HARVEST
CAPITAL STRATEGIES

March 3, 2016

The Board of Directors
Green Dot Corporation
3465 East Foothill Blvd
Pasadena, CA 91107

Dear Mmes. Dent and Bridgforth-Hodges and Messrs. Moritz, Altman, and Shaheen:

Harvest Capital Strategies LLC and its affiliates (collectively, "Harvest") currently beneficially own 3,616,406 shares of Green Dot Corporation ("Green Dot" or the "Company"), representing approximately 7.2% of the outstanding shares and making us the Company's largest active outside investor. We are long-term shareholders of Green Dot, now in our fourth year as investors, having initially bought shares in late 2012. We are now in our second year of attempting to engage in a constructive dialogue with Green Dot's Board of Directors (the "Board") and management team to discuss our views and serious concerns regarding the direction of the Company, as well as the substantial opportunities at Green Dot to create value for all shareholders.

On January 25, 2016, we issued a public letter to the Board and a comprehensive, 93-slide presentation on Green Dot titled "Proven Leadership is the Missing Ingredient for Long-Term Success." Our in-depth materials detailed Harvest's significant concerns regarding the continued mismanagement and value destruction at Green Dot under the direction of its current CEO, Steve Streit, and demanded immediate leadership change to drive shareholder value and address poor operational execution, inconsistent financial results, and stock underperformance. We also elaborated on many of the proposals we previously discussed with the Board, which we believe would begin the process of rebuilding shareholder value that has been destroyed under Mr. Streit's leadership since 2010. Despite Harvest's offer to constructively re-engage with the Board, and your recurring boilerplate promise to "carefully review" our proposals, you have chosen to ignore the serious issues raised repeatedly by investors, and specifically, by Green Dot's largest active independent shareholder. Your silence on the main issues that have plagued the Company since 2010 is deafening and demonstrates to us that you cannot be trusted to protect the best interests of Green Dot shareholders.

When we were informed close to three weeks ago that independent director Mary J. Dent would be reaching out to us to discuss an opportunity to move forward collaboratively, we were optimistic the Board was at last willing to address the root cause of Green Dot's performance issues: its leadership. Instead what we received was a terse, four-paragraph letter with an offer for Harvest to participate alongside other shareholders in a search process for *additional* directors to supplement the current Board. To say we were thoroughly disappointed by the Board's immutable position regarding the need for substantial changes at Green Dot would be an understatement.

Instead of embracing a path to effect meaningful change, the Board appears committed to protecting the unsuccessful status quo, and more specifically the interests and positions of Messrs. Streit, Greenleaf, and Aldrich. Worse still, your proposal adds unnecessary expenses in the form of additional directors to an already bloated corporate cost structure. The Board's plan of action is simply unacceptable. Your hollow offer speaks to the tone-deaf nature of the Board and demonstrates insularity and shareholder disregard. Make no mistake, the issues at Green Dot cannot be remedied by expanding an already appropriately sized eight person Board. The size of the Board is not the problem, but rather it is the composition of the Board that so desperately needs to be addressed.

It is unfortunate that the Board is unwilling to work constructively and in good faith with one of the Company's largest and most committed shareholders to protect and enhance value. But maybe we should not be surprised by this Board's recalcitrance. Indeed, it's led by the same long-tenured directors who supported a major value destroying related-party transaction, failed to disclose material financial information to shareholders regarding two acquisitions, approved sub-optimal acquisition structures resulting in 20% share dilution over eighteen months, turned a blind eye to senior management's inappropriate meddling in corporate governance issues, have consistently sold their Green Dot stock, and who authorized egregious insider compensation policies that earned an ISS "WITHHOLD" recommendation for two of its three directors standing for election in 2015. As such, please forgive our skepticism towards your motivations and ability to represent the best interest of all shareholders through your proposal to self-select additional directors.

We are deeply concerned by the Board's apparent refusal, or inability, to hold Mr. Streit accountable for his significant shortcomings, as well as the Board's failure to address the Company's severe underperformance. The facts are undeniably brutal: in the five years ending December 31, 2015, Green Dot has underperformed its original self-selected peer group by 274%, its revised peer group by 184%, and has experienced a dismal absolute stock price decline of 71%.[1] It is therefore unsurprising that stakeholders would have minimal confidence in Mr. Streit's ability to begin delivering consistently on long-term promises. Last week's fourth quarter earnings call, which included the confession that 2016 will represent the sixth consecutive year that earnings have failed to materially improve, did nothing to change that point of view. The Board has failed in its most basic duty to hold Mr. Streit and itself accountable for the immense value destruction under the watch of its long-tenured leadership.

This is not to say that we do not admire Mr. Streit's entrepreneurial vision in building Green Dot into the dominant brand in the GPR prepaid card industry, and we respect his transformation from radio disc jockey to public company CEO. However, at this more mature stage in Green Dot's corporate life, the Company requires a seasoned operator who can execute on a strategic plan, while communicating accurately and transparently with shareholders.

In case there is any doubt, please know Harvest is resolute and unwavering in its commitment to take any and all actions necessary to ensure meaningful, value-creating changes materialize for all Green Dot shareholders; we are determined to see this campaign through. Since Harvest's reluctant decision to make our proposals public, we have received widespread support from the investment community, sell-side analysts, and individuals intimately familiar with Green Dot. Equally encouraging has been the legion of accomplished payments industry executives who have expressed agreement with Harvest that immense value can be unlocked at Green Dot under the stewardship of a proven leader. Mr. Streit's public belittlement of Harvest Capital ("I don't take Jeff's actual words or conclusions seriously")[2] is both insightful and disappointing, considering our standing as the Company's second largest unaffiliated investor and undeniable motivation to effect changes that we believe will benefit all shareholders. Fortunately, Green Dot shareholders do not appear to share Mr. Streit's dismissive perspective.

Shareholder optimism towards Harvest's proposals has reinforced our position, as evidenced not only by the vocal support for a change of course from the exhausting status quo, but also by Green Dot's stock price. Since Harvest crossed the 5% beneficial ownership threshold on January 19, 2016, Green Dot investors have experienced a 35% increase in shareholder value compared to a 7% advance for the Russell 2000.[3] This welcomed outperformance, admittedly over a very short time period, is in stark contrast to Green Dot's 126% cumulative underperformance versus the Russell 2000 for the five-year period ending December 31, 2015.[4]

We acknowledge the Company for initiating its six-step plan encompassing some of the very proposals that Harvest has championed privately since March 2015 (and publicly since January 25, 2016). However, we must emphasize that if this plan is not accompanied by meaningful leadership changes, we believe these strategic aspirations amount to nothing more than unsatisfactory lip service. As we meticulously detailed in Harvest's presentation and letter (available at www.fixgdot.com), any plan to fix the symptoms of Green Dot's failures since 2010 is an incomplete exercise without also developing an alacritous strategy to target the root cause of the ailment: poor leadership.

Green Dot's fourth quarter 2015 earnings release and conference call held on February 24, 2016 represent a continuation of Chairman and CEO Steve Streit's pattern of (i) persistently poor performance, (ii) misleading and inconsistent investor communications and (iii) inability to deliver on promises to shareholders. We also believe that another senior executive officer recently left Green Dot, which again highlights the Company's leadership turnover and opaque investor disclosure policies, both of which have been areas of failure under the autocratic rule of Mr. Streit and his Board.

Despite meaningfully missing original 2015 consensus estimates, Green Dot's fourth quarter earnings release proved once again that Green Dot's business is fundamentally sound, as evidenced by the generation of more than $150 million of operating cash flow.[5] Additionally, the Company's acquiescence on several of Harvest Capital's financial proposals provides hope for shareholders that Harvest's meritorious leadership and governance demands may soon be implemented. We also commend Mr. Shifke for setting conservative 2016 financial guidance that should be easily exceeded in 1H'16, which is a welcomed break from Green Dot's historical pattern of over-promising and under-delivering. However, despite some positive developments, Mr. Streit once again displayed a disregard for the facts, reinforcing our view that he runs Green Dot like a sole proprietorship with zero accountability.

We would be remiss not to set the record straight regarding the many factual misstatements and misrepresentations made by Mr. Streit on the fourth quarter conference call.

1) Mr. Streit's Fiction:
"On a full year consolidated basis, 2015 was a very strong year for Green Dot…"[6]

The Harsh Reality:
Very few CEOs that lower guidance three times in a year and miss consensus estimates by a wide margin would have the audacity to describe their results as "very strong." Comparing reported 2015 results to the prevailing consensus estimates when the year began illustrates the severity of Green Dot's revenue, EBITDA, and earnings per share misses, which were (6%), (15%), and (22%), respectively.[7] Specific to the fourth quarter, Green Dot missed the consensus EBITDA estimate, marking the ninth consecutive quarter the Company has missed and/or reduced guidance for one of its key financial metrics.

$ millions	**2015 Consensus on 1/1/15**	**Actual**	***Variance***
Revenue	$744	$699	*(6%)*
Adjusted EBITDA	$178	$152	*(15%)*
Non-GAAP EPS	**$1.74**	**$1.35**	***(22%)***

Source: Bloomberg

Further putting Green Dot's performance to task is a comparison with the Company's closest competitor, NetSpend. In the fourth quarter and for the full year 2015, NetSpend produced revenue and active card growth exceeding 20%.[8] Meanwhile, we believe Green Dot's organic growth was negative in 2015.

	Green Dot	**NetSpend**
Organic Card Growth	Negative	21.1%
Organic Revenue Growth	Negative	20.2%
Volume per average card	$3,483	$6,829
Revenue per Card	$136	$163

Source: Company filings and Harvest estimates

Finally, a Green Dot financial update would not be complete without customarily lowering forward estimates. Management has provided specific quarterly guidance for the last three quarters.[9] However, explicit guidance for Q1'16 was noticeably absent from Green Dot's press release and earnings transcript. Perhaps this is because at the end of the prepared remarks, Mr. Shifke implicitly stated that Q1'16 would be more than 6% below consensus when stating the first quarter would comprise approximately 30% of annual revenue.[10]

2) Mr. Streit's Fiction:
"My sense is that Harvest's job…is to create excitement and thought around that process. But look, a lot of the things in the bridge slide that they have that shows the way to get to that EPS number, you just can't do. You can't loan 80%, even if you wanted to. You can't loan 80% of your customers unsecured credit without driving the company into insolvency in six months."

The Harsh Reality:
When Mr. Streit wanders off script, he often exhibits a dangerous disregard for the facts. Green Dot's Board and CEO have publicly stated they are "carefully" reviewing our proposals, which makes Mr. Streit's inaccurate discussion of Harvest's earnings bridge deeply troubling. In the EPS bridge provided in our presentation (pages 13 & 88), consumer loans were explicitly excluded from our analysis. In fact, we state clearly, "we have conservatively excluded any potential benefits from asset growth, leverage, *and consumer loans*." This statement is unambiguous.

The ease with which Mr. Streit willingly distorted and misrepresented such a basic component of Harvest's argument is alarming.

Ironically, despite stating Harvest's EPS bridge includes suggestions "you just can't do," it appears that Green Dot effectively copy-and-pasted the basics tenets of our earnings bridge into its 2017 plan (which would be encouraging if not for the long track record of leadership's failure executing a strategic plan). The primary delta between Harvest's 2017 assumptions that drive our $2.56 2018 EPS and Green Dot's 2017 plan is our analysis includes the benefit of share repurchases, whereas Green Dot's does not.

3) Mr. Streit's Fiction:
"I'm the largest shareholder of the company by far… I haven't sold shares since November of 2010."

The Harsh Reality:
These statements are factual misrepresentations symptomatic of Mr. Streit's pervasive disregard for accurate shareholder communication.

First, based on public filings, as of February 24, 2016, BlackRock was Green Dot's largest shareholder, not Mr. Streit.[11] Even including Mr. Streit's indirect, unexercised options, BlackRock would still be the Company's largest shareholder.[12]

Second, according to public Form 4 filings, Mr. Streit has sold 536,602 shares of Green Dot in open market transactions since November 2010. These share sales, which occurred in 2014, represented sales by Mr. Streit as part of a 10b5-1 plan.[13]

4) Mr. Streit's Fiction:
Green Dot's execution failures are just a "Detour."

"While the 2013 private label fee changes and the 2015 MoneyPak discontinuation created a revenue Detour on our road to growth, make no mistake that with the launch of our new prepaid products and the many new initiatives underway, we are now back on the main highway and we absolutely intend to arrive in style at our destination of material EPS growth in future years."

The Harsh Reality:
It appears Green Dot and its IR invented the "Detour" concept in the last three months to mask the unequivocal execution failures highlighted by Harvest. The misleading "Detour" concept was first presented to investors in December 2015, which coincided with the last in-person meeting between Harvest and the Board. Prior to December 2015, we do not believe Green Dot had ever used the word "Detour" in a public filing, press release, or shareholder presentation.

The three leading online dictionaries each contain the word "temporary" in their definitions of "Detour."[14] We believe Green Dot's struggles under Mr. Streit's leadership have been anything but temporary. Ignoring Green Dot's multitude of operational and strategic failures, while simultaneously labeling the self-inflicted MoneyPak and MoneyCard debacles as "Detours," is incompatible with honest performance-assessment and accountability.

As discussed on pages 40 – 42 of our presentation, Green Dot's MoneyPak "Detour" was driven by ineffective planning, poor financial forecasting, misleading and inaccurate shareholder communications, and Mr. Streit's misguided "instincts." On the other hand, the MoneyCard "Detour" was a major redesign initiative intended to reaccelerate tepid sales at Walmart. Ultimately, the product's poor design and implementation resulted in Walmart revenue declines *accelerating*. Both of these strategic initiatives caused significant, self-inflicted shareholder value destruction that we believe would be more accurately described as "Execution Failures."

All companies suffer from occasional strategic missteps. Strong management teams overcome these challenges, and often have the foresight to anticipate what may go wrong well before it happens, effectively minimizing the financial impact from the associated "Detour." As companies grow and become more complex, leadership experience becomes an irreplaceable corporate asset. Harvest believes Green Dot operates like a fiefdom for its founding CEO and strategic gaffes have not represented "Detours," but instead signify consistent potholes for shareholders as critical decisions are made on "entrepreneurial instinct" and "gut feel."

Management's nonsensical public relations attempt to re-label major execution failures as "Detours" is misleading. Additionally, we must point out that Green Dot's "Detours" have not been confined to the last two years, as the new narrative would suggest.[15] None of Mr. Streit's other major strategic and execution failures were covered in the "Detour" section of Green Dot's presentations. However, Harvest's comprehensive presentation discussed the major strategic failures listed below in extensive detail (pages 37 – 53), along with the MoneyPak and MoneyCard failures:

- In-House processing: Initiatives missed target by three years and were ultimately abandoned;
- Sallie Mae: Exciting partnership was written down and resulted in a breach of contract lawsuit;
- Loopt: The $43 million related party transaction that was expected to be accretive in year two has never generated a profit;
- TPG: Poorly structured acquisition missed management's originally communicated 2015 revenue target by 22%;
- GoBank: Consistently missed expectations, altered strategy, wasted shareholder money, and confused consumers; and
- Green Dot Bank: Operated since its 2011 acquisition as one of the least profitable banks in the country with $150M of trapped capital.

Finally, it is worth reiterating our skepticism regarding Green Dot's long list of new product announcements and promises about the future. Considering Mr. Streit's impeccable five-year streak of broken promises, we see no reason why execution will suddenly improve. In fact, we could not help but notice the similarities between Mr. Streit's statements describing the most recent exciting product launches and his comments from the last major product launch two years ago.

"So as our new cards with better unit economics begin flowing through our active card base this year and next, and as MoneyPak returns and generate sales, we would expect to see that incremental revenue, aside from the associated variable cost, also drop right to the bottom line."
– Steve Streit (2/24/16)

"These new prepaid products offer superior features for customers and superior unit economics for Green Dot compared to all previous MoneyCard and Green Dot card versions."
– Green Dot Q4'15 Earnings Release (2/24/16)

"We believe that the breadth of these new [MoneyCard] offerings, together with the wider variety of value based pricing plans and the more substantial in-store placement designed to showcase these new products, presents the opportunity for increased revenue and expanded margins going forward."
– Green Dot Q3'13 Earnings Release (10/31/13)

In the two years since Mr. Streit originally promised revenue re-acceleration and margin improvement, we believe Green Dot's organic revenue growth has turned negative and legacy Green Dot margins have declined.

5) Mr. Streit's Fiction:
New products result in one-time expenses that will not be repeated.

"This year we are incurring an unusual incremental launch expense of approximately $11 million for incremental packaging, production and merchandising costs." – Mark Shifke, 2/24/16

The Harsh Reality:
Green Dot took the unusual step of presenting 2016 guidance tables in its press release and investor presentation that curiously exclude $11 million of expenditures. This approach and commentary regarding non-recurring

expenses sounds awfully familiar. In 2013, Green Dot incurred supposedly one-time, unprecedented costs for the development of its new Walmart MoneyCard and roll-out of 27,000 new retail locations. We note the exciting new MoneyCard product launch responsible for the 2013 unusual charges is the same product now being replaced (with another wave of "one-time" expenses) because it confused consumers and failed to materially increase usage and retention.

At the time of the last "one-time" expense barrage in 2013, Mr. Streit stated, "there's always money to be spent, but certainly not at the level that we did in the second half; that was an extraordinary investment period for us."[16] Calling expenses extraordinary and unusual implies they will not recur two-and-half years later. Unless Green Dot plans to cease launching new products in the future, we would expect development and distribution expenses to be ongoing. Whether launch expenses occur periodically or with a consistent cadence, characterizing these expenses as "one-time" and "unusual" overstates recurring financial results and is a failure in shareholder communication.

* * *

Separate from Green Dot's fourth quarter financial performance, we continue to believe ineffective leadership is at the heart of Green Dot's performance issues. A byproduct of poor leadership is elevated executive talent turnover. Adding yet another person to the long list of executive departures under Mr. Streit, it is our belief that Alok Deshpande, Green Dot's talented Chief Product Officer, has resigned from the Company. While the Board may not have an obligation to disclose Mr. Deshpande's departure, we remain concerned about the Company's disclosure policies and judgment (we note Mr. Deshpande is listed as an Executive Officer in Green Dot's 2015 Definitive Proxy Statement filed with the SEC on April 30, 2015). In light of heightened investor scrutiny regarding Green Dot's failure to retain executive talent alongside its CEO, we understand why Mr. Deshpande's departure would be untimely and embarrassing. However, if the Board decided to withhold this information from investors because leadership turnover is in the spotlight, we believe it would constitute yet another example of poor judgment, failed oversight, and questionable shareholder disclosure. Harvest cannot state strongly enough that no vacuous strategy update or short-term proclamation of victory can offset misaligned, irresponsible, and ineffective leadership to produce long-term shareholder value.

For ten months, Harvest sought a framework that would support the necessary management and Board changes to put Green Dot on the path towards *sustainable* shareholder value creation, while avoiding a very public and open campaign regarding the Company's many failures. We want to re-emphasize that Harvest's preferred path remains a constructive engagement with the Board. However, your offer inviting us to participate in merely identifying *additional* director candidates is nothing more than an impotent platitude. As a non-activist, long-term investor, we prefer not to waste our time and the Company's resources with trite and hollow exchanges. Defending Mr. Streit's track record, as well as your own performance, remains a futile waste of corporate assets. If you wish to engage Harvest "respectfully and peacefully," as stated publicly by Mr. Streit, then we implore you to engage on a real plan of action that begins with leadership succession. Time is of the essence, and Green Dot's shareholders, employees, and customers deserve better. Your willingness to perpetuate management's underperformance continues to be a deep disservice to all stakeholders.

We are confident that Harvest Capital's proposed path forward is in the best interest of <u>*all*</u> Green Dot shareholders, including Mr. Streit, if measured solely by the value of his Green Dot investment. The opportunity for a proven leader to work collaboratively with an engaged Board, comprised of individuals who proudly represent the best interests of all shareholders, is too significant for us to ignore. To that end, we are in the process of recruiting three exceptional directors for election at Green Dot's 2016 Annual Meeting, whom we will announce in the coming weeks. We believe our director nominees will bring considerable credibility, experience, talent, and above all else, shareholder-alignment, to a Green Dot Board that we believe is sorely lacking these attributes today.

Sincerely,

Jeffrey B. Osher   Craig Baum

Jeff Osher   Craig Baum

[1] Bloomberg. Relative performance is calculated as Green Dot's total return in the five years ending 12/31/15, less the total return of the comparable peer group. Please refer to our presentation at www.fixgdot.com for a list of the original and revised peers

[2] Green Dot Q4 15 Earnings Conference Call 2/24/16

[3] Returns calculated from Bloomberg using the closing prices on 1/19/16 and 3/2/16. Consistent with SEC Schedule 13D filing requirements, Harvest filed a 13D on 1/25/16, which included our Presentation and most recent Board letter as Exhibits

[4] Bloomberg. Relative performance is calculated as Green Dot's total return in the five years ending 12/31/15, less the total return of the Russell 2000 Index

[5] Green Dot Q4 15 Earnings Release 2/24/16

[6] Green Dot Q4 15 Earnings Conference Call 2/24/16

[7] As measured by Bloomberg consensus analyst estimates at 1/1/15

[8] TSS Q4 14 earnings release

[9] Green Dot provided 2015 calendar year guidance when reporting Q3 15, which implied Q4 15 guidance

[10] Mr. Shifke stated Q1 16 revenue will be approximately 30% of annual guidance of $702.5 million at the midpoint, or $211 million. According to Bloomberg, the consensus estimate for Q1'16 prior to 2/24/16 was $225 million

[11] Based on the direct ownership shares disclosed by Mr. Streit in his amended Schedule 13G filing on 2/16/16

[12] Mr. Streit filed a 13G/A on 2/16/16 that disclosed direct ownership of 3,610,309 shares. According to the Definitive 2015 Proxy, filed on 4/30/15, Mr. Streit owned 643,083 exercisable options, of which 600,000 were in-the-money

[13] According to a Form 8-K filed by Green Dot on February 18, 2014, Mr. Streit sold these shares to comply with obligations under his 2004 divorce settlement

[14] We define "leading" based on the first three natural search links on Google: dictionary.reference.com, www.merriam-webster.com, and www.thefreedictionary.com

[15] Green Dot Investor Presentations on 12/2/15, 1/27/16, 2/24/16

[16] Green Dot Q4 13 earnings call