

FIRST DATA CORP
Form DEF 14A
March 29, 2018
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

First Data Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

Table of Contents

Notice of 2018 Annual Meeting of Shareholders

May 10, 2018

The 2018 Annual Meeting of Shareholders of First Data Corporation will be held on May 10, 2018, at 8:00 a.m. Eastern Time, at Conrad New York Hotel, 102 North End Ave, New York, NY 10282. Shareholders will be asked to:

1. Elect as directors the 3 nominees named in the attached Proxy Statement;
2. Ratify the appointment of Ernst & Young LLP as First Data's independent registered public accounting firm for our fiscal year ending December 31, 2018; and
3. Transact any other business that properly comes before the meeting.

The Proxy Statement accompanying this Notice describes each of these items in detail. The Proxy Statement contains other important information that you should read and consider before you vote.

The record date for the Annual Meeting is March 12, 2018. If you held First Data Class A common stock or Class B common stock at the close of business on that date, you are entitled to vote at the Annual Meeting.

First Data is furnishing proxy materials to its shareholders through the Internet as permitted under the rules of the Securities and Exchange Commission. Under these rules, many shareholders will receive a Notice of Internet Availability of Proxy Materials instead of a paper copy of the Notice of Annual Meeting of Shareholders and Proxy Statement, our proxy card, and our Annual Report on Form 10-K. We believe this process gives us the opportunity to serve you more efficiently by making the proxy materials available quickly online and reducing costs associated with printing and postage. Shareholders who do not receive a Notice of Internet Availability of Proxy Materials will receive a paper copy of the proxy materials by mail.

Sincerely,

March 29, 2018

Adam L. Rosman

Executive Vice President, General Counsel, and Secretary

Your vote is important. Instructions on how to vote are contained in our Proxy Statement and in the Notice of Internet Availability of Proxy Materials. Please cast your vote by telephone or over the Internet as described in those materials. Alternatively, if you requested a copy of the proxy/voting instruction card by mail, you may mark, sign, date, and return the proxy/voting instruction card in the envelope provided.

Table of Contents

Proxy Statement Summary

2018 Annual Meeting of Shareholders

Date and Time: May 10, 2018
8:00 a.m. Eastern Time

Place: Conrad New York Hotel
102 North End Ave
New York, NY 10282

Record Date: March 12, 2018

Voting Matters and Board Recommendations

	Voting Matter	Board Vote Recommendation	Page Number with More Information
Proposal 1	Election of directors	For all nominees	7
Proposal 2	Ratify the appointment of Ernst & Young LLP as First Data's independent registered public accounting firm	For	8

This Proxy Statement Summary contains highlights of certain information in this Proxy Statement. Because it is only a summary, it does not contain all the information that you should consider before voting. Please review the complete Proxy Statement and First Data's Annual Report on Form 10-K for additional information.

Table of Contents

Proxy Statement

The Board of Directors of First Data Corporation is furnishing this Proxy Statement and the accompanying form of proxy in connection with the solicitation of proxies for the 2018 Annual Meeting of Shareholders. The Annual Meeting will be held on May 10, 2018, beginning at 8:00 a.m. Eastern Time, at Conrad New York Hotel, 102 North End Ave, New York, NY 10282.

**Important Notice Regarding the Availability of Proxy Materials for the
2018 Annual Meeting of Shareholders to be held on May 10, 2018**

The Notice of 2018 Annual Meeting of Shareholders and Proxy Statement, our proxy card, our Annual Report on Form 10-K and other annual meeting materials are available free of charge on the Internet at www.proxyvote.com. We intend to begin mailing our Notice of Internet Availability of Proxy Materials to shareholders on or about March 29, 2018. At that time, we also will begin mailing paper copies of our proxy materials to shareholders who requested them.

Table of Contents

<u>Questions and Answers About the Annual Meeting</u>	2
<u>Proposal 1 Election of Directors</u>	7
<u>Proposal 2 Ratification of Selection of Auditors</u>	8
<u>Directors</u>	10
<u>Qualifications</u>	10
<u>Biographies</u>	11
<u>Meetings</u>	16
<u>Committees</u>	16
<u>Compensation</u>	18
<u>Governance</u>	20
<u>Director Independence</u>	20
<u>Controlled Company Exception</u>	20
<u>Board Role in Risk Oversight</u>	20
<u>Lead Director</u>	21
<u>Related Parties</u>	22
<u>Director Nominations</u>	22
<u>Corporate Governance Guidelines</u>	22
<u>Code of Ethics</u>	22
<u>Executive Officers</u>	23
<u>Share Ownership</u>	27
<u>Compensation Discussion and Analysis</u>	30
<u>Compensation Committee Report</u>	40
<u>Executive Compensation Tables</u>	42
<u>Equity Compensation Plan Information</u>	57
<u>Audit Committee Report</u>	58
<u>Other Matters</u>	59

Annual Report
Communications with the Board
Submission of Shareholder Proposals
Delivery of Proxy Materials to Households

Table of Contents

Questions and Answers About the Annual Meeting

Q: Why did I receive these materials?

A: We are making this Proxy Statement available to you on or around March 29, 2018 because the Board is soliciting your proxy to vote at the 2018 Annual Meeting of Shareholders on May 10, 2018. The information provided in this Proxy Statement is for your use in deciding how to vote on the proposals described below.

Q: Who is entitled to attend and vote at the Annual Meeting?

A: You can attend and vote at the Annual Meeting if, as of the close of business on March 12, 2018 (Record Date), you were a shareholder of record of First Data's Class A common stock or Class B common stock. As of the Record Date, there were 485,799,713 shares of our Class A common stock and 443,286,524 shares of our Class B common stock outstanding.

Q: What are the voting rights of each class of stock?

A: For each proposal, shareholders are entitled to cast one vote for each share of Class A common stock held as of the Record Date and 10 votes for each share of Class B common stock held as of the Record Date. There are no cumulative voting rights.

Q: How do I gain admission to the Annual Meeting?

A: If you are a *registered shareholder*, you must bring with you the Notice of Internet Availability of Proxy Materials and a government-issued photo identification (such as a valid driver's license or passport) or an employee badge issued by First Data to gain admission to the Annual Meeting. If you did not receive a Notice of Internet Availability of Proxy Materials, please call our Investor Relations Department at (212) 266-3565 to request admission to the meeting.

If you hold your shares in *street name* and want to attend the Annual Meeting, you must bring your government-issued photo identification or an employee badge issued by First Data, together with:

The Notice of Internet Availability of Proxy Materials you received from your broker, bank or other holder of record; or

A letter from your broker, bank or other holder of record indicating that you were the beneficial owner of First Data stock as of the Record Date; or

Your most recent account statement indicating that you were the beneficial owner of First Data stock as of the Record Date.

All packages and bags are subject to inspection.

Q: What is the difference between a registered shareholder and a shareholder who owns stock in street name?

A: If you hold shares of Class A common stock or Class B common stock directly in your name, you are a *registered shareholder*. If you own your First Data shares indirectly through a broker, bank or other holder of record, those shares are held in *street name*.

Table of Contents

Q: Can I vote my shares before the Annual Meeting?

A: Yes. If you are a *registered shareholder*, there are three ways to vote your shares before the Annual Meeting:

By Internet (*www.proxyvote.com*) Use the Internet to transmit your voting instructions until 11:59 p.m. ET on May 8, 2018. Have your Notice of Internet Availability of Proxy Materials or proxy card available and follow the instructions on the website to vote your shares.

By telephone (1-800-690-6903) Submit your vote by telephone until 11:59 p.m. ET on May 8, 2018. Have your Notice of Internet Availability of Proxy Materials or proxy card available and follow the instructions provided by the recorded message to vote your shares.

By mail If you received a paper copy of the proxy materials, you can vote by mail by filling out the proxy card enclosed with those materials and returning it using the instructions on the card. To be valid, proxy cards must be received before the start of the Annual Meeting.

If your shares are held in *street name*, your broker, bank or other holder of record may provide you with a Notice of Internet Availability of Proxy Materials that contains instructions on how to access our proxy materials and vote online or to request a paper or email copy of our proxy materials. If you received these materials in paper form, the materials included a voting instruction card so you can instruct your broker, bank or other holder of record how to vote your shares.

Please see the Notice of Internet Availability of Proxy Materials or the information your bank, broker or other holder of record provided you for more information on these voting options.

Q: Can I vote in person at the Annual Meeting instead of by proxy?

A: If you are a *registered shareholder*, you can vote at the Annual Meeting any shares that were registered in your name as the shareholder of record as of the Record Date.

If your shares are held in *street name*, you cannot vote those shares at the Annual Meeting unless you have a legal proxy from the holder of record. If you plan to attend and vote your street-name shares at the Annual Meeting, you should request a legal proxy from your broker, bank or other holder of record and bring it with you to the Annual Meeting.

Whether or not you plan to attend the Annual Meeting, we strongly encourage you to vote your shares by proxy before the Annual Meeting.

Q: Can I revoke my proxy or change my voting instructions once submitted?

A: If you are a *registered shareholder*, you can revoke your proxy and change your vote before the Annual Meeting by:

Edgar Filing: FIRST DATA CORP - Form DEF 14A

Sending a written notice of revocation to our executive offices to the attention of our Corporate Secretary (the notification must be received by 11:59 p.m. ET on May 8, 2018). The notice should be addressed as follows:

First Data Corporation

225 Liberty Street, 29th Floor

New York, New York 10281

Attn: Corporate Secretary

Voting again by Internet or telephone before 11:59 p.m. ET on May 8, 2018 (only the latest vote you submit will be counted); or

Table of Contents

Submitting a new properly signed and dated paper proxy card with a later date (your proxy card must be received before the start of the Annual Meeting).

If your shares are held in *street name*, you should contact your broker, bank or other holder of record about revoking your voting instructions and changing your vote before the Annual Meeting.

If you are eligible to vote at the Annual Meeting, you also can revoke your proxy or voting instructions and change your vote at the Annual Meeting by submitting a written ballot before the polls close.

Q: What will happen if I submit my proxy but do not vote on a proposal?

A: If you submit a valid proxy but fail to provide instructions on how you want your shares to be voted, properly submitted proxies will be voted:

FOR the election of all director nominees;

FOR the ratification of the appointment of Ernst & Young LLP as First Data's independent registered public accounting firm.

If any other item is properly presented for a vote at the meeting, the shares represented by your properly submitted proxy will be voted at the discretion of the proxies.

Q: What will happen if I neither submit my proxy nor vote my shares in person at the Annual Meeting?

A: If you are a *registered shareholder*, your shares will not be voted.

If your shares are held in *street name*, your broker, bank or other holder of record may vote your shares on certain routine matters. The ratification of independent auditors is currently considered to be a routine matter. On this matter, your broker, bank or other holder of record can:

Vote your street-name shares even though you have not provided voting instructions; or

Choose not to vote your shares.

The other matters you are being asked to vote on are not routine and cannot be voted by your broker, bank or other holder of record without your instructions. When a broker, bank or other holder of record is unable to vote shares for this reason, it is called a broker non-vote.

Q: What does it mean if I receive more than one set of materials?

A: You probably have multiple accounts with us and/or brokers, banks, or other holders of record. You should vote all of the shares represented by the notices/proxy cards. Certain brokers, banks, and other holders of record have

procedures in place to discontinue duplicate mailings upon a shareholder's request. You should contact your broker, bank or other holder of record for more information.

Q: How many shares must be present to conduct business at the Annual Meeting?

A: To carry on the business of the Annual Meeting, holders of a majority of the voting power of Class A common stock and Class B common stock issued and outstanding as of the Record Date must be present in person or represented by proxy.

Table of Contents

Q: What vote is required to approve each proposal?

A: For Proposal No. 1, directors will be elected by a plurality of the votes of the shares of our Class A common stock and Class B common stock (voting together as a single class) present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors, which means that the three nominees receiving the highest number of affirmative votes will be elected.

Proposal No. 2, the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018, will be determined by the affirmative vote of a majority of the voting power of the shares of our Class A common stock and Class B common stock (voting together as a single class) present in person or represented by proxy at the Annual Meeting.

Q: Are abstentions and broker non-votes counted in the vote totals?

A: A broker non-vote occurs when shares held by a broker are not voted with respect to a particular proposal because the broker does not have discretionary authority to vote on the matter and has not received voting instructions from its clients. If your broker holds your shares in its name and you do not instruct your broker how to vote, your broker will only have discretion to vote your shares on routine matters. Where a proposal is not routine, a broker who has received no instructions from its clients does not have discretion to vote its clients uninstructed shares on that proposal. At our Annual Meeting, only Proposal No. 2 (ratifying the appointment of our independent registered public accounting firm) is considered a routine matter. Your broker will therefore not have discretion to vote on the election of directors as it is a non-routine matter.

Broker non-votes and abstentions by stockholders from voting (including brokers holding their clients' shares of record who cause abstentions to be recorded) will be counted towards determining whether or not a quorum is present. However, as the three nominees receiving the highest number of affirmative votes will be elected, abstentions and broker non-votes will not affect the outcome of the election of Directors. With regard to the affirmative vote of the shares present at the meeting required for Proposal 2, it is a routine matter so there will be no broker non-votes but abstentions will have the effect of a negative vote.

Q: How are votes counted?

A: In the election of directors, Proposal No. 1, you may vote FOR all or some of the nominees or your vote may be WITHHELD with respect to one or more of the nominees.

For Proposal No. 2, you may vote FOR, AGAINST, or ABSTAIN. If you elect to ABSTAIN, the abstention has the same effect as a vote AGAINST.

If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items. If no instructions are indicated on a properly executed proxy card or over the telephone or Internet, the shares will be voted as recommended by our board of directors.

Q: Is my vote confidential?

A: Yes. The vote of any shareholder will not be revealed to anyone other than a tabulator of votes or an election inspector, except (i) as necessary to meet applicable legal and stock exchange listing requirements, (ii) to assert claims for or defend claims against First Data, (iii) to allow the Inspectors of Election to certify the results of the shareholder vote, (iv) in the event a proxy solicitation in opposition to First Data or the election of the Board takes place, (v) if a shareholder has requested that their vote be

Table of Contents

disclosed, or (vi) to respond to shareholders who have written comments on Proxy Cards.

Q: Will any other business be transacted at the meeting? If so, how will my proxy be voted?

A: Management does not know of any business to be transacted at the Annual Meeting other than those matters described in this Proxy Statement. The period specified in First Data's By-Laws for submitting additional proposals to be considered at the meeting has passed and there are no such proposals to be considered. However, should any other matters properly come before the meeting, and any adjournments and postponements, shares with respect to which voting authority has been granted to the proxies will be voted by the proxies in accordance with their judgment.

Q: Who will pay the cost of soliciting votes for the Annual Meeting?

A: We will bear the entire cost of solicitation of proxies, including the preparation, assembly, printing, and mailing of this Proxy Statement and the accompanying materials. We have engaged the firm of Morrow Sodali to assist in distributing and soliciting proxies for a fee of \$6,500 plus expenses. However, the proxy solicitor fee is only a small fraction of the total cost of the proxy process. The largest expense in the proxy process is printing and mailing the proxy materials. Proxies also may be solicited on behalf of First Data by directors, officers or employees of First Data in person or by mail, telephone or facsimile transmission. No additional compensation will be paid to such directors, officers, or employees for soliciting proxies.

Table of Contents**Proposal 1 Election of Directors**

Our Board of Directors is divided into three classes serving staggered three-year terms. The terms of office of three current directors, Mr. Nevels, Mr. Olson, and Ms. Yastine, expire at the 2018 Annual Meeting of Shareholders. Mr. Nevels, Mr. Olson, and Ms. Yastine have been nominated for re-election through the 2021 Annual Meeting of Shareholders or until a successor is elected and qualified. The nominees were recommended to the Board by the Governance and Nominations Committee. In making its recommendation, the Committee considered the experience, qualifications, attributes, and skills of each nominee. All nominees have indicated their willingness to serve if elected.

You have the opportunity to vote on the election of Mr. Nevels, Mr. Olson, and Ms. Yastine. Additional information regarding each director nominee's experience, skills, and qualifications to serve as a member of our Board can be found beginning on page 10.

Name	Age	Director Since	Summary Background	Independent	Committee Memberships
James E. Nevels	66	2014	Chairman of The Swarthmore Group	Yes	Audit, Risk
Tagar C. Olson	40	2007	Member of Kohlberg, Kravis Roberts & Co. L.P.	No	Governance and Nominations
Barbara A. Yastine	58	2016	Former Chair, Chief Executive Officer and President of Ally Bank	Yes	Audit

The terms of Mr. Bisignano, Mr. Kravis, and Ms. Miller expire at the 2019 Annual Meeting of Shareholders. The terms of Mr. De Castro, Mr. Nuttall, and Mr. Plumeri expire at the 2020 Annual Meeting of Shareholders.

If unforeseen circumstances (such as death or disability) make it necessary for the Board to substitute another person for any of the nominees, the proxies have the authority to vote your shares for that other person.

The Board of Directors recommends that you vote to RE-ELECT Mr. Nevels, Mr. Olson, and Ms. Yastine as directors.

Table of Contents**Proposal 2 Ratification of Selection of Auditors**

The Board of Directors recommends to the shareholders the ratification of the selection of Ernst & Young LLP, independent registered public accounting firm, to audit the accounts of First Data and its subsidiaries for 2018. Ernst & Young LLP, or one of its predecessors, has served as the independent registered public accounting firm for First Data or its predecessor entities since 1980. Consistent with regulations adopted under the Sarbanes-Oxley Act of 2002, the lead audit partner having primary responsibility for the audit and the concurring audit partner are rotated every five years.

A representative of Ernst & Young LLP will be present at the meeting, will have the opportunity to make a statement, and will be available to respond to appropriate questions.

Audit Fees and All Other Fees

The following table shows the fees for audit and other services provided by Ernst & Young LLP for 2017 and 2016:

(in millions)	2017	2016
Audit Fees	\$7.5	\$7.7
Audit-Related Fees	4.8	4.3
Tax Fees	0.7	0.8
<i>Audit Fees</i>		

This category includes fees related to the audit of our annual consolidated financial statements; the review of our quarterly consolidated financial statements; comfort letters, consents, and assistance with and review of documents filed with the SEC; offering memoranda, purchase accounting and other accounting, and financial reporting consultation; statutory audits required domestically and internationally; and research work billed as audit fees or necessary to comply with the standards of the Public Company Accounting Oversight Board (United States).

Audit-Related Fees

This category consists of fees for audit-related services that are reasonably related to the performance of the audit or review of our consolidated financial statements. Audit-related fees primarily include fees related to service auditor examinations, due diligence related to mergers and acquisitions, attest services that are not required by statute or regulation, and consultation concerning financial accounting and reporting standards not classified as audit fees.

Tax Fees

This category consists of fees for tax compliance, tax advice and tax planning services.

All Other Fees

This category consists of fees for services that are not included in the above categories. We did not pay Ernst & Young LLP any other fees for services that are not included in the categories above.

Table of Contents

Audit Committee Pre-approval of Service of Independent Registered Public Accounting Firm

Our Audit Committee has established a policy to pre-approve all audit and non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services, and other services. Under the policy, our Audit Committee reviews and pre-approves services that may be provided by the independent registered public accounting firm. The pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. Once pre-approved, the services and pre-approved amounts are monitored against actual charges incurred and modified if appropriate. The Chairperson of the Committee has the authority to pre-approve such services between meetings of our Audit Committee and such pre-approvals are reported to our Audit Committee at the next regularly scheduled meeting.

During 2017, all audit and non-audit services provided by Ernst & Young LLP were pre-approved by our Audit Committee or, consistent with the pre-approval policy of our Audit Committee, by the Chairperson of our Audit Committee for inter-meeting pre-approvals.

In the event the shareholders fail to ratify the appointment, the Audit Committee will consider it a direction to select other auditors for the subsequent year. Even if the selection is ratified, the Audit Committee, in its discretion, may select a new independent registered public accounting firm at any time during the year if it feels that such a change would be in the best interest of First Data and its shareholders.

The Board of Directors recommends that you vote FOR proposal 2.

Table of Contents**Board of Directors****Members**

Below is a summary of our Board members. Additional information regarding each director can be found beginning on page 11.

Name	Age	Director since	Summary Background	Independent	Other current public company boards
Frank Bisignano	58	2013	Chairman and Chief Executive Officer of First Data	No	1
Henrique De Castro	52	2017	Advisor to Cantor Fitzgerald and former Chief Operating Officer of Yahoo! Inc.	Yes	1
Henry Kravis	74	2009	Co-Chairman and Co-Chief Executive Officer of KKR & Co. L.P.	No	0
Heidi Miller	64	2014	Former President of JPMorgan International	Yes	2
James Nevels	66	2014	Chairman of The Swarthmore Group	Yes	3
Scott Nuttall	45	2007	Co-President and Co-Chief Operating Officer of KKR & Co. L.P.	No	0
Tagar Olson	40	2007	Member & Head of Financial Services and Hospitality & Leisure at Kohlberg Kravis Roberts & Co. L.P.	No	0
Joseph	74	2013		No	0

Plumeri			Vice Chairman of First Data and former Chairman and Chief Executive Officer of the Willis Group Holdings		
Barbara Yastine	58	2016	Former Chair, Chief Executive Officer and President of Ally Bank	Yes	2

Qualifications

Nominees for director are selected on the basis of experience, integrity, skills, diversity, independence, ability to make independent analytical inquiries, understanding of First Data's business environment, and willingness to devote adequate time to Board duties -- all in the context of an assessment of the perceived needs of the Board at that point in time. The Board believes each director should have an inquisitive and objective mind and individual experiences that provide practical wisdom, which may include executive leadership, financial and commerce-enabling technology, accounting and finance, international, investments and mergers and acquisitions, technology, corporate governance, and other areas that are relevant to our operations. The Board also believes that its membership should reflect a diversity of experience, gender, race, ethnicity, and age. As part of its annual evaluations of its effectiveness as a group, the Board considers whether its compositions as whole reflects the right mix of expertise, skills, and knowledge. Each of the director's specific experiences, skills, and qualifications are included in their individual biographies on page 11.

Table of Contents**Biographies****Frank J. Background**

Bisignano Frank J. Bisignano has been Chairman of our Board since March 2014 and our Chief Executive Officer since April 2013. Before joining us, Mr. Bisignano was the Co-Chief Operating Officer for JPMorgan Chase & Co. from July 2012 to April 2013, CEO of Mortgage Banking at JPMorgan Chase & Co. from February 2011 until December 2012, and Chief Administrative Officer of JPMorgan Chase & Co. from 2005 until July 2012. From 2002 to 2005, Mr. Bisignano served as the chief executive officer for Citigroup's Global Transactions Services business and a member of Citigroup's Management Committee. He has been a member of the Board of Directors of Humana Inc. since August 2017. Mr. Bisignano serves on Humana's Technology Committee.

Age 58

Director since April 2013

Qualifications

Committees Mr. Bisignano brings many years of executive experience in the financial industry.

None

Other current public company boards

Humana Inc.

Henrique Background

De Castro Henrique De Castro is a business executive who currently serves as Director of the Board at Target (NYSE: TGT) and is an advisor at Cantor Fitzgerald leading the corporate venture capital arm of the firm, Cantor Ventures. Previously, he served as Chief Operating Officer at Yahoo! Between 2012 and 2014. Prior to that, Mr. De Castro held senior executive positions at Google including President of Partner Business Worldwide, responsible for approximately a third of Google's revenues and President of Media, Mobile & Platforms Worldwide where he built and scaled the business globally to over 50 countries. Before Google, Mr. De Castro had senior executive roles at Dell and McKinsey & Company. He has extensive experience across the globe in the Technology, Internet, Media and Retail industries. Mr. De Castro has an MBA from IMD in Switzerland and a Bachelor in Business and Economics from ISEG in Lisbon. He is fluent in English, French, Italian, Spanish and Portuguese.

Age 52

Independent Director since July 2017

Committees Qualifications

Risk

Mr. De Castro provides valuable insight into mobile and technology platforms. His experience at Yahoo! and Google provides him with global perspectives on leading operations, strategy, partner management, and revenue generation in the technology industry.

Other current public company boards

Target Corporation

Table of Contents**Henry R. Kravis Background**

Age 74

Director since
September 2009**Committees**

Compensation

Henry R. Kravis, a pioneer of the private equity industry, co-founded Kohlberg Kravis Roberts & Co. L.P. (KKR) in 1976 and is Co-Chairman and Co-Chief Executive Officer of KKR & Co. L.P. He is actively involved in managing KKR and serves on its regional Private Equity Investment and Portfolio Management Committees. In addition to serving on the board of the general partner of KKR, Mr. Kravis currently serves on the board of ICONIQ Capital, LLC. He also serves as a director, chairman emeritus or trustee of several cultural, professional and education institutions, including The Business Council, Claremont McKenna College, Columbia Business School, Mount Sinai Hospital, Partnership for New York City, Partnership Fund for New York City, Sponsors for Educational Opportunity, Rockefeller University, and Tsinghua University School of Economics and Management. He earned a B.A. from Claremont McKenna College in 1967 and a M.B.A. from the Columbia Business School in 1969. Mr. Kravis has more than four decades of experience financing, analyzing, and investing in public and private companies, as well as serving on the boards of a number of KKR portfolio companies in the past.

Qualifications

Mr. Kravis provides significant experience and expertise in financing, analyzing, and investing in public and private companies, including his involvement in KKR's diverse investments.

Other current public company boards

None

Heidi G. Miller Background

Age 64

Independent Director
since April 2014

Heidi G. Miller served as president of JPMorgan International, a division of JPMorgan Chase & Co., from 2010 until her retirement in 2012. She served as Executive Vice President, Chief Executive Officer - Treasury and Securities Services of JPMorgan Chase & Co. from January 2004 to June 2010. From 2002 to 2004, Ms. Miller served as Executive Vice President and Chief Financial Officer of Bank One Corporation. Previously, she had been Chief Financial Officer of Citigroup Inc. She is a director of General Mills Inc. and HSBC Holdings plc. and Chairman of HSBC North America Holdings Inc. (HNAH), a wholly owned subsidiary of HSBC Holdings, and previously served as a director of Progressive Casualty Insurance Company. Ms. Miller graduated from Princeton University with a bachelor's degree in history and completed her doctorate in Latin American History at Yale University.

Committees

Audit

Qualifications

Risk (Chair)

Ms. Miller's extensive senior executive experience in the banking and financial industry, together with her public company board service, provide strong, independent leadership, experience leading complex organizations and critical evaluation of strategic priorities and investments.

Other current public company boards

General Mills, Inc.

HSBC Holdings plc

Table of Contents**James E. Nevels Background**

Age 66	James E. Nevels is Chairman of The Swarthmore Group, an investment advisory firm that he founded in 1991. He is Lead Independent Director of WestRock Company, a director of Alcoa Corporation, and a director of XL Group. In 2004, Mr. Nevels was appointed by the President of the United States to a three-year term on the advisory committee to the Pension Benefit Guaranty Corporation, where he served as Chairman from 2005 to 2007. In 2001, he was appointed by the Governor of Pennsylvania as Chairman of the Philadelphia School Reform Commission overseeing the turnaround of the Philadelphia School System, at that time the ninth-largest school district in the United States. Mr. Nevels was a member of the board of directors of the Federal Reserve Bank of Philadelphia from January 2010 until December 2015, and served as its Deputy Chairman from January 2012 until his appointment as Chairman in January 2014. Mr. Nevels was formerly a director of Tasty Baking Company from 2005 to 2011 and a director of The Hershey Company from 2007 to 2017. He holds a bachelor's degree, cum laude and Phi Beta Kappa, in political science and philosophy from Bucknell University, a Masters of Business Administration degree from the Wharton School of the University of Pennsylvania and a Juris Doctor degree from the University of Pennsylvania Law School.
Independent Director since November 2014	
Committees	
Audit	
Risk	

Qualifications

Mr. Nevels provides expertise in the securities and investment industry with decades of experience in finance, law and corporate governance.

Other current public company boards

WestRock Company

Alcoa Corporation

XL Group

Scott C. Nuttall Background

Age 45	Scott C. Nuttall is Co-President and Co-Chief Operating Officer of KKR & Co. L.P. Mr. Nuttall joined KKR in 1996. Most recently, he was head of KKR's Global Capital and Asset Management Group, where he was responsible for overseeing KKR's Public Markets & Distribution businesses, which includes Credit, Capital Markets, Hedge Funds, and its Client & Partner Group. He has played a significant role in driving the strategic development of KKR for the last 15 years, including his leadership on KKR's public listing, developing KKR's balance sheet strategy, helping build KKR's platforms in the credit and
Director since	

September 2007 hedge fund space, and creating KKR's capital markets and capital raising businesses. Mr. Nuttall also serves on KKR's Balance Sheet Committee and KKR's Inclusion and Diversity Council. Prior to joining KKR, he was with the Blackstone Group where he was involved in numerous merchant banking and merger and acquisition transactions. He received a B.S., summa cum-laude, from the University of Pennsylvania.

Committees

Compensation (Chair)

Governance and
Nominations

Qualifications

Mr. Nuttall brings a broad perspective brought by his involvement in KKR's diverse investments and his extensive knowledge of our business and capital structure through his involvement with First Data since our 2007 acquisition by KKR.

Table of Contents**Other current public company boards**

None

Tagar C. Olson**Background**

Age 40

Director since
September 2007**Committees**Governance and
Nominations

Tagar C. Olson joined KKR in 2002 and is a Member and Head of KKR's Financial Services and Hospitality and Leisure industry teams and on the Investment Committee within KKR's Americas Private Equity platform. In the financial services sector, Mr. Olson has been involved in numerous transactions including KKR's investments in Alliant Insurance Services, Focus Financial Partners, Latitude Financial, Legg Mason, Nephila, PURE, Santander Consumer USA, Sedgwick, USI Insurance Services, and WMIH Corp. In the hospitality and leisure sector, Mr. Olson has been involved in KKR's investments in Apple Leisure Group, KSL Recreation, Hotel del Coronado, and La Costa Resort & Spa. He currently serves on the board of directors of Apple Leisure Group, PURE, Sedgwick, USI, and WMIH Corp. Prior to joining KKR, Mr. Olson was with Evercore Partners Inc., where he was involved in a number of private equity transactions and mergers and acquisitions. He holds a B.S. and B.A.S., summa cum laude, from the University of Pennsylvania. Mr. Olson is a member of the Board of Overseers at NYU Langone Medical Center.

Qualifications

Mr. Olson provides expertise in the financial services industry and extensive knowledge of our business and capital structure through his involvement with First Data since our 2007 acquisition by KKR.

Other current public company boards

None

Joseph J.**Background****Plumeri**

Age 74

Joseph J. Plumeri has been a Senior Advisor of KKR since August 2013 and our Vice Chairman since May 2014. Mr. Plumeri was also our Head of Client Delivery, Innovation and Marketing from June 2014 until June 2015. Before joining us, Mr. Plumeri was Chief Executive Officer of Willis Group Holdings plc from October 2000 to January 2013 and Chairman of its board of directors from 2001 to July 2013. Before joining the Willis Group, Mr. Plumeri spent 32 years as an executive with Citigroup Inc. and its predecessors, where his responsibilities included overseeing the 450 North American retail branches of Citigroup's

Edgar Filing: FIRST DATA CORP - Form DEF 14A

Director	Citibank unit. Before that, Mr. Plumeri served as Chairman and Chief Executive Officer of Citigroup's Primerica Financial Services from 1995 to 1999. In 1994, Mr. Plumeri was appointed Vice Chairman of Citigroup's predecessor, Travelers Group Inc. In 1993, Mr. Plumeri became the President of a predecessor of Citigroup's Salomon Smith Barney unit after overseeing the merger of Smith Barney and Shearson and serving as the President and Managing Partner of Shearson since 1990. He also serves on the boards of the National Center on Addiction and Substance Abuse; Mount Sinai Medical Center; the Intrepid Sea, Air & Space Museum; the Jackie Robinson Foundation and the Churchill Centre and Museum at the Cabinet War Rooms in London.
August 2013	
Committees	
Compensation	
Governance and	
Nominations (Chair)	

Table of Contents**Qualifications**

Mr. Plumeri brings many years of experience as chief executive officer and chairman of the board of a publicly held company.

Other current public company boards

None

Barbara A.**Background****Yastine**

Age 58

Independent Director
since September 2016

Barbara A. Yastine served as a director and Co-Chief Executive Officer of Lebenthal Holdings, LLC from September 2015 to June 2016. Ms. Yastine previously served as Chair, President, and Chief Executive Officer of Ally Bank from March 2012 to September 2015, and as Chief Administrative Officer of Ally Financial, overseeing the risk, compliance, legal and technology areas, and Chair of Ally Bank, from May 2010 to March 2012. Prior to joining Ally Financial, she served as a Principal of Southgate Alternative Investments, a start-up diversified alternative asset manager, beginning in June 2007. She served as Chief Financial Officer for investment bank Credit Suisse First Boston from October 2002 to August 2004. From 1987 through 2002, Ms. Yastine worked at Citigroup and its predecessor companies. Ms. Yastine also is a member of the Board of Directors of Primerica, Inc. and Zions Bancorporation. She received a B.A. in Journalism and an M.B.A. from New York University.

Committees

Audit (Chair)

Qualifications

Ms. Yastine brings expertise in general management, risk and asset management, finance and strategic planning from her experience serving in senior management positions in the investment banking and capital markets industries.

Other current public company boards

Primerica, Inc.

Zions Bancorporation

Involvement in Certain Legal Proceedings

Barbara Yastine, a director of First Data, was the Co-Chief Executive Officer and a director of Lebenthal Holdings, LLC (Lebenthal) for approximately 9 months from September 2015 to June 2016. In November 2017, approximately 17 months after Ms. Yastine left that position, Lebenthal and certain of its subsidiaries filed voluntary petitions for bankruptcy under Chapter 7 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York.

Table of Contents**Board Meetings and Director Attendance at Annual Meeting**

Our Board held 9 meetings in 2017. Each director attended at least 90% of all of the meetings of the Board and committees of the Board on which he or she served in 2017.

Periodically at the end of Board meetings our Lead Director presides at an executive session without any management directors present. These sessions allow the directors to discuss important issues, including the business and affairs of First Data as well as matters concerning management, without any member of management present. In addition, an executive session including only independent directors is held at least once a year. Ms. Miller, as Chairperson of the Risk Committee, presides at such executive sessions. Members of the Audit Committee, Compensation, Governance and Nominations Committee, and Risk Committee also meet in executive session as needed.

Directors are expected to attend our annual meetings of shareholders absent extraordinary circumstances and, with the exception of one director, all directors as of the date of the 2017 Annual Meeting of Shareholders attended such meeting.

Board Committees and Their Functions

Our Board has an Audit Committee, a Compensation Committee, a Governance and Nominations Committee, and a Risk Committee. Each committee operates under a written charter, a current copy of which is available on our website at www.firstdata.com under Investors and Corporate Governance.

Audit Committee	Responsibilities	Committee Members
	Assists the Board in fulfilling its oversight responsibilities with respect to:	Ms. Yastine (Chair)
	the integrity of First Data's financial statements	Ms. Miller
	First Data's compliance with legal and regulatory requirements	Mr. Nevels
	the qualifications, performance and independence of First Data's independent registered public accounting firm	Number of Meetings during 2017
	the performance of First Data's internal auditing department	7

Independence

Ms. Miller, Mr. Nevels, and Ms. Yastine meet the independence requirements of the NYSE, the Securities Exchange Act of 1934, and our Corporate Governance Guidelines.

Financial Experts

Our Board has unanimously determined that all Audit Committee members are financially literate under the NYSE listing standards and all members qualify as audit committee financial experts within the meaning of SEC regulations and have accounting or related financial management expertise as required by the NYSE listing standards.

Additional Information

The Audit Committee Charter prohibits any member of the Audit Committee from serving on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of the director to effectively serve on the Committee.

Table of Contents

The Audit Committee report begins on page 58.

Compensation Committee	Responsibilities	Committee Members
	oversees First Data's compensation and benefits plans generally	Mr. Nuttall (Chair)
	evaluates and sets compensation for our CEO and other members of the management committee	Mr. Kravis
	produces the annual report on executive compensation included in this Proxy Statement	Mr. Plumeri
	evaluates and recommends compensation for our directors	Number of Meetings during 2017
		6

Independence

At this time, there are no independent directors on the Compensation Committee. When First Data is no longer a controlled company within the meaning of the NYSE listing standards, all of the Committee's members will be independent as defined under the NYSE listing standards within the time period permitted for such a transition by the NYSE listing standards.

Compensation Committee Interlocks and Insider Participation

None of our Compensation Committee members has been one of our executive officers or employees at any time, except for Joseph J. Plumeri who was an employee of First Data until March 31, 2016. None of our executive officers currently serves, or has served during the last completed fiscal year, on the compensation committee or board of directors of any other entity that has one or more executive officers serving as a member of our Board or Committee. We are parties to certain transactions with KKR described in the Certain Relationship and Related Transactions beginning on page 22.

Additional Information

The Compensation Committee report begins on page 40.

Governance and Nominations Committee	Responsibilities	Committee Members
	identifies individuals qualified to become members of the Board and recommend to the Board nominees for election as directors at each annual meeting of shareholders and to fill vacancies or newly created directorships on the Board that may occur between such meetings	Mr. Plumeri (Chair)
		Mr. Nuttall
		Mr. Olson

Edgar Filing: FIRST DATA CORP - Form DEF 14A

recommends to the Board directors for appointment to Board committees

develops and recommends to the Board corporate governance guidelines

oversees the evaluation of the Board and its committees and management

**Number of Meetings
during 2017**

5

Table of Contents

Risk	Committee Members
Committee	Ms. Miller (Chair)
Responsibilities	Mr. De Castro
oversees the management of risks to First Data	Mr. Nevels
oversees risk governance structure, risk assessment, and risk management practices	
oversees and makes recommendations to the Board regarding First Data's willingness to accept risks and strategies related to key risks	Number of Meetings
	during 2017
oversees the appointment and, if necessary, replacement of First Data's Chief Control Officer	4

Director Compensation

During 2017, we modified our director compensation. The following table summarizes the compensation components for each director not employed by us or KKR:

	Annual compensation prior to April 25, 2017	Annual compensation beginning April 25, 2017
Annual Cash Retainer (1)	\$75,000	\$85,000
Committee Chair Retainer	\$0	\$25,000 (2)
Annual Stock Award	\$125,000 (3)	\$150,000 (4)
One-Time Option Award	158,182 options (5)	0

- (1) Paid in quarterly installments on the first business day of each calendar quarter.
- (2) Paid in quarterly installments on the first business day of each calendar quarter to each chair determined by the Board to be an independent director.
- (3) Grant of restricted stock equivalent in value to \$125,000, both at the time of their appointment and in connection with each First Data Annual Shareholder Meeting at which they continue to serve to vest 20%/40%/40% on the first three anniversaries of the grant date.
- (4) An award of fully-vested common stock valued at \$150,000 based on the closing price of our common stock on the date of grant to be made on the date of initial appointment as a director and at the close of business on the date of each subsequent First Data Annual Shareholder Meeting.
- (5) At the time of their appointment, a one-time grant of options to purchase shares of common stock, with a strike price equal to the fair market value at the time of grant to vest in equal annual installments on the first three anniversaries of the grant date.

Each non-employee director associated with KKR receives an annual cash retainer of \$40,000 payable in semi-annual installments on the first business day of January and July of each year.

All cash compensation may be deferred under the First Data 2008 Non-Employee Director Deferred Compensation Plan at the election of each director. All amounts deferred will accrue earnings based on the performance of our

common stock and are paid to the director upon termination of the director's service, subject to acceleration of the payout under certain circumstances.

Table of Contents

The following table summarizes compensation for our directors for fiscal year 2017.

Fees earned or paid in cash (\$)

Name (1)	Annual Retainer (\$)	Committee Chair Fees (\$)	Total Fees Earned or Paid in Cash (\$) (2)	Stock Awards (\$) (3)(4)	Option Awards (\$) (5)	All Other Compensation (\$)	Total (\$)
Henrique De Castro (6)	42,500	0	42,500	150,000	0	0	192,500
Joe Forehand (7)	37,500	0	37,500	0	0	0	37,500
Henry Kravis	40,000	0	40,000	0	0	0	40,000
Heidi Miller	80,000	12,500	92,500	150,000	0	0	242,500
James Nevels	80,000	0	80,000	150,000	0	0	230,000
Scott Nuttall	40,000	0	40,000	0	0	0	40,000
Tagar Olson	40,000	0	40,000	0	0	0	40,000
Joseph Plumeri	80,000	0	80,000	150,000	0	0	230,000
Barbara Yastine	80,000	12,500	92,500	150,000	0	0	242,500

- (1) During 2017, Mr. Bisignano was a salaried employee of First Data and did not receive separate compensation for his services on the Board of Directors. His compensation is included in the Summary Compensation Table for Executives.
- (2) Includes the annual retainer and additional fees for each independent director that chairs a Committee. Retainers were paid in cash, except Messrs. De Castro, Kravis, Nuttall, Olson and Ms. Miller elected to defer all or a portion their annual cash retainer earned in 2017. The deferred cash tracks the performance of shares of First Data. At the time of distribution, the cash payments will include any earnings (or losses) based on the change in price of First Data shares during the deferral period.
- (3) Amounts reported reflect the grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 for the 8,090 shares granted to Mr. De Castro, 9,523 shares granted to Ms. Miller 9,523 shares granted to Mr. Nevels, 9,523 shares granted to Mr. Plumeri, and 9,523 shares granted to Ms. Yastine.
- (4) The directors in the table above held the following aggregate number of shares of restricted stock at year end: Mr. Forehand held 11,503 shares of restricted stock, Ms. Miller held 11,503 shares of restricted stock, Mr. Nevels held 11,503 shares of restricted stock, Mr. Plumeri held 285,434 shares of restricted stock, and Ms. Yastine held 7,519 shares of restricted stock.
- (5) The directors in the table above held the following number of shares subject to options at year end: Mr. Forehand held 1,044,001 options, Ms. Miller held 158,182 options, Mr. Nevels held 158,182 options, Mr. Plumeri held 1,339,903 options, and Ms. Yastine held 158,182 options.
- (6) Mr. De Castro was appointed to the Board on July 20, 2017.
- (7) Mr. Forehand decided not to seek re-election and his term expired April 25, 2017.

Table of Contents**Governance****Director Independence**

Each year our Board determines which of our directors are independent. Under our Corporate Governance Guidelines, to be considered independent a director (1) must meet the independence standards under the NYSE listing standards; and (2) the Board must affirmatively determine that the director otherwise has no material relationship with First Data directly, or as an officer, shareholder, or partner of an organization that has a relationship with First Data. In making its independence determinations, the Board reviews any material direct and indirect relationships between each director and First Data, as well as the compensation and other payments each director received from or made to First Data. Our Board has determined that Mr. De Castro, Ms. Miller, Mr. Nevels, and Ms. Yastine are independent directors. For Ms. Miller, our Board considered her son's employment with First Data in a non-officer and non-strategic position. Given his position in the company and amount of compensation, the Board determined that his employment did not create a material relationship with First Data that would impair Ms. Miller's independence.

Controlled Company Exception

Kohlberg Kravis Roberts & Co. L.P. and its affiliates control a majority of the voting power of our outstanding common stock. As a result, we are a controlled company within the meaning of the corporate governance standards of the New York Stock Exchange. Under these rules, if more than 50% of the voting power of a company is held by an individual, group or another entity, the company is a controlled company and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the Board consist of independent directors as defined under the rules of the NYSE;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors.

As a result, we do not have a majority of independent directors on our Board and we do not have a nominating and corporate governance committee or a compensation committee that is composed entirely of independent directors. In the event that we cease to be a controlled company, we will comply with these provisions within the transition periods specified in the corporate governance rules of the NYSE.

Board Role in Risk Oversight

Our Board has extensive involvement in the oversight of risk management related to us and our business and accomplishes this oversight through the regular reporting by the Audit Committee and the Risk Committee. The Risk Committee represents the Board by overseeing our risk governance structure, risk assessment, and risk management practices, and making recommendations to the Board regarding our willingness to accept risks and strategies related to key risks. The Audit Committee represents the Board by periodically reviewing our accounting, reporting, and financial practices, including the integrity of our consolidated financial statements, the surveillance of administrative and financial controls and our compliance with legal and regulatory requirements. Through its regular meetings with management, including the finance, legal, and internal audit functions, the Audit Committee reviews and discusses all significant areas of our business and summarizes for the Board all areas of financial risk and the appropriate mitigating factors. In addition, our Board receives periodic detailed operating performance reviews from management.

Our executive officers regularly report to the Board, including the non-management directors, and the Audit, the Compensation, the Governance and Nominations, and the Risk Committees to ensure effective and

Table of Contents

efficient oversight of our activities and to assist in proper risk management and the ongoing evaluation of management controls. The Head of Internal Audit reports administratively to our Chief Control Officer and directly to the Audit Committee. We believe that the leadership structure of our Board provides appropriate risk oversight of our activities given the controlling interest held by KKR.

Lead Director

Our governance framework provides the Board with flexibility to select the appropriate leadership structure. In making leadership structure determinations, the Board considers many factors, including the specific needs of the business and what is in the best interests of the our shareholders. The current leadership structure is comprised of a combined Chairperson of the Board and Chief Executive Officer, a Lead Director, and four Board committees. The directors believe that the positions of Chairperson and CEO currently should be held by the same person, as this combination has served us well by providing unified leadership and direction for the Board.

If the individual elected as Chairperson is also an employee of First Data, the Board believes that a Lead Director should be appointed to help ensure robust leadership on the Board. Accordingly, the non-management directors have elected Scott Nuttall as Lead Director. As Lead Director, Mr. Nuttall assists in optimizing the effectiveness of the Board by performing the duties described below.

Scott Nuttall

Regular duties

Presides at all meetings of the directors and any Board meeting when the Chairperson and CEO are not present, including meetings or executive sessions of the non-management directors;

Lead Director

Calls meetings of the non-management directors, as appropriate;

Provides feedback from executive sessions of the non-management directors to the Chairperson, CEO, and members of senior management, as appropriate;

Serves as a liaison and facilitator between the non-management directors and the Chairperson and CEO, as appropriate;

Before the Board meetings, advises the Chairperson and CEO regarding the information to be provided to directors, including the quality, quantity, and timeliness of such information;

Advises the Chairperson and CEO regarding Board meeting agenda items and the Board's calendar, including the number and frequency of Board meetings, to ensure that there is sufficient time for discussion of all agenda items. The Lead Director (and any director) may request inclusion of additional agenda items;

Consults with the Chairperson and the Compensation Committee on the appointment of chairs and members for board committees;

Collaborates with such Committee on the evaluation of the CEO;

Collaborates with such Committee on matters related to Board effectiveness and independence including the performance and structure of the Board and its committees, and the performance of individual directors; and

Together with the Chairperson, recommends to the Board and the Board committees the retention of advisers and consultants who report directly to the Board.

Table of Contents

Policies Regarding the Approval of Transactions with Related Parties

Our Related Party Transaction Policy requires Board approval of any transactions over \$120,000 between First Data and an executive officer, director, 5% or more shareholder, or an immediate family member of any of such individual.

In addition, under our Director Code of Conduct, each director must report to our General Counsel upon learning of any prospective transaction or relationship in which the director will have a financial or personal interest (direct or indirect) that is with us, involves the use of our assets, or involves competition against us (consistent with any confidentiality obligation the director may have). Our General Counsel must then advise our Board of any such transaction or relationship and our Board must pre-approve any material transaction or relationship.

Under our Code of Conduct, executive officers may not use their personal influence to get us to do business with a company in which they, their family members or their friends have an interest. In situations where an executive officer is in a position of influence or where a conflict of interest would arise, the prior approval of our General Counsel is required.

Certain Relationships and Related Transactions

For the year ended December 31, 2017, KKR Capital Markets LLC, an affiliate of KKR, acted as an arranger and bookrunner for various financing transactions related to our credit agreements, and as an initial purchaser relating to issuances of our notes, and received underwriter and transaction fees totaling \$1.5 million.

Messrs. Kravis, Nuttall, and Olson are associated with KKR. Mr. Nuttall also serves as a director on the board of KKR Capital Markets LLC.

In September 2016, Mr. Bisignano's daughter married a current employee of First Data, Sam Lituchy. For fiscal 2017, First Data paid Mr. Lituchy compensation and benefits of \$181,462 and granted him 4,409 restricted stock units having a value of approximately \$70,400 on the date of grant.

Director Nominations

Our Board is responsible for nominating directors for election by the shareholders and filling any new positions or vacancies on the Board that may occur. The Governance and Nominations Committee is responsible for identifying, screening, and recommending candidates to the Board for Board membership. Shareholders may also propose nominees for consideration by the Committee by writing to First Data Secretary, c/o General Counsel Office, First Data Corporation, 225 Liberty Street, 29th Floor, New York, New York 10281. In formulating its recommendations, the Governance and Nominations Committee will consider recommendations offered by any shareholder, director, or officer of First Data.

Corporate Governance Guidelines

Our Board has adopted Corporate Governance Guidelines that, along with the charters of the Board committees, provide the basic framework for the Board's operation and role in the governance of First Data. You can find our Corporate Governance Guidelines on our website at www.firstdata.com under Investors and Corporate Governance.

Code of Ethics

We have adopted an Employee Code of Conduct, which applies to all employees, a Code of Ethics for Senior Financial Officers, which applies to our Chief Executive Officer, Chief Financial Officer, and Principal

Table of Contents

Accounting Officer, and a Directors Code of Ethics, which applies to our directors. These Codes can be viewed on our website at www.firstdata.com under Investors and Corporate Governance. On the same website, we will post amendments to a provision of such codes and waivers from the Code of Ethics for Senior Financial Officers.

Executive Officers

The section below provides information regarding our executive officers, other than Frank Bisignano, as of March 1, 2018:

Cynthia A. Armine-Klein

Age: 56

Position: Executive Vice President, Chief Control Officer

Cynthia A. Armine-Klein has been our Executive Vice President, Chief Control Officer since May 2014. Before joining us, Ms. Armine-Klein was Executive Vice President and Chief Compliance Officer for JPMorgan Chase & Co. from July 2012 to May 2014. Before joining JPMorgan Chase & Co., she spent 31 years at Citigroup and its predecessor firms and was Citigroup's Global Chief Compliance Officer from 2008 until 2012.

Daniel J. Charron

Age: 53

Position: Executive Vice President, Head of Global Business Solutions

Daniel J. Charron has been our Executive Vice President, Head of Global Business Solutions since February 2015. Before joining us, Mr. Charron spent 14 years with Chase Paymentech, the global payment processing business of JPMorgan Chase & Co., most recently as its President from May 2013 until December 2014. From March 2013 to May 2013, Mr. Charron was acting head of Chase Paymentech and before that he served as Executive Vice President, Head of Client Services from November 2008 until March 2013.

Guy Chiarello

Age: 58

Position: President

Guy Chiarello has been our President since July 2013. Before joining us, Mr. Chiarello was the Chief Information Officer of JPMorgan Chase & Co. for the prior five and a half years and served in various technology roles for Morgan Stanley for 23 years before that.

Ivo M. Distelbrink

Age: 48

Position: Executive Vice President, Head of Asia Pacific Region

Ivo M. Distelbrink joined us in August 2016 as Executive Vice President, Head of Asia Pacific Region. Before joining us, Mr. Distelbrink was the Managing Director - Region Head, Asia-Pacific & Japan for global transaction services for Bank of America Merrill Lynch from 2010 until July 2016. Previously, Mr. Distelbrink served in a number of roles for CitiBank N.A., most recently as Managing Director - Region Head, Asia Pacific & Japan, Treasury & Trade Solutions, Global Transaction Services.

Table of Contents

Christopher Foskett

Age: 60

Position: Executive Vice President, Head of Corporate and Business Development

Christopher Foskett joined us in May 2014 as Head of Global, Strategic & National Accounts and has been our Executive Vice President, Head of Corporate and Business Development since June 2015. Before joining us, Mr. Foskett served as the Managing Director, Head of North American Treasury Services and Global Head of Sales for Treasury Services at JPMorgan Chase Bank from 2011 to April 2014. He was Managing Director, Global Head of Financial Institutions at National Australia Bank from 2009 to 2011. Previously, Mr. Foskett was a Managing Director in Citigroup's Corporate & Investment Bank leading several global businesses from 1991 to 2008. He was previously employed in the merger department at Goldman Sachs & Co. and Merrill Lynch & Co. He has been a member of the Board of Directors of Verisk Analytics, Inc. since 1999, where he serves on the Finance Committee, the Compensation Committee, and as Chairman of the Audit Committee.

Andrew Gelb

Age: 47

Position: Executive Vice President, Head of Global Financial Solutions

Andrew Gelb has been our Executive Vice President, Head of Global Financial Solutions since February 2016. He joined us in November 2014 as Executive Vice President and Head of Financial Services and was our Executive Vice President, Co-Head of Global Financial Solutions between June 2015 and February 2016. Previously, Mr. Gelb spent 17 years at Citigroup Inc. and was Managing Director and Head of North America Treasury and Trade Solutions business from June 2012 until July 2014. Previously, Mr. Gelb was Head of Securities & Fund Services for EMEA (Europe, Middle East & Africa) of Citigroup Inc. from June 2008 until June 2012.

Thomas Higgins

Age: 59

Position: Executive Vice President, Chief Administrative Officer

Thomas Higgins joined us in December 2013 and has been our Executive Vice President, Chief Administrative Officer since May 2014. Before joining us, he was the head of Operational Control at JPMorgan Chase & Co. from January 2011 until December 2013. In 2010, Mr. Higgins retired after a 24-year career with the U.S. Government. He worked in the national security and foreign policy areas and was a member of the Senior Executive Service.

Christine E. Larsen

Age: 56

Position: Executive Vice President, Chief Operations Officer

Christine E. Larsen joined us as Executive Vice President, Chief Operations Officer in June 2013. Before joining us, she was Executive Vice President of JPMorgan Chase & Co. since January 2012 responsible for firm-wide process

improvement and enterprise program management, with a focus on control and integration efforts. From 2006 to January 2012, she was responsible for various senior operations and technology roles at JPMorgan Chase & Co.

Table of Contents

Gustavo Marin

Age: 60

Position: Executive Vice President, Head of Latin America Region

Gustavo Marin joined us as our Executive Vice President, Head of Latin America Region since February 2015. Before joining us, Mr. Marin spent 32 years with Citibank, most recently as Senior Advisor from July 2012 until July 2013. He was CEO of Citibank Argentina, Brazil, Paraguay and Uruguay from 2001 until 2012 and Country and Business Manager of Citibank Peru from 1996 to 1998. Mr. Marin served on the Conselho de Desenvolvimento Economico e Social, the advisory body of the Presidency of the Republic, and as a member of the Board of Directors of the Brazilian Federation of Banks. He also served on the Advisory Board of the Brazilian Futures Exchange and as a member of the International Advisory Board of Thomson Reuters.

Anthony S. Marino

Age: 54

Position: Executive Vice President, Head of Human Resources

Anthony S. Marino joined us in March 2015 as Executive Vice President, Head of Human Resources. Before joining us, Mr. Marino was Executive Vice President and Chief Human Resources Officer for The Guardian Life Insurance Company from September 2014 until February 2015. Previously, he was Chief Human Resources Officer and General Manager at Bank of Tokyo-Mitsubishi UFJ from January 2011 until September 2014. From September 2007 until December 2010, Mr. Marino was Chief Human Resources Officer at Ally Financial.

Barry C. McCarthy

Age: 54

Position: Executive Vice President, Head of Network and Security Solutions

Barry C. McCarthy has been our Executive Vice President, Head of Network and Security Solutions since June 2015. Previously, Mr. McCarthy was Executive Vice President, Head of Consumer and Network Solutions from November 2014 until June 2015 and president of our U.S. Financial Services segment from February 2013 until October 2014. Mr. McCarthy joined us in 2004 and has served in various roles of increasing responsibility including head of the merchant product organization, new technologies and general manager of our Asia-Pacific merchant business. Before joining us, he co-founded MagnaCash, a Silicon Valley-based micropayments company, and held various executive roles at VeriSign, Wells Fargo Bank, and Procter & Gamble.

Michael K. Neborak

Age: 61

Position: Executive Vice President, Head of EMEA Region

Michael K. Neborak has been our Executive Vice President, Head of EMEA Region since January 2016. He joined us in July 2014 as our Executive Vice President, Director of Finance. Previously, Mr. Neborak was Group Chief

Financial Officer of Willis Group Holdings plc from July 2010 to June 2014. Mr. Neborak also served as Chief Financial Officer of MSCI Inc. from 2006 to 2010. Earlier in his career, from 1982 to 2006, Mr. Neborak served in roles of increasing responsibility within business units of Citigroup and its predecessor companies. He began his career with Arthur Andersen & Co.

Table of Contents

Himanshu A. Patel

Age: 42

Position: Executive Vice President, Chief Financial Officer

Himanshu A. Patel has been our Executive Vice President, Chief Financial Officer since September 2015. Mr. Patel previously was our Executive Vice President, Strategy, Planning and Business Development and served in that role since joining us in June 2013. Before joining us, he served in various roles at JPMorgan Chase & Co. since 1997, including as a Managing Director from 2011 to 2013 leading strategy for the mortgage banking division and as a Senior Equity Analyst from 2001 to 2011.

Adam L. Rosman

Age: 52

Position: Executive Vice President, General Counsel and Secretary

Adam L. Rosman has been our Executive Vice President, General Counsel and Secretary since October 2014. Before joining us, Mr. Rosman served as Group General Counsel of Willis Group Holdings plc from May 2012 until September 2014. He joined Willis Group in 2009, serving as Deputy Group General Counsel until May 2012. Previously, Mr. Rosman was Senior Vice President and Associate General Counsel at Cablevision Systems Corporation in Bethpage, New York, and before that he was a partner at the Washington D.C.-based law firm of Zuckerman Spaeder LLP. Between 1997 and 2003, Mr. Rosman was an Assistant United States Attorney in Washington, D.C. He also worked in 2000 and 2001 as Deputy Assistant to the President and Deputy Staff Secretary for President Clinton.

Jeffrey M. Shanahan

Age: 39

Position: Executive Vice President, CardConnect

Jeffrey Shanahan has served as an Executive Vice President of First Data since July 2017. He previously was Chief Executive Officer and President of CardConnect Corp. from July 2016 to July 2017, and served as FTS Holding Corporation's Chief Executive Officer from February 2014 to July 2016 and as President from August 2006 to July 2016. Prior to joining FTS, Mr. Shanahan was employed as a Management Consultant for Booz Allen Hamilton, a management and technology consulting firm, and Cap Gemini, S.A., a multinational management consulting firm.

Table of Contents**Share Ownership****Directors, Management, and Certain Beneficial Owners**

The following table shows the amount of our Class A common stock and Class B common stock beneficially owned by each of our directors, each of our named executive officers, all of our directors and executive officers as a group, and each person or group known by us to be the beneficial owner of more than 5% of either Class A or Class B common stock.

We have determined beneficial ownership in accordance with the rules of the SEC. Applicable percentage ownership is based on 485,496,612 shares of Class A common stock and 443,286,524 shares of Class B common stock outstanding at March 1, 2018. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed to be outstanding all shares of common stock subject to options, restricted stock or other convertible securities held by that person or entity that are currently exercisable or vested or that will become exercisable or vested within 60 days of March 1, 2018. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Except as indicated by the footnotes below, (a) all amounts are as of March 1, 2018, (b) we believe, based on the information furnished to us, that the persons and entities listed have sole voting and investment power with respect to the shares they beneficially own, and (c) the address of each beneficial owner is c/o First Data Corporation, 225 Liberty Street, 29th Floor, New York, New York 10281.

Name of Beneficial Owner	Class A (includes shares of Class B that are immediately convertible to Class A) ⁽¹⁾		Class B		% of Total Voting Power ⁽²⁾
	Shares	%	Shares	%	
5% Stockholders:					
New Omaha Holdings L.P. ⁽³⁾	438,041,146	47.4%	438,041,146	98.8%	89.1%
Entities affiliated with The Vanguard Group ⁽⁴⁾	40,548,855	8.4%	0	-	*
Entities affiliated with Fidelity ⁽⁵⁾	33,151,243	6.8%	0	-	*
Glenview Capital Management, LLC ⁽⁶⁾	27,472,976	5.7%	0	-	*
Named Executive Officers and Directors: ⁽⁷⁾					
Frank J. Bisignano ⁽⁸⁾	11,846,744	2.4%	9,079,142	2.1%	1.9%
Himanshu A. Patel ⁽⁹⁾	1,503,801	*	976,449	*	*
Guy Chiarello ⁽¹⁰⁾	2,885,933	*	2,076,606	*	*
Christopher Foskett ⁽¹¹⁾	443,133	*	256,858	*	*
Jeffrey M. Shanahan	340,217	*	0	-	*
Henrique De Castro ⁽¹²⁾	8,090	*	0	-	*
Henry R. Kravis ⁽³⁾⁽¹³⁾	0	-	0	-	-
Heidi G. Miller ⁽¹⁴⁾	211,362	*	176,855	*	*
James E. Nevels ⁽¹⁵⁾	121,410	*	110,726	*	*

Edgar Filing: FIRST DATA CORP - Form DEF 14A

Scott C. Nuttall ⁽¹⁶⁾	100,000	*	0	-	*
Tagar C. Olson ⁽¹⁷⁾	0	-	0	-	-

Table of Contents

Joseph J. Plumeri ⁽¹⁸⁾	3,169,924	*	2,259,930	*	*
Barbara Yastine ⁽¹⁹⁾	64,129	*	0	-	*
All directors and executive officers as a group					
(24 persons) ⁽²⁰⁾	28,061,738	5.6%	19,093,556	4.3%	4.1%

* Less than one percent

- (1) Shares of Class B common stock are convertible into shares of Class A common stock on a one-for-one basis at any time at the option of the holder with the prior consent of First Data, upon the election of the holders of a majority of the then-outstanding shares of Class B common stock, automatically upon transfer, with certain exceptions, and upon certain other events.
- (2) Percentage of total voting power represents voting power with respect to all shares of our Class A common stock and Class B common stock, as a single class. The holders of our Class B common stock are entitled to ten votes per share and holders of our Class A common stock are entitled to one vote per share.
- (3) Based on information reported by New Omaha Holdings L.P., New Omaha Holdings LLC, KKR 2006 Fund L.P., KKR Associates 2006 LP, KKR 2006 GP LLC, KKR Fund Holdings L.P., KKR Fund Holdings GP Limited, KKR Group Holdings L.P., KKR Group Limited, KKR & Co. L.P., KKR Management LLC, Henry R. Kravis, and George R. Roberts on a Schedule 13G/A filed with the SEC on February 13, 2018. New Omaha Holdings L.P. indicated that it as of December 31, 2017 had shared voting and investment power over these shares. Each of New Omaha Holdings LLC (as the sole general partner of New Omaha Holdings L.P.); KKR 2006 Fund L.P. (as the sole member of New Omaha Holdings LLC); KKR Associates 2006 L.P. (as the general partner of KKR 2006 Fund L.P.); KKR 2006 GP LLC (as the general partner of KKR Associates 2006 L.P.); KKR Fund Holdings L.P. (as the designated member of KKR 2006 GP LLC); KKR Fund Holdings GP Limited (as a general partner of KKR Fund Holdings L.P.); KKR Group Holdings L.P. (as a general partner of KKR Fund Holdings L.P. and the sole shareholder of KKR Fund Holdings GP Limited); KKR Group Limited (as the general partner of KKR Group Holdings L.P.); KKR & Co. L.P. (as the sole shareholder of KKR Group Limited); KKR Management LLC (as the general partner of KKR & Co. L.P.) and Messrs. Kravis and Roberts (as the designated members of KKR Management LLC) may be deemed to be the beneficial owner of any shares of Class A Common Stock beneficially owned by New Omaha Holdings L.P., but each disclaims beneficial ownership of such shares. The principal business office listed for all persons (other than George R. Roberts) is c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, Suite 4200, New York, NY 10019. The principal business office listed for George R. Roberts is c/o Kohlberg Kravis Roberts & Co. L.P., 2800 Sand Hill Road, Suite 200, Menlo Park, CA 94025.
- (4) Based on information reported by The Vanguard Group on a Schedule 13G/A filed with the SEC on February 9, 2018. The Vanguard Group indicated that as of December 31, 2017 it had sole voting power over 360,779 of these shares, shared voting power over 93,543 of these shares, sole investment power over 40,102,186 of these shares, and shared investment power over 446,669 of these shares. The Vanguard Group listed its address as 100 Vanguard Blvd., Malvern, PA 19355.
- (5) Based on information reported by FMR LLC and Abigail P. Johnson on a Schedule 13G/A filed with the SEC on February 13, 2018. FMR LLC indicated that as of December 31, 2017 it had sole voting power over 2,499,085 of these shares and sole investment power over all of these shares. FMR LLC listed its address as 245 Summer Street, Boston, MA 02210.
- (6) Based on information provided in a Schedule 13G/A filed jointly on February 14, 2018 by Glenview Capital Management, LLC and Larry Robbins. Glenview Capital Management, LLC and Larry Robbins indicated that as of December 31, 2017 each held shared investment voting and investment power over these shares. Glenview Capital Management, LLC and Larry Robbin each listed 767 Fifth Avenue, 44th Floor, New York, New York 10153 as an address.

- (7) No shares are pledged as security.
- (8) Includes (i) 2,767,602 shares of Class A common stock, 205,243 of which are held by Frank J. Bisignano 2016 Grantor Retained Annuity Trust for which Mr. Bisignano shares voting and investment power, 397,356 of which are held by Frank J. Bisignano 2017 Grantor Retained Annuity Trust for which Mr. Bisignano shares voting and investment power, 25,800 of which are held by Mr. Bisignano's spouse, 15,190 of which are held in accounts for the benefit of Mr. Bisignano's children, 1,055,291 of which are restricted shares that have voting rights but not investment power, and 647,260 of which are covered by options that are exercisable within 60 days of March 1, 2018, and (ii) 9,079,142 shares of Class B common stock, and 7,250,623 of which are covered by options that are exercisable within 60 days of March 1, 2018.
- (9) Includes (i) 527,352 shares of Class A common stock, 308,096 of which are restricted shares of Class A common stock that have voting, but not investment power and 152,230 of which are covered by options that are exercisable

Table of Contents

- within 60 days of March 1, 2018, and (ii) 976,449 shares of Class B common stock, 788,273 of which are covered by options that are exercisable within 60 days of March 1, 2018.
- (10) Includes (i) 809,327 shares of Class A common stock, 392,878 of which are restricted shares of Class A common stock that have voting, but not investment power and 267,798 of which are covered by options that are exercisable within 60 days of March 1, 2018, and (ii) 2,076,606 shares of Class B common stock, 1,562,048 of which are covered by options that are exercisable within 60 days of March 1, 2018.
- (11) Includes (i) 186,275 shares of Class A common stock, 100,802 of which are restricted shares of Class A common stock that have voting, but not investment power and 49,891 of which are covered by options that are exercisable within 60 days of March 1, 2018, and (ii) 256,858 shares of Class B common stock, 158,182 of which are covered by options that are exercisable within 60 days of March 1, 2018.
- (12) Does not include 2,459.46 share units deferred under the Director Deferred Compensation Plan. Each unit represents the economic equivalent of one share of Class A common stock. The units become payable in cash upon termination of service as a director.
- (13) Does not include 28,576.63 share units deferred under the Director Deferred Compensation Plan. Each unit represents the economic equivalent of one share of Class A common stock. For the avoidance of duplication, does not include shares owned by New Omaha Holdings L.P. described in footnote (3) above. Mr. Kravis serves as an executive of Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates and disclaims beneficial ownership of the shares held by New Omaha Holdings L.P.
- (14) Includes (i) 34,507 shares of Class A common stock, 10,000 of which are held by Ms. Miller's spouse and 3,994 of which are restricted shares that have voting, but not investment power and (ii) 176,855 shares of Class B common stock, 158,182 of which are covered by options that are exercisable within 60 days of March 1, 2018. Does not include 22,274.42 share units deferred under the Director Deferred Compensation Plan. Each unit represents the economic equivalent of one share of Class A common stock.
- (15) Includes (i) 20,707 shares of Class A common stock, 3,994 of which are restricted shares that have voting, but not investment power and (ii) 176,855 shares of Class B common stock, 158,182 of which are covered by options that are exercisable within 60 days of March 1, 2018.
- (16) Includes 25,000 shares of Class A common stock that are held by a trust for the benefit of Mr. Nuttall's family for which Mr. Nuttall shares voting and investment power. Does not include 31,951.19 share units deferred under the Director Deferred Compensation Plan. Each unit represents the economic equivalent of one share of Class A common stock. The units become payable in cash upon termination of service as a director. Mr. Nuttall serves as an executive of Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates and disclaims beneficial ownership of the shares held by New Omaha Holdings L.P. The principal business address of Mr. Nuttall is c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, New York, New York 10019.
- (17) Does not include 31,951.19 share units deferred under the Director Deferred Compensation Plan. Each unit represents the economic equivalent of one share of Class A common stock. The units become payable in cash upon termination of service as a director. Mr. Olson serves as an executive of Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates and disclaims beneficial ownership of the shares held by New Omaha Holdings L.P. The principal business address of Mr. Olson is c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, New York, New York 10019.
- (18) Includes (i) 909,994 shares of Class A common stock, 91,466 of which are restricted shares that have voting, but not investment power and 171,807 of which are covered by options that are exercisable within 60 days of March 1, 2018, and (ii) 2,259,930 shares of Class B common stock, 1,119,929 of which are covered by options that are exercisable within 60 days of March 1, 2018. Does not include 3,163 share units deferred under the Director Deferred Compensation Plan. Each unit represents the economic equivalent of one share of Class A common stock.
- (19) Includes (i) 64,129 shares of Class A common stock, 52,727 of which are covered by options that are exercisable within 60 days of March 1, 2018.
- (20)

Edgar Filing: FIRST DATA CORP - Form DEF 14A

Includes (i) 8,968,182 shares of Class A common stock, 3,632,894 of which are restricted shares that have voting, but not investment power and 2,172,483 of which are covered by options that are exercisable within 60 days of March 1, 2018, and (ii) 19,093,556 shares of Class B common stock, 13,882,579 of which are covered by options that are exercisable within 60 days of March 1, 2018. Does not include share units deferred under the Director Deferred Compensation Plan.

Table of Contents

Section 16(a) Beneficial Ownership Reporting Compliance

Based on a review of reports filed with the SEC by our directors and executive officers regarding their ownership and transactions in our common stock and written representations from those directors and officers, we believe that each director and executive officer has filed timely reports under Section 16(a) of the Securities Exchange Act of 1934 during 2017, except for a Form 4 filed on May 11, 2017 for Matt Cagwin that reported a purchase of 1,000 shares of Class A common stock under First Data's directed share program in connection with First Data's initial public offering.

Compensation Discussion and Analysis

Introduction

Our executive compensation program is designed to attract and retain quality individuals, as well as to motivate them to help us achieve our financial goals and create shareholder equity value. Our named executive officers (NEOs) are paid based on performance, primarily in time- and performance-vested equity, and competitively to the market.

Our Board of Directors and Compensation Committee views compensation awarded for 2017 as including the base salary for the year and performance-based compensation awarded in 2018 for 2017 performance. In addition to compensation awarded for 2017 performance, the Board of Directors and Compensation Committee reviewed the vested and unvested equity holdings of our executives and determined that additional equity awards should be granted to incentivize our NEOs to remain with us for the long term and ensure executive and shareholder interests are aligned. We also made a significant equity grant to the CEO of a company we acquired as a sign-on award to convince him to remain with us and incent him to successfully integrate the acquired company. We view the retention and sign-on awards as being outside of the regular compensation provided to NEOs and discuss them separately.

How We Determine Compensation

Role of the Governance, Compensation and Nominations Committee

In 2017, the Governance, Compensation and Nominations Committee was split into two separate Committees allowing the Compensation Committee (the Committee) to focus on compensation related items. Prior to April 2017, the Governance, Compensation and Nominations Committee consisted of Messrs. Forehand, Kravis, Plumeri, and Nuttall. After April 2017, the Compensation Committee consisted of Messrs. Kravis, Plumeri, and Nuttall. Mr. Nuttall served as the Chairperson of both committees.

The Committee approves all aspects of compensation for executive officers, including the form and compensation amounts. Specifically, the Committee:

- establishes our compensation philosophy in consultation with management and oversees management's development and implementation of our compensation and benefits policies;
- evaluates performance and sets executive officers compensation,
- oversees our equity plans; and
- determines how best practices in good governance should be applied on compensation topics.

The Board of Directors, however, approves equity grants to executive officers, generally after Committee recommendations, to exempt the grants from short-swing profit rules.

Table of Contents

Role of Independent Consultant

Our Compensation Committee has the sole authority to retain and replace compensation consultants to provide it with independent advice. The Compensation Committee has engaged Johnson Associates, Inc. as its independent consultant to advise on executive and non-employee director compensation matters. This selection was made without the influence of management.

Role of Management in Executive Officer Compensation Decisions

Our Chief Executive Officer, Chief Human Resources Officer, and General Counsel generally provide information, data, analysis, updates, and compensation recommendations to the Committee. Management periodically engages compensation consultants to assist it in this process, and it utilizes market data from a wide variety of sources. Ultimately, the Compensation Committee makes the final decisions on executive officer compensation matters. As part of the Committee's compensation setting process, our Chief Executive Officer makes recommendations to the Committee regarding compensation for executive officers other than himself.

Highlights of our Compensation Practices

Although we are a controlled company, we adhere to certain best practices regarding compensation.

What We Do

Emphasis on Equity-Based Total Compensation: The bulk of compensation is paid in equity rather than cash to better align management with shareholders. Additionally, our total compensation is highly correlated with company performance to further align management with shareholders.

Significant Share Ownership Guidelines: To further align interests, we have rigorous share ownership guidelines, which generally require executive officers and directors to retain much of the stock they acquire through equity compensation while they remain with First Data.

Clawback Provisions: We have clawback provisions for equity compensation, requiring executives to repay amounts when it is subsequently determined they should not have received them.

What We Don't Do

Hedging and Pledging of Our Stock: We prohibit all employees and directors from hedging First Data stock. The policy also prohibits pledging of First Data stock except if the employee or director receives the written consent of our General Counsel. We believe that these individuals should bear the full risks of equity ownership except in extraordinary circumstances. To date, there have been no requests (and therefore no approvals) to hedge or pledge First Data stock.

Perquisites: We provide minimal executive benefits and perquisites.

Adopting New Best Pay Practices

The Committee considers best pay practices for public companies, including new trends and developments, in determining compensation. The Committee is committed to implementing additional best pay practices over time, if it determines such changes are in the best interest of shareholders.

Table of Contents

Our Compensation Philosophy and Strategy

We structure our compensation to reinforce growth goals and sustained share value creation. In particular:

We focus on total compensation, which combines salary and incentives

We use equity as the primary pay component

We emphasize pay for performance

We pay competitively, compared to market

Use of Equity and Share Retention Requirements

The Committee seeks to align management with shareholders by granting most of our NEOs' total compensation in equity that increases in value as our financial performance improves. The Committee also seeks to retain management by requiring employment through equity vesting periods to receive the full value of equity-based awards. As further described below, the Committee's first quarter 2018 equity-based awards reflect this approach: the awards generally vest over three years and generally require continued employment through each vesting date.

As described in more detail below, our CEO must retain at least 90% of the stock acquired from equity compensation, net of taxes, and charitable donations, until employment termination. Our other NEOs must retain at least 75% of the stock from equity compensation, net of taxes, charitable donations, through employment termination. These are among the most rigorous share retention requirements of any public company.

Pay our NEOs Based on Performance

We are committed to rewarding executives based on our performance. At the end of each year, the Committee determines how First Data performed across various financial and qualitative objectives. The Committee then determines awards for each NEO, based both on Company and individual performance.

The Committee also determines how the award for prior year performance will be paid. For 2017, the award was paid in two forms:

A cash award under our Senior Executive Incentive Plan (the SEIP)

An award of time vested restricted stock

Market Competitive Pay

The Committee wants to ensure executives are paid competitively. In order to successfully attract and retain top performing executives, our Human Resources Department annually reviews market data and aims to provide our executives with competitive total compensation opportunities.

The Chief Executive Officer, Human Resources Department, and the Committee periodically review our executive compensation practices against a peer group of companies. Our peer group includes direct competitors, frequently identified peer companies to our direct competitors, and other companies comparable to us in terms of industry, pay practices, revenue and market value. In 2016, Johnson Associates assisted the Committee in adjusting the peer group to reflect First Data today. The peer group considered by the Committee to determine 2017 NEO compensation included the following 17 companies:

Table of Contents

Accenture plc	ADP, LLC	The American Express Company
Computer Sciences Corporation	Discover Financial Services, Inc.	Fidelity National Information
Fiserv, Inc.	Global Payments Inc.	Services
MasterCard Incorporated	NCR Corporation	Intuit Inc.
State Street Corporation	Total System Services	Paypal Holdings, Inc.
Vantiv, Inc.	Visa Inc.	Worldpay

For 2017, the Committee used peer group data as one factor regarding pay. The Committee engaged Johnson Associates to benchmark NEO positions against market data. While our NEOs were positioned competitively to the peer group, the Committee did not pay NEOs at any particular peer group market percentile.

Summary of 2017 Compensation*2017 Performance*

For 2017, we considered the following aspects of our performance to determine our NEO compensation:

We delivered segment revenue growth, segment EBITDA growth, adjusted EPS growth, and free cash flow within the guidance we set in November 2016

We grew our organic constant currency segment EBITDA to \$3.085 billion*, up 6%* over the prior year

We grew fully-diluted adjusted earnings per share by 15%*

We grew total segment revenues by 4%* on a constant currency basis

Free cash flow improved to \$1.359 billion*, reflecting increased EBITDA and lower cash interest

We significantly improved our ISV offering by acquiring CardConnect and BluePay

Revenue from our merchant joint ventures in North America shrank but significant actions were taken to improve the performance in the future

* Non-GAAP financial measures. For information on how these metrics are calculated, see Explanation of Non-GAAP Financial Measures on page 40.

Elements of 2017 Compensation

In January 2017, the Committee determined our NEOs' total compensation packages based on Company and individual performance. Compensation included the following elements:

Element	Total Compensation
Base Salary	<i>In effect at December 31, 2017</i>
Incentive Compensation	<i>Annual cash incentive under the Senior Executive Incentive Plan (the SEIP)</i>
	<i>Time vested restricted stock</i>
Other Compensation	<i>Benefits and perquisites, as detailed below</i>

Base salary

Base salary provides executives with a level of cash income predictability. The Committee believes base salaries for executives should reflect market competitive levels and factors such as experience and breadth of

Table of Contents

responsibilities, performance, individual skill set, pay relative to peers within First Data, and base pay in previous roles outside of First Data. Initial base salaries for our NEOs are agreed to at the time of hiring. Each executive officer is reviewed annually and is eligible for a discretionary annual merit increase. Base salaries may also be adjusted at other times to deal with competitive pressures or changes in job responsibilities. Mr. Bisignano's salary was decreased in 2016 from \$1,500,000 to \$1,320,000. No NEO received a base salary increase for 2017.

The following table shows our NEOs' annual base salaries as of December 31, 2017:

Name and Principal Position	Base Salary
Frank J. Bisignano <i>Chief Executive Officer</i>	\$1,320,000
Himanshu A. Patel <i>Executive Vice President Chief Financial Officer</i>	\$600,000
Jeffrey M. Shanahan* <i>Executive Vice President, Card Connect</i>	\$500,000
Guy Chiarello <i>President</i>	\$1,000,000
Christopher Foskett <i>Executive Vice President, Business and Corporate Development</i>	\$525,000

* Jeffrey Shanahan received pro-rated salary of \$250,000 in conjunction with acquisition of Card Connect during 2017

2017 Incentive Compensation

Each NEO is eligible for an annual discretionary cash incentive and equity based on First Data's performance against our strategic growth objectives and individual performance. Consistent with our overall compensation philosophy, cash incentives are generally much smaller than long-term equity awards.

For 2017, the Board, with input from management, set strategic goals for our performance. These goals included growing segment revenue, segment EBITDA, adjusted EPS, and free cash flow as well as maintaining positive operating leverage. These were the basis of First Data's performance portion of incentive pay for 2017.

The Committee also considers individual performance and contribution in meeting our strategic goals. The Committee considers a number of factors, including:

- the overall performance of the executive;
- the effective management of expenses;
- the effective management of risk;
- demonstration of leadership, teamwork, and innovation; and
- the extent of the accomplishment of our strategic goals.

The size of awards is based primarily on our annual financial performance, but individual performance is also considered. To best accomplish this, the Committee approved a fully discretionary funding structure for 2017 annual incentive compensation. This structure allowed the Committee to maintain the ability to appropriately reward the

performance of each NEO.

The Committee determined the total incentive compensation for each NEO would be flat or increased from the previous year based on the 2017 performance of the Company discussed above, which was better than 2016, and leadership of each individual NEO to achieve the results. The Committee also took into account that it had lowered NEO incentive compensation in the previous year.

Table of Contents

After determining the total compensation for each NEO, the Committee determines the mix between cash and equity. For 2017, we elected to pay only a small portion of annual incentive compensation in cash, 5% for Mr. Bisignano and approximately 10% to each of the other NEOs, with the exception of Mr. Shanahan, who was paid 25% in cash as was contemplated as part of his agreement to join the Company. The remainder was paid in time-vested restricted stock awards which the Committee granted on February 15, 2018 for Mr. Bisignano and the remainder of the Management Committee. We believe this cash/equity ratio best aligns the NEO's interest with creating value for shareholders.

2017 Cash Incentive Awards

The annual cash incentives for 2017 performance under the SEIP were as follows:

Name and Principal Position	Annual Cash Incentive Award
Frank J. Bisignano <i>Chief Executive Officer</i>	\$559,000
Himanshu A. Patel <i>Executive Vice President, Chief Financial Officer</i>	\$180,000
Jeffrey M. Shanahan <i>Executive Vice President, Card Connect</i>	\$375,000
Guy Chiarello <i>President</i>	\$460,000
Christopher Foskett <i>Executive Vice President, Business and Corporate Development</i>	\$167,500

2018 Equity-Based Grants Based on 2017 Performance

In the first quarter of 2018, the Committee granted the awards shown below under the 2015 Omnibus Incentive Plan. The grants reflect the portion of 2017 incentives made in time vested equity. The awards have the following terms:

restricted stock that generally vests in three installments, 20% on the first grant anniversary, 40% on the second anniversary and 40% on the third anniversary, subject to continued employment on each vesting date.

Name and Principal Position	Number of Shares of	Value of Shares of
	Restricted Stock	Restricted Stock
Frank J. Bisignano <i>Chief Executive Officer</i>	656,833	\$10,621,000
Himanshu A. Patel <i>Executive Vice President, Chief Financial Officer</i>	100,185	\$1,620,000
Jeffrey M. Shanahan <i>Executive Vice President, Card Connect</i>	69,753	\$1,125,000
Guy Chiarello <i>President</i>	256,029	\$4,410,000

Christopher Foskett <i>Executive Vice President, Business and Corporate Development</i>	93,228	\$1,507,500
--	--------	-------------

Other Fiscal 2017 Compensation

From time to time, the Committee may award sign-on bonuses or equity-based awards in connection with an NEO joining us. Sign-on awards are used only when necessary to attract highly skilled individuals. Often, they are used to offset the loss of unvested compensation as a result of leaving their current employer. We

Table of Contents

acquired CardConnect in 2017 and granted sign-on equity awards to Mr. Shanahan, the Chief Executive Officer of CardConnect at the time of the acquisition. Mr. Shanahan was awarded 808,700 shares of restricted stock that vest 25% per year on the anniversary of the July 6, 2017 grant date. We also awarded him 195,203 shares of restricted stock that vest if all of the following performance criteria are achieved and Mr. Shanahan has not had a termination of employment before December 31, 2019: (i) 12% Organic Revenue Growth at CardConnect, Ignite Payments, and other related businesses as determined by First Data's CEO following good faith consultation with Mr. Shanahan (the Division) for the fourth quarter of 2018 versus the fourth quarter of 2017, (ii) 20% Adjusted EBITDA Growth at the Division for the fourth quarter of 2018 versus the fourth quarter of 2017, (iii) 12% Organic Revenue Growth at the Division for 2019 versus 2018, and (iv) 20% Adjusted EBITDA Growth at the Division for 2019 versus 2018. The aggregate grant date value of the awards was approximately \$17,999,981. Mr. Shanahan was determined to be a key leader of CardConnect who was deemed critical to successfully integrate CardConnect into our business. The grants were made to secure his services and incentive him to lead the effort to aggressively grow the business.

Equity-Based Retention Awards

In addition to recognizing the company's strong performance, the Committee and Board of Directors also considered the future of the Company and the importance of ensuring the sustainability of the Company's long-term success. Accordingly, in July of 2017, the Committee granted a long-term equity award to our Management Committee. Excluding our CEO, the NEO awards vest 20% on August 15, 2018, 40% on August 15, 2019, and 40% on August 15, 2020. Our CEO's award is designed to not be delivered fully for up to 7 years, depending on stock performance. This length of time is much longer than typical equity grants and was intentionally crafted to retain the CEO and further align his interests with shareholders. The award has the following terms:

Restricted stock units that vest over seven years, or 14.2857% each year

The 14.2857% can be increased to 20% each year if First Data stock increases 15% for ten consecutive trading days in a year

For vesting purposes, the 15% per share increase is cumulative

For vesting purposes, the starting share price is \$17.89, which was the closing price on August 15, 2017

First vest (at either 14.2857% or 20% depending on performance) will be August 15, 2018

Mr. Bisignano, our CEO, has continued to demonstrate excellent performance and outstanding leadership since becoming our CEO in 2013, leading the development and long-term strategy of the firm. The Board determined that Frank Bisignano, our CEO, is integral to the future growth of the company and that his award should reflect the Board's opinion that he be retained going forward and further incentivized to drive long-term performance. Additionally, the Board fully understood the cost of the award and determined that it was pivotal for the firm to provide an equity retention award with long vesting (up to 7 years) to ensure that the CEO continue to perform at the highest level. The award of 5,000,000 shares of restricted stock was made in July 2017. The value of the award is approximately \$92,700,000 based on the closing price of our Class A Common Stock on July 20, 2017 of \$18.54. The grant date value of the award is included in our Summary Compensation Table and Grants of Plan-Based Awards in 2017, and the costs to the Company will be amortized over the vesting period. In determining the award amount, the Committee considered several factors including Mr. Bisignano's vested and unvested awards, Company performance, individual performance, the annualized value of the award over the vesting period, and the Committee's experience and business judgment.

Table of Contents

For the rest of the NEOs, the grants vest on the following schedule: 20% on August 15, 2018, 40% on August 15, 2019 and 40% on August 15, 2020. The table below illustrates the equity-based retention awards for the NEOs based on the closing price of our Class A Common Stock on July 20, 2017 of \$18.54:

Name and Principal Position	Number of Restricted Stock Units	Value of Shares of Restricted Stock
Frank J. Bisignano <i>Chief Executive Officer</i>	5,000,000	\$92,700,000
Himanshu A. Patel <i>Executive Vice President, Chief Financial Officer</i>	250,000	\$4,635,000
Guy Chiarello <i>President</i>	500,000	\$9,270,000
Christopher Foskett <i>Executive Vice President, Business and Corporate Development</i>	200,000	\$3,708,000

The Board determined that the existing management team had demonstrated excellent performance and outstanding leadership since joining the Company and retaining their services was key to the Company's future growth. The Committee considered many factors in determining the award amounts, including each individual's vested and unvested awards, Company performance, individual performance, the annualized value of the award over the vesting period, and the Committee's experience and business judgment.

Benefits and Perquisites

We focus on performance-based compensation while providing only minimal executive benefits. We do provide to all of our employees, including our NEOs, broad-based employee benefits that are intended to attract and retain employees while providing them with retirement and health and welfare security. These include:

a 401(k) savings plan; and
medical, dental, vision, life and disability insurance coverage, and dependent care and flexible spending accounts.

We do not currently offer defined benefit pension benefits or non-qualified retirement benefits to our NEOs. We also do not currently offer a Company match in our 401(k) savings plan.

We provide our NEOs with limited perquisites and personal benefits not generally available to all employees such as reimbursements for relocation, housing, and moving expenses. In limited instances NEOs are also authorized to use the corporate aircraft or a car and driver for personal purposes. Per his employment agreement, Mr. Bisignano is provided with use of a car and driver and is eligible for financial planning assistance and use of the corporate aircraft. In addition, from time to time we provide tax gross-ups on perquisites in order to allow our NEOs to enjoy the full benefit of the perquisite.

Severance and Change in Control Agreements

We believe that reasonable and appropriate severance and change in control benefits are necessary in order to be competitive in First Data's executive attraction and retention efforts. Our severance and change in control policy provides for payment rights, and benefits to the NEOs (other than Mr. Bisignano) on an involuntary termination of employment without cause. Under the policy, the cash severance is equal to one year's base pay plus the bonus paid for the prior year before termination, if any, and a prorated bonus based on time worked during the year of termination. For the first two years of his employment, Mr. Shanahan will be eligible to receive two times his base pay plus the bonus paid for the prior year before termination, if any, and a prorated bonus based on time worked during the year of termination. As a condition to receiving severance,

Table of Contents

all participating NEOs must release First Data and its employees from all claims they may have against them and agree to a number of restrictive covenants which are structured to protect us from potential loss of customers or employees and to prohibit the release of confidential company information. For Mr. Bisignano, his employment agreement described below provides for a cash severance payment equal to (1) the greater of (a) \$9.5 million or (b) two times the sum of his base salary and the average of his annual incentive payments paid in cash in respect of the two fiscal years prior to the date of his termination and (2) a pro rata portion of the annual incentive payment that would have otherwise been payable if he had remained employed through such year.

Share Ownership Guidelines

We have an equity retention policy for our directors, NEOs, and all other members of our Management Committee, which require them to maintain a minimum share ownership level throughout their employment. Equity retention requirements are also in place for our highly compensated employees.

Members of our Management Committee must retain at least 75% of the stock they acquire through equity compensation (net of taxes, transaction costs, and charitable donations) as long as they are employed by us. Our Chief Executive Officer and directors must retain at least 90% of the stock they acquire through equity compensation (net of taxes, transaction costs and charitable donations) as long as they are either employed by us or serve as a director. Under the policy, stock acquired through compensation plans includes vested restricted stock, restricted stock units, stock held after exercising options and vested equity contributed to qualified or non-qualified retirement plans, but does not include unvested restricted stock, unvested restricted stock units or vested or unvested stock options.

Exceptions to this policy may be granted by the Chief Executive Officer, in consultation with the chairperson of the Committee, as follows:

where the retention commitment would create a financial hardship (in such instances, the Committee may also approve an alternative ownership plan that reflects both the intention of the policy and the individual's circumstances); or

other situations that the Chief Executive Officer deems appropriate.

If the Chief Executive Officer or a director requests an exception, that request must be submitted to the chairperson of the Committee for their review and approval. To date, there have been no requests for an exception (and therefore no exception approvals) to the share ownership requirements.

Clawback Provisions

We have a policy to clawback incentive compensation of executive officers that requires the repayment of compensation in the event of a subsequent accounting restatement to ensure that incentive compensation is rightfully earned by the executives.

Hedging and Pledging Prohibition

As part of our insider trading policy, all employees, including our named executive officers, and non-employee directors are prohibited from engaging in short sales or hedging transactions involving our securities. They are also prohibited from establishing margin accounts or otherwise pledging our securities. Exceptions to this policy may only be granted by the written consent of our General Counsel. To date, there have been no requests (and therefore no approvals) to hedge or pledge First Data stock.

Table of Contents

Compensation and Risk

The Committee believes that the design and objectives of our executive compensation program provide an appropriate balance of incentives for executives and avoid inappropriate risks. In this regard, our executive compensation program includes, among other things, the following design features:

- Balances a mix of fixed versus variable, at-risk compensation;
- Balances a mix of short and long-term incentive compensation;
- Provides that variable compensation is based on a variety of qualitative and quantitative performance goals;
- Provides for a clawback of executive compensation in specified circumstances; and
- Share ownership guidelines.

Tax and Accounting Considerations

The Compensation Committee recognizes the tax and regulatory factors that can influence the structure of executive compensation programs. Prior to January 1, 2018, Section 162(m) of the Internal Revenue Code prohibited a tax deduction to public corporations for compensation greater than \$1 million for any fiscal year to the chief executive officer and the three highest paid executive officers excluding the chief executive officer and chief financial officer. However, specific forms of performance-based compensation were excluded from the \$1 million deduction limit assuming certain requirements were met.

Effective January 1, 2018, Section 162(m) was amended to prohibit a tax deduction for all compensation greater than \$1 million, including performance-based compensation, paid to its (i) principal executive officer, (ii) principal financial officer, (iii) any individual who served or acted in the capacity of either of the former roles at any time during the tax year, (iv) three highest paid executive officers excluding the principal executive officer and principal financial officer, and (v) any employee who during any taxable year beginning after December 31, 2016 was considered the principal executive officer, principal financial officer, or one of the three highest paid executive officers excluding the principal executive officer and principal financial officer of the company or a predecessor.

These changes to Section 162(m) included certain transition rules under which the changes to Section 162(m) regarding the deductibility of performance-based compensation would not apply to compensation payable pursuant to a written binding contract that was in effect on November 2, 2017, and was not materially modified after that date.

For 2017 executive compensation programs and structures, the Committee considered the implications of Section 162(m) as it existed prior to the January 1, 2018 amendment. While the Committee considers tax deductibility as one factor for determining executive compensation, the Committee also considers the accounting implications of the various elements of our compensation program, including the impact on our financial results and the dilutive impact to stockholders of various forms of compensation.

For 2017, we expect to be able to claim the benefit of a special exemption rule that applies to compensation paid (or compensation in respect of equity awards such as stock options or restricted stock granted) during a specified transition period following the IPO. This transition period may extend until the first annual stockholders meeting that occurs after the close of the third calendar year following the calendar year in which the IPO occurred, unless the transition period is terminated earlier under the Section 162(m) post-offering transition rules.

Table of Contents**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into the Form 10-K.

Scott C. Nuttall, Chairperson
Henry R. Kravis
Joseph Plumeri

Explanation of Non-GAAP Financial Measures

Information on how we calculate total segment revenue growth rate and free cash flow (all presented on page 33) is disclosed on pages 38 and 53-54 of the Annual Report on Form 10-K for the period ended December 31, 2017. Information on how we calculate fully-diluted adjusted earnings per share and organic constant currency segment EBITDA (also presented on page 33) is included below.

	Twelve months ended December 31,		
	2017	2016	% Change
Net income attributable to First Data Corporation	\$ 1,465	\$ 420	NM
Adjustments:			
Stock based compensation	245	263	(7)%
Loss on debt extinguishment	80	70	14 %
Amortization of acquisition intangibles and deferred financing costs ^(a)	403	422	(5)%
Loss (gain) of disposal of businesses	(18)	34	
Visa Europe settlement gain		(29)	NM
Restructuring	83	49	69 %
Intercompany foreign exchange (loss) gain	1	(19)	NM
Fees paid on debt modification	10	29	(66)%
Impairments, litigation, and other ^(b)	24	11	118 %
Deal integration costs	27		NM
Mark-to-market adjustment for derivatives and euro-denominated debt ^(c)		5	NM
Income tax on above items and discrete tax items ^(d)	(895)	(35)	NM
Adjusted net income	\$ 1,425	\$ 1,220	17 %
Adjusted net income per share:			
Basic	\$ 1.56	\$ 1.35	16 %
Diluted	\$ 1.52	\$ 1.32	15 %

Weighted-average common shares used
to compute adjusted net income per
share:

Basic	915,870,759	901,671,872
Diluted	939,767,019	921,001,863

NM represents not meaningful

(a) Represents amortization of intangibles established in connection with the 2007 Merger and acquisitions we have made since 2007, excluding the percentage of our consolidated amortization of acquisition intangibles related to non wholly owned

Table of Contents

consolidated alliances equal to the portion of such alliances owned by our alliance partners. This line also includes amortization related to deferred financing costs.

- (b) Represents impairments, non-normal course litigation and regulatory settlements, investments gains (losses), divestitures, and other, as applicable to the periods presented.
- (c) Represents mark-to-market activity related to our undesignated hedges.
- (d) The tax effect of the adjustments between our GAAP and adjusted results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). Generally, this results in a tax impact at the U.S. effective tax rate for certain adjustments, including the majority of amortization of intangible assets, deferred financing costs, stock compensation, and loss on debt extinguishment; whereas the tax impact of other adjustments, including restructuring expense, depends on whether the amounts are deductible in the respective tax jurisdictions and the applicable effective tax rate(s) in those jurisdictions. Income tax on above items and discrete tax items also includes the impact of significant discrete tax items impacting Net income attributable to First Data Corporation.