUNTRESS)

LAMONT, STEPHEN A. VOGEL,)

GENERAL MERGER SUB, INC. and)

TOTAL SYSTEM SERVICES, INC.,)

Defendants.)

C.A. No. 8373-VCG

**NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT OF CLASS ACTION,
SETTLEMENT HEARING, AND RIGHT TO APPEAR**

TO: ALL PERSONS OR ENTITIES WHO HELD SHARES OF COMMON STOCK OF NETSPEND HOLDINGS, INC. (“NETSPEND” OR THE “COMPANY”), EITHER OF RECORD OR BENEFICIALLY, AT ANY TIME FROM FEBRUARY 19, 2013 THROUGH AND INCLUDING THE CONSUMMATION OF THE TRANSACTION BETWEEN THE COMPANY, TSYS, AND GENERAL MERGER SUB, INC., A WHOLLY-OWNED SUBSIDIARY OF TSYS, INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS IN INTEREST, PREDECESSORS, REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNS, OR TRANSFEREES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM (EXCLUDING DEFENDANTS, MEMBERS OF THE DEFENDANTS’ IMMEDIATE FAMILY, ANY ENTITY IN WHICH A DEFENDANT HAS A CONTROLLING INTEREST, AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, OR ASSIGNS OF ANY SUCH EXCLUDED PERSON).

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LITIGATION. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF THE LITIGATION REFERRED TO IN THE CAPTION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS, AND ADEQUACY OF THE PROPOSED SETTLEMENT AND FROM PURSUING THE SETTLED CLAIMS (DEFINED HEREIN).

IF YOU HELD THE COMMON STOCK OF THE COMPANY FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.

I. PURPOSE OF NOTICE

Pursuant to an Order of the Court of Chancery of the State of Delaware (the “Court of Chancery”) dated October 4, 2013, and further pursuant to Court of Chancery Rule 23, this Notice is to inform you of (i) the Court of Chancery’s determination to provisionally certify, for purposes of the settlement only, the above-captioned action (the “Delaware Action”) as a non-opt out class action pursuant to Court of Chancery Rules 23(a) and 23(b)(1) and (b)(2) on behalf of the Class (defined below), (ii) the proposed settlement (the “Settlement”) of the Delaware Action and the action captioned *Bushansky v. NetSpend Holdings, Inc. et al.* D-1-GN-13-698 (the “Texas Action” and, together with the Delaware Action, the “Actions”) pending before the District Court of Travis County, Texas (the “Texas Court”), as provided for in a Stipulation of Settlement dated September 20, 2013 (the “Stipulation”), and (iii) your right to participate in a hearing to be held on December 18, 2013 at 1:30 p.m., before the Court of Chancery in the New Castle County Courthouse, Wilmington, Delaware (the “Settlement Hearing”) to determine whether the Court of Chancery should (a) finally certify the Delaware Action pursuant to the Court of Chancery Rules 23(a) and 23(b)(1) and (b)(2); (b) appoint Brenda Koehler (“Koehler”) as Class Representative and Rigrodsky & Long, P.A. and Levi & Korsinsky LLP as lead counsel in the Delaware Action; (c) approve the Settlement as fair, reasonable, adequate, and in the best interests of the Class; and (d) consider a request for an award of attorneys’ fees and expenses to counsel for Koehler and Stephen Bushansky, plaintiff in the Texas Action (“Bushansky” and, together with Koehler, “Plaintiffs”).

This Notice describes the rights you may have in the Actions pursuant to the Stipulation and what steps you may take, but are not required to take, in relation to the Settlement.

If the Court of Chancery approves the Settlement, the parties will ask the Court of Chancery at the Settlement Hearing to enter an Order and Final Judgment dismissing the Delaware Action, and directing Bushansky to dismiss the Texas Action, with prejudice in accordance with the terms of the Stipulation. The Court of Chancery has the right to adjourn the Settlement Hearing without further notice. The Court of Chancery also has the right, under certain circumstances, to approve the Settlement with or without modification, and to enter its final judgment dismissing the Delaware Action on the merits and with prejudice and to order the payment of attorneys’ fees and expenses without further notice.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT OF CHANCERY. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT OF CHANCERY AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES. THIS NOTICE IS SENT FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THE ACTIONS AND OF A HEARING ON A PROPOSED SETTLEMENT, SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY WISH TO TAKE IN RELATION TO THIS LITIGATION.

II. BACKGROUND OF THE ACTION

On February 19, 2013, NetSpend Holdings, Inc. (“NetSpend” or the “Company”), a Delaware corporation, and Total System Services, Inc. (“TSYS”) announced that the Company, TSYS, and General Merger Sub, Inc. (“Sub”), a wholly-owned subsidiary of TSYS, had entered into a definitive merger agreement (“Merger Agreement”) pursuant to which Sub merged with and into NetSpend and each of the outstanding shares of NetSpend were converted into \$16 per share in cash, without interest (the “Transaction”). The Transaction was valued at approximately \$1.4 billion.

On February 22, 2013, a NetSpend stockholder, Joan Litwin (“Litwin”), filed a putative class action complaint in the Court of Chancery in an action captioned *Litwin v. NetSpend Holdings, Inc., et al.*, Case No. 8349-VCG (the “Litwin Action”) challenging the Transaction on behalf of the public stockholders of NetSpend against the Company, the members of its Board of Directors (the “NetSpend Board”), TSYS, and Sub (collectively, the “Defendants”), which action was assigned to Vice Chancellor Glasscock.

On February 25, 2013, a NetSpend stockholder, Stephen Bushansky (“Bushansky”), commenced the Texas Action by filing a putative class action petition in the Texas Court against the Defendants challenging the Transaction on behalf of the public stockholders of NetSpend.

On February 27, 2013, Bushansky filed an amended petition in the Texas Action.

On March 1, 2013, Koehler commenced the Delaware Action by filing a substantially similar putative class action complaint in the Court of Chancery against the Defendants challenging the Transaction on behalf of the public stockholders of NetSpend. The Delaware Action was assigned to Vice Chancellor Glasscock as related to the *Litwin* Action, and Vice Chancellor Glasscock dismissed the *Litwin* Action without prejudice at Litwin’s request that same day.

On March 8, 2013, the Company filed a Preliminary Proxy Statement on Schedule 14A with the Securities and Exchange Commission (“SEC”) concerning the Transaction (the “Preliminary Proxy”).

On March 14, 2013, an amended class action complaint was filed in the Delaware Action (the “*Koehler* Complaint”) alleging, among other things, that the members of the NetSpend Board breached their fiduciary duties in connection with the Transaction. The *Koehler* Complaint primarily alleged that, in agreeing to the Transaction, the NetSpend Board had failed to act reasonably for the purpose of maximizing stockholder value and had omitted material facts concerning the Transaction in the Preliminary Proxy.

On March 14, 2013, the Plaintiff in the Delaware Action served the Defendants with a copy of Plaintiff’s First Request for Production of Documents and Things to All Defendants.

On March 15, 2013, the Plaintiff in the Delaware Action and Defendants reached agreement on a schedule for expedited proceedings and the terms of a confidentiality order, and Defendants began producing confidential, non-public documents to the Plaintiff in the Delaware Action.

On March 18, 2013, the Plaintiff in the Delaware Action filed a motion for a preliminary injunction seeking to enjoin the vote on a proposal to adopt the Merger Agreement.

On March 13, 2013, the Plaintiff in the Texas Action filed a Second Amended Petition for breach of fiduciary duty with substantially similar allegations to those in the *Koehler* Complaint.

On March 19, 2013, the Plaintiff in the Texas Action filed a motion for expedited discovery (the “Texas Discovery Motion”) in anticipation of filing a motion for temporary and/or permanent injunctive relief.

On March 20, 2013, in the Delaware Action, the Court of Chancery entered a Scheduling Order providing for expedited discovery; a briefing schedule for Koehler’s motion for a preliminary injunction; and a hearing date for that motion of April 16, 2013 at 1:00 p.m.

In the Delaware Action, the parties engaged in expedited discovery between March 15, 2013 and April 5, 2013, including the (i) taking of depositions by counsel for Plaintiffs of the Chief Executive Officer of NetSpend, the lead independent director of NetSpend, and a managing director of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“BAML”), the Company’s financial advisor, and (ii) production of approximately 10,400 pages of confidential non-public documents concerning, among other things, the process leading up to the Transaction and the valuation of the Company, including emails and other electronic documents, correspondence, confidentiality agreements, NetSpend Board minutes, NetSpend Board presentations, and BAML financial analyses.

On March 30, 2013, in the Texas Action, counsel for Bushansky and counsel for the Defendants entered into a letter agreement, pursuant to which: (i) the Defendants agreed to provide counsel for Bushansky with the documents produced in the Delaware Action and not to oppose Bushansky’s participation in any depositions taken in the Delaware Action; and (ii) Bushansky agreed, among other things, not to seek any additional

discovery until after the preliminary injunction hearing in the Delaware Action; to withdraw the Texas Discovery Motion; and not to move for any injunctive relief regarding the Transaction if injunctive relief was sought by Koehler in the Delaware Action.

On April 8, 2013, in the Delaware Action, the Court of Chancery entered an Amended Scheduling Order pursuant to which: (i) Koehler's Opening Brief in Support of her Motion for a Preliminary Injunction was to be filed by April 12, 2013; (ii) Defendants' Answering Briefs in Opposition to Koehler's Motion for a Preliminary Injunction were to be filed by April 30, 2013; (iii) Koehler's Reply Brief in Support of her Motion for a Preliminary Injunction was to be filed by May 7, 2013 at 5:00 p.m.; and (iv) a hearing on Koehler's Motion for a Preliminary Injunction was scheduled for May 10, 2013 at 1:00 p.m.

The parties to the Delaware Action completed the briefing on Koehler's preliminary injunction motion in accordance with the Amended Scheduling Order. Koehler's arguments were primarily premised on its claim that the NetSpend Board had failed to act reasonably for the purpose of maximizing stockholder value, and had failed to disclose material facts in the Preliminary Proxy concerning the Transaction.

Following the filing of Koehler's opening brief in support of her motion for preliminary injunction, the Defendants made certain supplemental disclosures and amendments to the Preliminary Proxy and in the Definitive Proxy Statement filed on Schedule 14A with the SEC concerning the Transaction (the "Definitive Proxy") that mooted certain of Koehler's disclosure claims that had formed part of the basis for Koehler's request for a preliminary injunction.

Defendants acknowledge that certain supplemental disclosures and amendments contained in the Definitive Proxy were caused, in whole or in part, by Koehler's motion for preliminary injunction. These included disclosures of: (a) multiples observed by BAML that formed part of the basis for the fairness opinion it issued in connection with the Transaction, (b) additional detail regarding certain comparable companies selected by BAML in connection with its fairness opinion, (c) discussions concerning certain employment arrangements between NetSpend management and TSYS, (d) certain of the Board's considerations in determining not to solicit other potential bidders prior to signing a merger agreement with TSYS, (e) information regarding certain "Don't-Ask-Don't-Waive" standstill agreements between NetSpend and two private equity firms who had expressed an interest in potentially acquiring a minority interest in the Company during November of 2012, (f) information regarding certain financial projections for NetSpend that had been prepared by NetSpend's management for use by BAML in connection with the preparation of their fairness opinion, including the treatment of stock based compensation in calculating free cash flow, and (g) additional detail regarding the nature and terms of the relationships among NetSpend, the JLL Funds and ACE Cash Express, Inc.

On May 10, 2013, the Court of Chancery held a hearing on Koehler's motion for a preliminary injunction in the Delaware Action, and during that hearing, the Court of Chancery, among other things, noted that Defendants had mooted certain disclosure claims, and directed the Defendants to notify the Court of Chancery as to whether they would be willing to waive certain standstill commitments that NetSpend had entered into with two entities that had expressed preliminary interest in acquiring the shares of NetSpend stock owned by the Company's largest stockholder (the "Standstill Commitments"), prior to the time that the Court of Chancery ruled on the preliminary injunction motion.

On May 10, 2013, following the Court of Chancery's direction to notify it concerning the potential waiver of the Standstill Commitments, the Company waived the Standstill Commitments, and notified the two entities and the Court of Chancery of such waiver.

On May 21, 2013, the Court of Chancery issued a Memorandum Opinion finding that Koehler had demonstrated a likelihood of success on the merits of certain aspects of "Revlon" claims, but denying Koehler's motion for a preliminary injunction in the Delaware Action (the "Opinion").

On May 22, 2013, the Company published a press release via Business Wire disclosing the substance of the Opinion and that the Court of Chancery had found that “a reasonable likelihood exists that the sales process undertaken by the NetSpend Board of Directors was not designed to produce the best price for the stockholders.”

After the Court of Chancery’s Opinion was rendered, the parties discussed a potential resolution of the Actions in order to address Plaintiffs’ claims.

A special meeting of stockholders of NetSpend was originally scheduled for May 22, 2013, but was postponed to May 31, 2013, and later adjourned to June 18, 2013, at which NetSpend stockholders of record as of April 3, 2013 voted on and approved a proposal to adopt the Merger Agreement (the “Stockholder Vote”).

On or about May 29, 2013, the parties reached an agreement in principle to settle the Actions, and, through their respective counsel, executed a Memorandum of Understanding (“MOU”) that set forth the terms and conditions of that agreement.

On the same day the MOU was executed, counsel to the Company submitted a letter to the Court of Chancery that enclosed the MOU and notified the Court of Chancery that the parties had reached an agreement in principle to settle the Actions.

On the same day the MOU was executed, NetSpend caused a press release to be published via Business Wire, informing the public of the terms of the MOU, of the adjournment of the Stockholder Vote to June 18, 2013, and further informing the public of the modifications to the Merger Agreement called for by the terms of the MOU.

On July 1, 2013, the Transaction was consummated.

On September 20, 2013, Plaintiffs and Defendants entered into a Stipulation of Settlement (“Stipulation”), subject to the approval of the Court of Chancery.

III. REASONS FOR THE SETTLEMENT

Plaintiffs, through their counsel, completed an investigation of the claims and allegations asserted in the Actions, as well as the underlying events that are relevant to the Transaction. In connection with their investigation, counsel for Plaintiffs reviewed the confidential documents produced by Defendants, as well as publicly-available documents, including documents filed by NetSpend with the SEC in connection with the Transaction, and have also conducted additional factual and legal research concerning the validity of their claims, including the depositions of the Chief Executive Officer of NetSpend, the lead independent director of NetSpend, and a managing director of BAML, the Company’s financial advisor. While Plaintiffs believe that the claims asserted in the Actions have merit, they also believe that the Settlement provides substantial benefits for the Class (as hereinafter defined). In addition to the benefits provided by the Settlement to the Class, Plaintiffs and their counsel have considered: (i) the attendant risks of continued litigation and the uncertainty of the outcome of the Actions; (ii) the probability of success on the merits and the allegations contained in the Actions, including the possibility of obtaining a monetary recovery in the Actions; (iii) whether the terms and conditions of the Settlement are fair, reasonable, and adequate, and in the best interests of Plaintiffs and Class Members to settle the Actions, as set forth below; and (iv) the Court of Chancery’s ruling on Koehler’s motion for preliminary injunction. Plaintiffs and their counsel have determined that a settlement of the Actions on the terms reflected in the Stipulation is fair, reasonable, adequate, and in the best interests of Plaintiffs and the Class, confers a substantial benefit upon them, and it is reasonable to pursue a settlement of the Actions based upon the procedures, benefits, and protections set forth in the Stipulation.

Defendants have vigorously denied, and continue to deny: (i) any wrongdoing or liability with respect to all claims, events, and transactions complained of in the Actions; (ii) that they engaged in any wrongdoing; (iii) that they committed any violation of law; (iv) that they breached or aided and abetted any breach of any fiduciary or disclosure duties; (v) that they acted improperly in any way; and (vi) any liability of any kind to

Plaintiffs or the Class. Notwithstanding their denial of liability, in order to: (i) avoid the distraction, burden, and expense of further litigation; (ii) dispose of potentially burdensome and protracted litigation; and (iii) finally put to rest and terminate the claims asserted in the Actions, Defendants consider it desirable that the Actions be settled and dismissed on the merits, with prejudice, and without costs to any party (except as set forth below).

IV. THE SETTLEMENT

As a result of the filing and prosecution of the Actions, and in consideration for the settlement and dismissal with prejudice of the Actions, and the releases provided herein, NetSpend and/or TSYS (including Sub):

- (a) adjourned the Stockholder Vote, which had originally been scheduled for May 22, 2013, from May 31, 2013 until June 18, 2013;
- (b) reduced the termination amount payable to TSYS upon termination of the Merger Agreement in order to accept a Superior Proposal (as defined in the Merger Agreement), as permitted under Section 6.3 of the Merger Agreement, from \$52.6 million to \$44 million;
- (c) reduced the period described in Section 6.7(b)(ii)(C) of the Merger Agreement from “within twelve (12) months” to “within eight (8) months”;
- (d) changed the references in Section 6.3(d) of the Merger Agreement from “five (5) business days” to “three (3) business days”;
- (e) agreed that, once a stockholder has duly perfected an appraisal proceeding in the Court of Chancery, they will: (i) not raise a timeliness objection to an appraisal petition filed more than 120 days and less than or equal to 150 days after the effective date of the Transaction; (ii) not ask the Court of Chancery to exercise its discretion to require the surrender and notation of share certificates during the pendency of the appraisal action; (iii) not object to the dissenters’ appraisal claims being prosecuted on an opt-in group or class basis; and (iv) provide to Plaintiffs’ counsel not later than 120 days after the effective date of the Transaction a statement of the aggregate number of shares that have made an appraisal demand on the company and the identities of such shareholders. In all other respects, the provisions of the Delaware appraisal statute (8 *Del. C.* § 262) will control;
- (f) issued a press release on or around May 29, 2013, announcing the foregoing items (a) through (e), informing the Company’s stockholders that the deadline to notify the Company in writing of an election to pursue appraisal proceedings pursuant to Delaware law had changed, along with the date of the Stockholder Vote, to June 18, and announcing that, consistent with the terms of the Merger Agreement, the Company: (i) would entertain unsolicited acquisition proposals; (ii) would provide information to, and engage in discussions with, parties making acquisition proposals that could reasonably lead to a Superior Proposal; and (iii) maintained the right to terminate the Merger Agreement to accept a Superior Proposal; and
- (g) without admitting any wrongdoing, acknowledged that the filing and prosecution of the Actions were the cause, in whole or in part, of certain additional disclosures made in the Definitive Proxy, and reflected in Exhibit A to the Stipulation, and further acknowledged that the filing and prosecution of the Koehler Action was the sole cause of the waiver of the Standstill Commitments on May 10, 2013.

V. CLASS ACTION CERTIFICATION

The Court of Chancery has provisionally ordered that, for settlement purposes only, the Delaware Action shall be maintained as a non-opt out class action pursuant to Court of Chancery Rule 23 on behalf of a class consisting of all record and beneficial owners of NetSpend common stock during the period beginning on February 19, 2013 through and including the date of the consummation of the Transaction, including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs,

assigns, or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them (the "Class," to be composed of "Class Members"). Excluded from the Class are Defendants, members of the immediate family of any Defendant, any entity in which a Defendant has a controlling interest, and the legal representatives, heirs, successors, or assigns of any such excluded person.

Inquiries or comments about the Settlement may be directed to the attention of Plaintiffs' counsel as follows:

Brian D. Long, Esquire
RIGRODSKY & LONG, P.A.
2 Righter Parkway, Suite 120
Wilmington, Delaware 19803
(302) 295-5310

Donald Enright, Esquire
LEVI & KORSINSKY LLP
1101 30th St., N.W.
Suite 115
Washington, DC 20007
(202) 524-4290

VI. SETTLEMENT HEARING

The Court of Chancery has scheduled a Settlement Hearing which will be held on December 18, 2013 at 1:30 p.m., in the New Castle County Courthouse, Wilmington, Delaware to:

- a. determine whether the provisional class action certification described herein should be made final;
- b. determine whether the Settlement should be approved by the Court of Chancery as fair, reasonable, adequate, and in the best interests of the Class;
- c. determine whether an Order and Final Judgment should be entered pursuant to the Stipulation;
- d. consider the application of Plaintiffs' counsel for an award of attorneys' fees and expenses;
- e. rule on such other matters as the Court of Chancery may deem appropriate. The Court of Chancery has reserved the right to adjourn the Settlement Hearing or any adjournment thereof, including consideration of the application for attorneys' fees and expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof or a written order entered prior to the Settlement Hearing; and
- f. The Court of Chancery has also reserved the right to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the parties to the Stipulation and without further notice to the Class.

VII. RIGHT TO APPEAR AND OBJECT

Any Class Member who objects to the Settlement, the Order and Final Judgment to be entered in the Delaware Action, and/or Plaintiffs' counsels' application for attorneys' fees and expenses, or who otherwise wishes to be heard, may appear in person or by counsel at the Settlement Hearing and present evidence or argument that may be proper and relevant; provided, however, that, except by order of the Court of Chancery for good cause shown, no person shall be heard and no papers, briefs, pleadings, or other documents submitted by any person shall be considered by the Court of Chancery unless not later than ten (10) business days prior to the Settlement Hearing such person files with the Court of Chancery and serves upon counsel listed below: (a) a written notice

of intention to appear, identifying the name, address, and telephone number of the objector, and, if represented, their counsel; (b) proof of membership in the Class; (c) a statement of such person's objections to any matters before the Court of Chancery; and (d) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court of Chancery to consider. Such filings shall be served electronically via Lexis/Nexis e-service, by hand, or by overnight mail upon the following counsel:

Stephen C. Norman, Esquire
POTTER ANDERSON & CORROON LLP
1313 North Market Street
P.O. Box 951
Wilmington, Delaware 19801
(302) 984-6000

William M. Lafferty, Esquire
MORRIS, NICHOLS, ARSHT & TUNNELL LLP
1201 North Market Street, 18th Floor
P.O. Box 1347
Wilmington, DE 19899-1347
(302) 658-9200

Brian D. Long, Esq.
RIGRODSKY & LONG, P.A.
2 Righter Parkway, Suite 120
Wilmington, DE 19803
(302) 295-5310

Unless the Court of Chancery otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, the adequacy of the representation of the Class by Plaintiffs and their counsel, any award of attorneys' fees and expenses, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as prescribed above. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding.

VIII. INTERIM INJUNCTION

Pending final determination of whether this Settlement should be approved, Plaintiffs and all Class Members, and any of them, are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any Settled Claims (defined below), either directly, representatively, derivatively, or in any other capacity, against Defendants or any of the Released Persons (defined below), including without limitation in the Actions.

IX. ORDER AND FINAL JUDGMENT OF THE COURT

If the Court of Chancery determines that the Settlement is fair, reasonable, adequate, and in the best interests of the Class, the parties shall jointly request that the Court of Chancery enter an Order and Final Judgment. The Order and Final Judgment shall, among other things:

- a. certify the Delaware Action as a class action pursuant to Court of Chancery Rule 23;
- b. determine that the requirements of Delaware Court of Chancery Rules and due process have been satisfied in connection with the Notice;

- c. appoint Koehler as Class Representative and Rigrodsky & Long, P.A. and Levi & Korsinsky LLP as lead counsel in the Delaware Action;
- d. approve the Settlement as fair, reasonable, adequate, and in the best interests of the Class;
- e. dismiss the Delaware Action with prejudice on the merits, as against any and all Defendants, without costs except as provided in the Stipulation, and release Defendants and all other Released Persons from the Settled Claims;
- f. direct Bushansky to dismiss the Texas Action and all claims asserted therein with prejudice; and
- g. determine any award of attorneys' fees and expenses incurred by Plaintiffs' counsel as provided in paragraph 19 of the Stipulation.

X. RELEASES

Under the terms of the Settlement, the Plaintiffs and each and every Class Member (the "Releasing Persons") shall be deemed to have, and by operation of the Order and Final Judgment approving the Settlement, shall have, completely, fully, finally, and forever compromised, settled, released, discharged, extinguished, relinquished, and dismissed with prejudice all known and unknown claims of every nature and description whatsoever, against Defendants and their respective predecessors, successors-in-interest, parents, subsidiaries, affiliates, representatives, agents, insurers, trustees, executors, heirs, spouses, marital communities, assigns, or transferees, and any person or entity acting for or on behalf of any of them and each of them, and each of their predecessors, successors-in-interest, parents, subsidiaries, affiliates, officers, directors, employees, representatives, agents, insurers, trustees, executors, heirs, spouses, marital communities, assigns, or transferees, and any person or entity acting for or on behalf of any of them and each of them (including, without limitation), any investment bankers or financial advisors (including, without limitation, BAML), accountants, advisors, consultants, insurers, reinsurers, or attorneys, and any past, present or future officers, directors, and employees of any of them), as well as JLL Partners Fund IV, L.P. and JLL Partners Fund V, L.P. (such funds collectively, "JLL"), and Oak Investment Partners X, L.P. and Oak X Affiliates Fund, L.P. (collectively, "Oak"), and their affiliated entities (collectively, the "Released Persons"), that have been or could have been asserted by the Releasing Persons in their capacity as stockholders, related to the Transaction, in any forum, including class, derivative, individual, or other claims, whether state, federal, or foreign, common law, statutory, or regulatory, including, without limitation, claims under the federal securities laws, arising out of, related to, or concerning: (i) the allegations contained in the Actions; (ii) the Transaction; (iii) the Merger Agreement; (iv) the Stockholder Vote, including any adjournments or postponements of the meetings at which such Stockholder Vote was to be taken; (v) the Preliminary Proxy, Definitive Proxy, and any amendments thereto or any other disclosures relating to the Transaction, including but not limited to an alleged failure to disclose, with or without scienter, material facts to stockholders in connection with the Transaction; (vi) the events leading to the Transaction; (vii) the negotiations in connection with the Transaction; (viii) any agreements relating to the Transaction, including, but not limited to, the Voting Agreement by and between TSYS, JLL, and Oak, dated as of February 19, 2013, and any compensation or other amounts that may be or have been paid or become payable to any of the Defendants in connection with the Transaction; (ix) any alleged aiding and abetting of any of the foregoing; and/or (x) any and all conduct by any of the Defendants or any of the other Released Persons arising out of or relating in any way to the negotiation or execution of the Stipulation (collectively, the "Settled Claims"). Pursuant to the Stipulation, the Settled Claims are completely, fully, finally, and forever compromised, settled, released, discharged, extinguished, relinquished, and dismissed with prejudice, provided, however that the Settled Claims shall not include the right of any party to enforce in the Court of Chancery the terms of the Stipulation or any claims for appraisal pursuant to 8 Del. C. § 262, as modified pursuant to paragraph 1(e) of the Stipulation.

Under the terms of the Stipulation, upon occurrence of the Final Court of Chancery Approval, Defendants and the Released Persons, as well as their successors and assigns, shall be deemed to have, and by operation of this Order and Final Judgment approving the Settlement, shall have, completely, fully, finally, and forever released the Plaintiffs and their respective agents, including without limitation their counsel, from any and all claims or sanctions, including with respect to all Settled Claims and unknown claims as defined below, arising out of the institution, prosecution, settlement, or resolution of the Actions; provided, however, that the Defendants and Released Persons shall retain the right to enforce in the Court of Chancery the terms of the Stipulation and to oppose or defend any claims for appraisal asserted by any Class Member pursuant to the terms of the Stipulation.

The releases contemplated by the Stipulation shall extend to claims that the Releasing Persons do not know or suspect to exist at the time of the release, which if known, might have affected the Releasing Persons' decision to enter into the release; the Releasing Persons shall be deemed to relinquish, to the extent applicable, and to the full extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In addition, the Releasing Persons shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, as set forth above. Plaintiffs acknowledge, and the Class Members shall be deemed by operation of the entry of a final order and judgment approving the Stipulation to have acknowledged, that the foregoing waiver was separately bargained for, is an integral element of the Stipulation, and was relied upon by each and all of the Defendants in entering into the Settlement.

XI. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

Defendants agree that as a result of the items set forth in paragraph 1 of the Stipulation and by virtue of the conditions contained in the Settlement, in which Plaintiffs played a material and substantial role, NetSpend's public stockholders received benefits. Consistent with the terms and facts set forth in the Stipulation, Plaintiffs and their counsel shall apply to the Court of Chancery for an award of attorneys' fees and expenses in an amount not to exceed \$4.7 million, to be paid, or caused to be paid, by NetSpend (or its successor in interest, including TSYS and its affiliated entities) and/or its insurance carriers. Plaintiffs and their counsel shall make this application not less than thirty (30) days before the Settlement Hearing. Defendants reserve the right to oppose the amount of the request for attorneys' fees and expenses, provided that such opposition shall be consistent with the terms and facts set forth in this Stipulation. To the extent that Defendants oppose Plaintiffs' petition for fees and expenses, such opposing brief(s) shall be filed no less than fourteen (14) days before the Settlement Hearing, and, in that circumstance, Plaintiffs reply brief shall be filed no less than five (5) days before the Settlement Hearing. Plaintiffs will not seek attorneys' fees and expenses other than as provided for in this paragraph. The parties agree that NetSpend (or its successor in interest, including TSYS and its affiliated entities) and/or its insurance carriers shall pay the fees and expenses awarded to Plaintiffs' counsel within ten (10) business days after the entry of the Court of Chancery's order awarding such fees. In the event that any such order is reversed or modified on appeal, Plaintiffs' counsel are jointly and severally obliged to refund to Defendants the amount by which the fees and expenses were reduced and all interest accrued or accumulated thereon within ten (10) business days of the order reversing or modifying the Court of Chancery's order. Plaintiffs' counsel shall be solely responsible for allocating any fee awarded by the Court of Chancery among counsel for any Class Member. Except as provided in the Stipulation, neither Plaintiffs nor Plaintiffs' counsel nor any Class Member shall seek any other fees, expenses, or compensation relating to the Actions (including, but not limited to, in the Texas Action), and the Released Persons shall bear no other expenses, costs, damages, or fees alleged or incurred by the Plaintiffs, any Class Member, or any of his or her attorneys, experts, advisors,

agents, or representatives. Any order or proceedings relating to the award of attorneys' fees and expenses, or any appeal from any order relating thereto or reversal, or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Order and Final Judgment approving the Stipulation and Settlement as set forth herein.

Except as provided in paragraphs 14 and 19 of the Stipulation, Defendants shall not be required to bear any other expenses, costs, damages, or fees alleged or incurred by Plaintiffs, by any Class Member, or by any of their attorneys, experts, advisors, agents, or representatives.

XII. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS

Brokerage firms, banks, and/or other persons or entities who held shares of NetSpend common stock during the period beginning on February 19, 2013 through and including the date of the consummation of the Transaction, for the benefit of others are directed promptly to send this Notice to all of their respective beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such copies may be made to:

Koehler v. NetSpend Notice Administrator
P.O. Box 6177
Novato, CA 94948-6177
NetSpend@kccllc.com

XIII. SCOPE OF THIS NOTICE

This Notice is not all-inclusive. The references in this Notice to the pleadings in the Actions, the Stipulation, and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Actions, the claims and defenses which have been asserted by the parties, and the terms and conditions of the Settlement, including a complete copy of the Stipulation, Class Members are referred to the documents filed with the Court of Chancery. You or your attorney may examine the Court of Chancery files during regular business hours of each business day at the office of the Register in Chancery, in the New Castle County Courthouse, 500 King Street, Wilmington, Delaware 19801. Questions or comments may be directed to counsel for Plaintiffs:

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PLEASE DO NOT WRITE OR CALL THE COURT OF CHANCERY.

Dated: October 15, 2013

BY ORDER OF THE COURT
/s/ Register in Chancery