

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

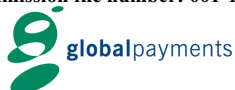
For the quarterly period ended March 31, 2017

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-16111



GLOBAL PAYMENTS INC.

(Exact name of registrant as specified in charter)

Georgia

(State or other jurisdiction of
incorporation or organization)

58-2567903

(I.R.S. Employer
Identification No.)

3550 Lenox Road, Atlanta, Georgia

(Address of principal executive offices)

30321

(Zip Code)

Registrant's telephone number, including area code: (770) 829-8000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

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

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Yes No

The number of shares of the issuer's common stock, no par value, outstanding as of May 2, 2017 was 152,484,189.

GLOBAL PAYMENTS INC.
FORM 10-Q
For the quarterly period ended March 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
PART I - FINANCIAL INFORMATION	
ITEM 1.	Unaudited Consolidated Statements of Income for the three months ended March 31, 2017 and 2016
	Unaudited Consolidated Statements of Comprehensive Income for the three months ended March 31, 2017 and 2016
	Consolidated Balance Sheets at March 31, 2017 (unaudited) and December 31, 2016
	Unaudited Consolidated Statements of Cash Flows for the three months ended March 31, 2017 and 2016
	Unaudited Consolidated Statements of Changes in Equity for the three months ended March 31, 2017 and 2016
	Notes to Unaudited Consolidated Financial Statements
ITEM 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
ITEM 3.	Quantitative and Qualitative Disclosures About Market Risk
ITEM 4.	Controls and Procedures
PART II - OTHER INFORMATION	
ITEM 1.	Legal Proceedings
ITEM 1A.	Risk Factors
ITEM 2.	Unregistered Sales of Equity Securities and Use of Proceeds
ITEM 6.	Exhibits
	Signatures

PART 1 - FINANCIAL INFORMATION

ITEM 1—FINANCIAL STATEMENTS

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Three Months Ended	
	March 31, 2017	March 31, 2016
Revenues	\$ 919,762	\$ 626,259
Operating expenses:		
Cost of service	455,936	248,187
Selling, general and administrative	358,856	283,499
	<u>814,792</u>	<u>531,686</u>
Operating income	104,970	94,573
Interest and other income	1,607	1,282
Interest and other expense	(41,297)	(13,075)
	<u>(39,690)</u>	<u>(11,793)</u>
Income before income taxes	65,280	82,780
Provision for income taxes	(12,321)	(19,333)
Net income	52,959	63,447
Less: Net income attributable to noncontrolling interests, net of income tax	(4,146)	(3,536)
Net income attributable to Global Payments	<u>\$ 48,813</u>	<u>\$ 59,911</u>
Earnings per share attributable to Global Payments:		
Basic earnings per share	<u>\$ 0.32</u>	<u>\$ 0.46</u>
Diluted earnings per share	<u>\$ 0.32</u>	<u>\$ 0.46</u>

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Three Months Ended	
	March 31, 2017	March 31, 2016
Net income	\$ 52,959	\$ 63,447
Other comprehensive income:		
Foreign currency translation adjustments	34,336	44,220
Income tax provision related to foreign currency translation adjustments	—	(3,250)
Unrealized gains (losses) on hedging activities	827	(10,818)
Reclassification of unrealized losses on hedging activities to net income	1,596	1,955
Income tax (provision) benefit related to hedging activities	(910)	3,306
Other	(217)	—
Other comprehensive income, net of tax	35,632	35,413
Comprehensive income	88,591	98,860
Less: comprehensive income attributable to noncontrolling interests	(4,867)	(10,463)
Comprehensive income attributable to Global Payments	\$ 83,724	\$ 88,397

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,261,845	\$ 1,162,779
Accounts receivable, net of allowances for doubtful accounts of \$1,280 and \$1,092 respectively	264,042	275,032
Claims receivable, net of allowances for doubtful accounts of \$5,740 and \$5,786, respectively	7,961	8,202
Settlement processing assets	751,509	1,546,854
Prepaid expenses and other current assets	113,823	123,139
Total current assets	<u>2,399,180</u>	<u>3,116,006</u>
Goodwill	4,859,387	4,807,594
Other intangible assets, net	1,997,420	2,085,292
Property and equipment, net	551,951	526,370
Deferred income taxes	15,838	15,789
Other	135,940	113,299
Total assets	<u>\$ 9,959,716</u>	<u>\$ 10,664,350</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Settlement lines of credit	\$ 276,403	\$ 392,072
Current portion of long-term debt	179,004	177,785
Accounts payable and accrued liabilities	824,319	804,887
Settlement processing obligations	813,136	1,477,212
Total current liabilities	<u>2,092,862</u>	<u>2,851,956</u>
Long-term debt	4,221,258	4,260,827
Deferred income taxes	636,908	676,472
Other noncurrent liabilities	132,397	95,753
Total liabilities	<u>7,083,425</u>	<u>7,885,008</u>
Commitments and contingencies		
Equity:		
Preferred stock, no par value; 5,000,000 shares authorized and none issued	—	—
Common stock, no par value; 200,000,000 shares authorized; 152,502,543 issued and outstanding at March 31, 2017 and 152,185,616 issued and outstanding at December 31, 2016	—	—
Paid-in capital	1,826,166	1,816,278
Retained earnings	1,192,519	1,137,230
Accumulated other comprehensive loss	(287,806)	(322,717)
Total Global Payments shareholders' equity	<u>2,730,879</u>	<u>2,630,791</u>
Noncontrolling interests	145,412	148,551
Total equity	<u>2,876,291</u>	<u>2,779,342</u>
Total liabilities and equity	<u>\$ 9,959,716</u>	<u>\$ 10,664,350</u>

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended	
	March 31, 2017	March 31, 2016
Cash flows from operating activities:		
Net income	\$ 52,959	\$ 63,447
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	24,984	18,767
Amortization of acquired intangibles	84,049	20,545
Share-based compensation expense	8,816	7,047
Provision for operating losses and bad debts	13,482	6,553
Amortization of capitalized customer acquisition costs	8,948	—
Deferred income taxes	(19,391)	(2,328)
Other, net	4,692	2,598
Changes in operating assets and liabilities, net of the effects of acquisitions:		
Accounts receivable	11,929	52,461
Claims receivable	(6,557)	(4,970)
Settlement processing assets and obligations, net	122,948	66,233
Prepaid expenses and other assets	4,644	(12,587)
Capitalized customer acquisition costs	(4,559)	—
Accounts payable and other liabilities	(12,979)	(9,553)
Net cash provided by operating activities	<u>293,965</u>	<u>208,213</u>
Cash flows from investing activities:		
Capital expenditures	(46,219)	(24,367)
Other, net	(422)	(74)
Net cash used in investing activities	<u>(46,641)</u>	<u>(24,441)</u>
Cash flows from financing activities:		
Net payments on settlement lines of credit	(117,789)	(135,071)
Proceeds from long-term debt	149,000	142,000
Repayments of long-term debt	(189,732)	(157,000)
Payment of debt issuance costs	(896)	(2,099)
Repurchase of common stock	—	(2,901)
Proceeds from stock issued under share-based compensation plans	1,149	179
Common stock repurchased - share-based compensation plans	(167)	(527)
Distributions to noncontrolling interests	(8)	(4,740)
Dividends paid	(1,522)	(1,293)
Net cash used in financing activities	<u>(159,965)</u>	<u>(161,452)</u>
Effect of exchange rate changes on cash	11,707	17,849
Increase in cash and cash equivalents	99,066	40,169
Cash and cash equivalents, beginning of the period	1,162,779	587,751
Cash and cash equivalents, end of the period	<u>\$ 1,261,845</u>	<u>\$ 627,920</u>

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands)

	Number of Shares	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Global Payments Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2016	152,186	\$ 1,816,278	\$ 1,137,230	\$ (322,717)	\$ 2,630,791	\$ 148,551	\$ 2,779,342
Net income			48,813		48,813	4,146	52,959
Other comprehensive income, net of tax				34,911	34,911	721	35,632
Stock issued under share-based compensation plans	318	1,149			1,149		1,149
Common stock repurchased - share-based compensation plans	(1)	(77)			(77)		(77)
Share-based compensation expense		8,816			8,816		8,816
Dissolution of a subsidiary			7,998		7,998	(7,998)	—
Distributions to noncontrolling interest					—	(8)	(8)
Dividends paid (\$0.01 per share)			(1,522)		(1,522)		(1,522)
Balance at March 31, 2017	<u>152,503</u>	<u>\$ 1,826,166</u>	<u>\$ 1,192,519</u>	<u>\$ (287,806)</u>	<u>\$ 2,730,879</u>	<u>\$ 145,412</u>	<u>\$ 2,876,291</u>

	Number of Shares	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Global Payments Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2015	129,274	\$ 133,345	\$ 943,879	\$ (247,190)	\$ 830,034	\$ 112,176	\$ 942,210
Net income			59,911		59,911	3,536	63,447
Other comprehensive income, net of tax				28,486	28,486	6,927	35,413
Stock issued under employee stock plans	22	179			179		179
Common stock repurchased - share-based compensation plans	(1)	(84)			(84)		(84)
Tax benefit from employee share-based compensation plans		135			135		135
Share-based compensation expense		7,047			7,047		7,047
Contribution of subsidiary shares to noncontrolling interest related to a business combination		(820)			(820)	(3,925)	(4,745)
Distributions to noncontrolling interest					—	(4,740)	(4,740)
Repurchase of common stock	(49)	(1,307)	(1,594)		(2,901)		(2,901)
Dividends paid (\$0.01 per share)			(1,293)		(1,293)		(1,293)
Balance at March 31, 2016	<u>129,246</u>	<u>\$ 138,495</u>	<u>\$ 1,000,903</u>	<u>\$ (218,704)</u>	<u>\$ 920,694</u>	<u>\$ 113,974</u>	<u>\$ 1,034,668</u>

See Notes to Unaudited Consolidated Financial Statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business, consolidation and presentation— We are a leading worldwide provider of payment technology services delivering innovative solutions to our customers globally. Our technologies, partnerships and employee expertise enable us to provide a broad range of services that allow our customers to accept various payment types. We distribute our services across a variety of channels to merchants and partners in 30 countries throughout North America, Europe, the Asia-Pacific region and in Brazil and operate in three reportable segments: North America, Europe and Asia-Pacific.

We were incorporated in Georgia as Global Payments Inc. in 2000 and spun-off from our former parent company in 2001. Including our time as part of our former parent company, we have been in the payment technology services business since 1967. Global Payments Inc. and its consolidated subsidiaries are referred to collectively as "Global Payments," the "Company," "we," "our" or "us," unless the context requires otherwise.

These unaudited consolidated financial statements include our accounts and those of our majority-owned subsidiaries, and all intercompany balances and transactions have been eliminated in consolidation. These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). The consolidated balance sheet as of December 31, 2016 was derived from the audited financial statements included in our Transition Report on Form 10-K for the seven months ended December 31, 2016 but does not include all disclosures required by GAAP for annual financial statements. As a result of the change in our fiscal year end from May 31 to December 31, we presented our interim financial information for the quarter ended March 31, 2016 on the basis of the new fiscal year for comparative purposes.

In the opinion of our management, all known adjustments necessary for a fair presentation of the results of the interim periods have been made. These adjustments consist of normal recurring accruals and estimates that affect the carrying amount of assets and liabilities. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Transition Report on Form 10-K for the seven months ended December 31, 2016.

Use of estimates— The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ materially from those estimates.

Recently Adopted Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-09, "Compensation - Stock Compensation (Topic 718): *Improvements to Employee Share-Based Payment Accounting*." The amendments in this update changed how companies account for certain aspects of share-based payments to employees. We adopted the various amendments in ASU 2016-09 in our unaudited consolidated financial statements effective January 1, 2017 with no material effect. On a prospective basis, as required, we recognize the income tax effects of the excess benefits or deduction deficiencies of share-based awards in the statement of income when the awards vest or are settled. Previously, these amounts were recorded as an adjustment to additional paid-in capital. In addition, these excess tax benefits or deduction deficiencies from share-based compensation plans, which were previously presented as a financing activity in our consolidated statement of cash flows, are now presented as an operating activity using a retrospective transition method for all periods presented. Finally, we have elected to account for forfeitures of share-based awards with service conditions as they occur.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230): *Classification of Certain Cash Receipts and Cash Payments*," which makes clarifications to how cash receipts and cash payments in certain transactions are presented and classified in the statement of cash flows. We adopted ASU 2016-15 on a retrospective basis effective January 1, 2017 with no effect on our unaudited consolidated statements of cash flows for any period presented.

In January 2017, the FASB issued ASU 2017-04, "Intangibles - Goodwill and Other (Topic 350): *Simplifying the Test for Goodwill Impairment*." The ASU eliminates Step 2 from the goodwill impairment test. In computing the implied fair value of

goodwill under Step 2, an entity had to perform procedures to determine the fair value at the impairment testing date of its assets and liabilities (including unrecognized assets and liabilities) following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Instead, under the amendments in this ASU, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. We adopted ASU 2017-04 on a prospective basis effective January 1, 2017. The adoption of this standard had no effect on our unaudited consolidated financial statements.

Recently Issued Pronouncements Not Yet Adopted

Accounting Standard Codification ("ASC") 606 - New Revenue Standard

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)." The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 will replace most existing revenue recognition guidance in GAAP and permits the use of either the retrospective or modified retrospective transition method. The update requires significant additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU 2014-09, as amended by ASU 2015-14, "Revenue from Contracts with Customers (Topic 606): *Deferral of the Effective Date*," is effective for years beginning after December 15, 2017, including interim periods, with early adoption permitted for years beginning after December 15, 2016. Since the issuance of ASU 2014-09, the FASB has issued additional interpretive guidance, including new accounting standards updates, that clarifies certain points of the standard and modifies certain requirements.

We have performed a review of the requirements of the new revenue standard and are monitoring the activity of the FASB and the transition resource group as it relates to specific interpretive guidance. We have established a cross-functional implementation team to assess the effects of the new revenue standard in a multi-phase approach. In the first phase, we are analyzing customer contracts, applying the five-step model of the new standard to each contract category we have identified and comparing the results to our current accounting practices. The new standard could change the amount and timing of revenue and expenses to be recognized under certain arrangement types. In addition, it could also increase the administrative burden on our operations to properly account for customer contracts and provide the more expansive required disclosures. More judgment and estimates may be required within the process of applying the requirements of the new standard than are required under existing GAAP, such as identifying performance obligations in contracts, estimating the amount of variable consideration to include in transaction price, allocating transaction price to each separate performance obligation and estimating expected customer lives. We have not completed our assessment or quantified the effect, if any, the new guidance will have on our consolidated financial statements, related disclosures and/or our internal control over financial reporting. This will occur during the design and implementation phases over the remainder of the calendar year. However, our preliminary view is that we expect the amount and timing of revenue to be recognized under ASU 2014-09 for our most significant contract category, core payment services, will be similar to the amount and timing of revenue recognized under our current accounting practices. We also expect to be required to capitalize additional costs to obtain contracts with customers, and, in some cases, may be required to amortize these costs and costs that we currently capitalize (such as capitalized customer acquisition costs) over a longer time period. Finally, we expect disclosures about our revenues and related customer acquisition costs will be more extensive.

We plan to adopt ASU 2014-09, as well as other clarifications and technical guidance issued by the FASB related to this new revenue standard, on January 1, 2018. We will likely apply the modified retrospective transition method, which would result in an adjustment to retained earnings for the cumulative effect, if any, of applying the standard to contracts in process as of the adoption date. Under this method, we would not restate the prior financial statements presented, therefore the new standard requires us to provide additional disclosures of the amount by which each financial statement line item is affected in the current reporting period during 2018, as compared to the guidance that was in effect before the change, and an explanation of the reasons for significant changes, if any.

Other Accounting Standards Updates

In January 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805): *Clarifying the Definition of a Business*." The ASU clarifies the definition of a business, which affects many areas of accounting including acquisitions, disposals, goodwill,

and consolidation. The new standard is intended to help companies and other organizations evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses, with the expectation that fewer will qualify as acquisitions (or disposals) of businesses. The ASU will become effective for us on January 1, 2018. Early adoption is permitted for certain transactions that occur before the effective date. We are evaluating the effect of ASU 2017-01 on our consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, "Income Taxes (Topic 740): *Intra-Entity Transfers of Assets Other Than Inventory*." The amendments in this update state that an entity should recognize the income tax consequences of an intra-entity transfer of an asset other than inventory, such as intellectual property and property and equipment, when the transfer occurs. The amendments in this update will become effective for us on January 1, 2018. Early adoption is permitted as of the beginning of an annual reporting period for which financial statements (interim or annual) have not been issued. The amendments in this update should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We are evaluating the effect of ASU 2016-16 on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*." The amendments in this update change how companies measure and recognize credit impairment for many financial assets. The new expected credit loss model will require companies to immediately recognize an estimate of credit losses expected to occur over the remaining life of the financial assets (including trade receivables) that are in the scope of the update. The update also made amendments to the current impairment model for held-to-maturity and available-for-sale debt securities and certain guarantees. The guidance will become effective for us on January 1, 2020. Early adoption is permitted for periods beginning on or after January 1, 2019. We are evaluating the effect of ASU 2016-13 on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases." The amendments in this update require lessees to recognize, on the balance sheet, assets and liabilities for the rights and obligations created by leases. In addition, several new disclosures will be required. Although early adoption is permitted, we expect to adopt ASU 2016-02 when it becomes effective for us on January 1, 2019. Adoption will require a modified retrospective transition where the lessees are required to recognize and measure leases at the beginning of the earliest period presented. We have not completed our evaluation of the effect of ASU 2016-02 on our consolidated financial statements; however, we expect to recognize right of use assets and liabilities for our operating leases in the balance sheet upon adoption.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments - Overall (Subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities*." The amendments in this update address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The amendments in this update supersede the guidance to classify equity securities with readily determinable fair values into different categories (that is, trading or available-for-sale) and require equity securities (including other ownership interests, such as partnerships, unincorporated joint ventures and limited liability companies) to be measured at fair value with changes in the fair value recognized through earnings. Equity investments that are accounted for under the equity method of accounting or result in consolidation of an investee are not included within the scope of this update. The amendments allow equity investments that do not have readily determinable fair values to be remeasured at fair value either upon the occurrence of an observable price change or upon identification of an impairment. The amendments also require enhanced disclosures about those investments. The guidance will become effective for us on January 1, 2018. Except for specific aspects of this pronouncement, early adoption of the amendments in this update is not permitted. We are evaluating the effect of ASU 2016-01 on our consolidated financial statements.

NOTE 2—ACQUISITIONS

Heartland

We merged with Heartland Payment Systems, Inc. ("Heartland") in a cash-and-stock transaction on April 22, 2016 for total purchase consideration of \$3.9 billion. This transaction was accounted for as a business combination, which requires that we record the assets acquired and liabilities assumed at fair value as of the acquisition date.

[Table of Contents](#)

The estimated acquisition-date fair values of major classes of assets acquired and liabilities assumed previously determined as of December 31, 2016 and as subsequently revised during the three months ended March 31, 2017 for measurement-period adjustments, including a reconciliation to the total purchase consideration, are as follows:

	December 31, 2016	Measurement-Period Adjustments	March 31, 2017
	(in thousands)		
Cash and cash equivalents	\$ 304,747	\$ —	\$ 304,747
Accounts receivable	70,385	—	70,385
Prepaid expenses and other assets	103,090	(5,131)	97,959
Identified intangible assets	1,639,040	—	1,639,040
Property and equipment	106,583	—	106,583
Debt	(437,933)	—	(437,933)
Accounts payable and accrued liabilities	(457,763)	(65)	(457,828)
Settlement processing obligations	(36,578)	(3,727)	(40,305)
Deferred income taxes	(518,794)	18,907	(499,887)
Other liabilities	(64,938)	(33,495)	(98,433)
Total identifiable net assets	707,839	(23,511)	684,328
Goodwill	3,214,981	23,511	3,238,492
Total purchase consideration	<u>\$ 3,922,820</u>	<u>\$ —</u>	<u>\$ 3,922,820</u>

The measurement-period adjustments are the result of continued refinement of certain estimates, particularly regarding certain tax positions and deferred income taxes.

NOTE 3—SETTLEMENT PROCESSING ASSETS AND OBLIGATIONS

As of March 31, 2017 and December 31, 2016, settlement processing assets and obligations consisted of the following:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	(in thousands)	
Settlement processing assets:		
Interchange reimbursement	\$ 143,782	\$ 150,612
(Liability to) receivable from members	(14,266)	71,590
Receivable from networks	623,691	1,325,029
Exception items	5,885	6,450
Merchant reserves	(7,583)	(6,827)
	<u>\$ 751,509</u>	<u>\$ 1,546,854</u>
Settlement processing obligations:		
Interchange reimbursement	\$ 198,220	\$ 199,202
Liability to members	(154,331)	(177,979)
Liability to merchants	(708,914)	(1,358,271)
Exception items	8,643	21,194
Merchant reserves	(152,510)	(158,419)
Reserve for operating losses and sales allowances	(4,244)	(2,939)
	<u>\$ (813,136)</u>	<u>\$ (1,477,212)</u>

NOTE 4—GOODWILL AND OTHER INTANGIBLE ASSETS

As of March 31, 2017 and December 31, 2016, goodwill and other intangible assets consisted of the following:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	(in thousands)	
Goodwill	<u>\$ 4,859,387</u>	<u>\$ 4,807,594</u>
Other intangible assets:		
Customer-related intangible assets	\$ 1,854,876	\$ 1,864,731
Acquired technologies	556,400	547,151
Trademarks and trade names	189,212	188,311
Contract-based intangible assets	158,403	157,882
	<u>2,758,891</u>	<u>2,758,075</u>
Less accumulated amortization:		
Customer-related intangible assets	531,614	487,729
Acquired technologies	118,554	89,633
Trademarks and trade names	31,011	24,142
Contract-based intangible assets	80,292	71,279
	<u>761,471</u>	<u>672,783</u>
	<u>\$ 1,997,420</u>	<u>\$ 2,085,292</u>

The following table sets forth the changes in the carrying amount of goodwill for the three months ended March 31, 2017:

	North America	Europe	Asia-Pacific	Total
	(in thousands)			
Balance at December 31, 2016	\$ 4,083,252	\$ 455,300	\$ 269,042	\$ 4,807,594
Effect of foreign currency translation	676	8,279	12,297	21,252
Measurement-period adjustments	23,511	—	7,030	30,541
Balance at March 31, 2017	<u>\$ 4,107,439</u>	<u>\$ 463,579</u>	<u>\$ 288,369</u>	<u>\$ 4,859,387</u>

There was no accumulated impairment loss as of March 31, 2017 or December 31, 2016.

NOTE 5—LONG-TERM DEBT AND LINES OF CREDIT

As of March 31, 2017 and December 31, 2016, long-term debt consisted of the following:

	March 31, 2017	December 31, 2016
	(in thousands)	
Corporate credit facility:		
Term loans (face amounts of \$3,683,132 and \$3,728,857 at March 31, 2017 and December 31, 2016, respectively, less unamortized debt issuance costs of \$43,900 and \$46,282 at March 31, 2017 and December 31, 2016, respectively)	\$ 3,639,232	\$ 3,682,575
Revolving credit facility	761,000	756,000
Capital lease obligations	30	37
Total long-term debt	<u>4,400,262</u>	<u>4,438,612</u>
Less current portion of corporate credit facility (face amounts of \$188,368 and \$187,274 at March 31, 2017 and December 31, 2016, respectively, less unamortized debt issuance costs of \$9,394 and \$9,526 at March 31, 2017 and December 31, 2016, respectively) and current portion of capital lease obligations of \$30 and \$37 at March 31, 2017 and December 31, 2016, respectively	179,004	177,785
Long-term debt, excluding current portion	<u>\$ 4,221,258</u>	<u>\$ 4,260,827</u>

Maturity requirements on long-term debt as of March 31, 2017 by year are as follows (in thousands):

Years ending December 31,	
2017	\$ 141,579
2018	200,974
2019	214,674
2020	214,674
2021	3,158,349
2022	5,424
2023 and thereafter	508,488
Total	<u>\$ 4,444,162</u>

We are party to a credit facility agreement (as amended from time to time, the "Credit Facility Agreement"), which, as of March 31, 2017, provided for secured financing of up to \$5.0 billion, comprised of (i) a \$1.8 billion term loan (the "Term A Loan"), (ii) a \$1.5 billion term loan (the "Term A-2 Loan"), (iii) a \$542 million term loan (the "Term B Loan") and (iv) a \$1.3 billion revolving credit facility (the "Revolving Credit Facility"). Substantially all of the assets of our domestic subsidiaries are pledged as collateral under the Credit Facility Agreement. On May 2, 2017, we entered into an amendment to the Credit Facility Agreement, which, among

other things, increased the total financing capacity available under the Credit Facility Agreement to \$5.2 billion, as described in more detail in "Note 12—Subsequent Event."

The Credit Facility Agreement provides for an interest rate, at our election, of either London Interbank Offered Rate ("LIBOR") or a base rate, in each case plus a leverage-based margin. As of March 31, 2017, the interest rates on the Term A Loan, the Term A-2 Loan and the Term B Loan were 3.23%, 3.20% and 3.48%, respectively.

The Credit Facility Agreement allows us to issue standby letters of credit of up to \$100 million in the aggregate under the Revolving Credit Facility. Outstanding letters of credit under the Revolving Credit Facility reduce the amount of borrowings available to us. Borrowings available to us under the Revolving Credit Facility are further limited by the covenants described below under "Compliance with Covenants." The total available commitments under the Revolving Credit Facility at March 31, 2017 and December 31, 2016 were \$228.8 million and \$446.3 million, respectively. As of March 31, 2017, the interest rate on the Revolving Credit Facility was 3.20%. In addition, we are required to pay a quarterly commitment fee on the unused portion of the Revolving Credit Facility.

The portion of debt issuance costs related to the Revolving Credit Facility are included in other noncurrent assets, and the portion of debt issuance costs related to the term loans is reported as a reduction to the carrying amount of the term loans. Debt issuance costs are amortized as an adjustment to interest expense over the terms of the respective facilities.

Settlement Lines of Credit

We have lines of credit with banks in various markets where we do business. The lines of credit, which are restricted for use in funding settlement, generally have variable interest rates and are subject to annual review. The settlement lines of credit are generally denominated in local currency but may, in some cases, facilitate borrowings in multiple currencies. For certain of our settlement lines of credit, the available credit is increased by the amount of cash we have on deposit in specific accounts with the lender. Accordingly, the amount of the outstanding line of credit may exceed the stated credit limit. As of March 31, 2017 and December 31, 2016, a total of \$41.0 million and \$51.0 million, respectively, of cash on deposit was used to determine the available credit.

As of March 31, 2017 and December 31, 2016, respectively, we had \$276.4 million and \$392.1 million outstanding under these lines of credit with additional capacity of \$856.5 million as of March 31, 2017 to fund settlement. The weighted-average interest rate on these borrowings was 2.40% and 1.90% at March 31, 2017 and December 31, 2016, respectively.

During the three months ended March 31, 2017, the maximum and average outstanding balances under these lines of credit were \$577.9 million and \$310.4 million, respectively.

Compliance with Covenants

The Credit Facility Agreement contains customary affirmative and restrictive covenants, including, among others, financial covenants based on our leverage and fixed charge coverage ratios, as defined in the agreement. As of March 31, 2017, financial covenants under the Credit Facility Agreement required a leverage ratio no greater than (i) 4.50 to 1.00 as of the end of any fiscal quarter ending during the period from March 1, 2017 through August 31, 2017; (ii) 4.25 to 1.00 as of the end of any fiscal quarter ending during the period from September 1, 2017 through February 28, 2018 and (iii) 4.00 to 1.00 as of the end of any fiscal quarter ending thereafter. As of March 31, 2017, the fixed charge coverage ratio was required to be no less than 2.25 to 1.00. The Credit Facility Agreement and settlement lines of credit also include various other covenants that are customary in such borrowings. The Credit Facility Agreement includes covenants, subject in each case to exceptions and qualifications, that may restrict certain payments, including in certain circumstances, the payment of cash dividends in excess of our current rate of \$0.01 per share per quarter. In connection with the May 2, 2017 amendment to the Credit Facility Agreement, the required leverage ratios were updated, as described in more detail in "Note 12—Subsequent Event."

The Credit Facility Agreement also includes customary events of default, the occurrence of which, following any applicable cure period, would permit the lenders to, among other things, declare the principal, accrued interest and other obligations to be immediately due and payable. We were in compliance with all applicable covenants as of and for the three months ended March 31, 2017.

Interest Rate Swap Agreements

We have interest rate swap agreements with financial institutions to hedge changes in cash flows attributable to interest rate risk on a portion of our variable-rate debt instruments. Net amounts to be received or paid under the swap agreements are reflected as adjustments to interest expense. Since we have designated the interest rate swap agreements as portfolio cash flow hedges, unrealized gains or losses resulting from adjusting the swaps to fair value are recorded as components of other comprehensive income, except for any ineffective portion of the change in fair value, which would be immediately recorded in interest expense. During the three months ended March 31, 2017, there was no ineffectiveness. The fair values of the interest rate swaps were determined based on the present value of the estimated future net cash flows using implied rates in the applicable yield curve as of the valuation date. These derivative instruments were classified within Level 2 of the valuation hierarchy.

The table below presents the fair values of our derivative financial instruments designated as cash flow hedges included in the consolidated balance sheets:

Derivative Financial Instruments	Balance Sheet Location	Weighted-Average Fixed Rate of Interest at March 31, 2017	Range of Maturity Dates	March 31, 2017	December 31, 2016
(in thousands)					
Interest rate swaps (Notional of \$500 million at March 31, 2017, \$250 million at December 31, 2016)	Other assets	1.46%	December 31, 2019 - July 31, 2020	\$ 3,305	\$ 2,147
Interest rate swaps (Notional of \$800 million at March 31, 2017, \$750 million at December 31, 2016)	Accounts payable and accrued liabilities	1.67%	February 28, 2019 - March 31, 2021	\$ 1,906	\$ 3,175

The table below presents the effects of our interest rate swaps on the consolidated statements of income and comprehensive income for the three months ended March 31, 2017 and 2016:

	Three Months Ended	
	March 31, 2017	March 31, 2016
(in thousands)		
Amount of gain (loss) recognized in other comprehensive income	\$ 827	\$ (10,818)
Amount reclassified out of other comprehensive income to interest expense	\$ 1,596	\$ 1,955

As of March 31, 2017, the amount in accumulated other comprehensive loss related to our interest rate swaps that is expected to be reclassified into interest expense during the next 12 months was approximately \$4.6 million.

Interest Expense

Interest expense was \$41.1 million and \$13.5 million for the three months ended March 31, 2017 and 2016, respectively.

NOTE 6—INCOME TAX

Our effective income tax rates were 18.9% and 23.4% for the three months ended March 31, 2017 and March 31, 2016, respectively. Our effective income tax rates differ from the U.S. statutory rate primarily due to income generated in international jurisdictions with lower tax rates.

We conduct business globally and file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities around the world, including,

without limitation, the United States and the United Kingdom. We are no longer subject to state income tax examinations for years ended on or before May 31, 2008, U.S. federal income tax examinations for fiscal years prior to 2013 and U.K. federal income tax examinations for years ended on or before May 31, 2013.

NOTE 7—SHAREHOLDERS' EQUITY

We make repurchases of our common stock mainly through the use of open market purchases and, at times, through accelerated share repurchase programs. As of March 31, 2017, we were authorized to repurchase up to \$299.7 million of our common stock. During the three months ended March 31, 2016, through open market repurchase plans, we repurchased and retired 48,816 shares of our common stock at a cost of \$2.9 million, or an average cost of \$59.37 per share, including commissions.

NOTE 8—SHARE-BASED AWARDS AND OPTIONS

The following table summarizes share-based compensation expense and the related income tax benefit recognized for our share-based awards and stock options:

	Three Months Ended	
	March 31, 2017	March 31, 2016
	(in thousands)	
Share-based compensation expense	\$ 8,816	\$ 7,047
Income tax benefit	\$ 3,065	\$ 2,344

Share-Based Awards

The following table summarizes the changes in unvested share-based awards for the three months ended March 31, 2017:

	Shares	Weighted-Average Grant-Date Fair Value
	(in thousands)	
Unvested at December 31, 2016	1,263	\$49.55
Granted	441	79.47
Vested	(3)	42.90
Forfeited	(24)	56.74
Unvested at March 31, 2017	<u>1,677</u>	<u>\$57.30</u>

The total fair value of share-based awards vested during the three months ended March 31, 2017 and March 31, 2016 was \$0.1 million and \$0.2 million, respectively.

For these share-based awards, we recognized compensation expense of \$8.0 million and \$6.5 million during the three months ended March 31, 2017 and March 31, 2016, respectively. As of March 31, 2017, there was \$72.2 million of unrecognized compensation expense related to unvested share-based awards that we expect to recognize over a weighted-average period of 2.38 years. Our share-based award plans provide for accelerated vesting under certain conditions.

Stock Options

Stock options are granted with an exercise price equal to 100% of fair market value of our common stock on the date of grant and have a term of ten years. Stock options granted before the year ended May 31, 2015 vest in equal installments on each of the first four anniversaries of the grant date. Stock options granted during the year ended May 31, 2015 and thereafter vest in equal installments on each of the first three anniversaries of the grant date. During the three months ended March 31, 2017, we granted

[Table of Contents](#)

stock options to purchase 0.1 million shares of our common stock. There were no stock options granted during the three months ended March 31, 2016. Our stock option plans provide for accelerated vesting under certain conditions.

The following summarizes changes in unvested stock option activity for the three months ended March 31, 2017:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	(in thousands)		(years)	(in millions)
Outstanding at December 31, 2016	759	\$37.51	6.0	\$24.5
Granted	124	79.45		
Forfeited	—	—		
Exercised	(52)	23.68		
Outstanding at March 31, 2017	<u>831</u>	<u>\$44.65</u>	6.6	\$29.9
Options vested and exercisable at March 31, 2017	<u>449</u>	<u>\$29.49</u>	4.7	\$23.0

We recognized compensation expense for stock options of \$0.6 million and \$0.4 million during the three months ended March 31, 2017 and March 31, 2016, respectively. The aggregate intrinsic value of stock options exercised during the three months ended March 31, 2017 and March 31, 2016 was \$2.8 million and \$0.3 million, respectively. As of March 31, 2017, we had \$2.5 million of unrecognized compensation expense related to unvested stock options that we expect to recognize over a weighted-average period of 2.37 years.

The weighted-average grant-date fair value of each stock option granted during the three months ended March 31, 2017 was \$10.28. Fair value was estimated on the date of grant using the Black-Scholes valuation model with the following weighted-average assumptions:

	Three Months Ended March 31, 2017
Risk-free interest rate	1.99%
Expected volatility	30%
Dividend yield	0.06%
Expected term (years)	5

The risk-free interest rate is based on the yield of a zero coupon U.S. Treasury security with a maturity equal to the expected life of the option from the date of the grant. Our assumption on expected volatility is based on our historical volatility. The dividend yield assumption is calculated using our average stock price over the preceding year and the annualized amount of our most current quarterly dividend per share. We based our assumptions on the expected term of the options on our analysis of the historical exercise patterns of the options and our assumption on the future exercise pattern of options.

NOTE 9—EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income attributable to Global Payments by the weighted-average number of shares outstanding during the period. Earnings available to common shareholders is the same as reported net income attributable to Global Payments for all periods presented.

Diluted earnings per share is computed by dividing net income attributable to Global Payments by the weighted-average number of shares outstanding during the period, including the effect of share-based awards that would have a dilutive effect on earnings per share. All stock options with an exercise price lower than the average market share price of our common stock for the period are assumed to have a dilutive effect on earnings per share. There were less than 0.1 million stock options that would

[Table of Contents](#)

have an antidilutive effect on the computation of diluted earnings per share for the three months ended March 31, 2017. There were no such antidilutive stock options for the three months ended March 31, 2016.

The following table sets forth the computation of diluted weighted-average number of shares outstanding for the three months ended March 31, 2017 and March 31, 2016:

	Three Months Ended	
	March 31, 2017	March 31, 2016
	(in thousands)	
Basic weighted-average number of shares outstanding	152,304	129,268
Plus: Dilutive effect of stock options and other share-based awards	951	869
Diluted weighted-average number of shares outstanding	<u>153,255</u>	<u>130,137</u>

NOTE 10—ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in the accumulated balances for each component of other comprehensive loss, net of tax, were as follows for the three months ended March 31, 2017 and March 31, 2016:

	Foreign Currency Translation	Unrealized Gains (Losses) on Hedging Activities	Other	Accumulated Other Comprehensive Loss
	(in thousands)			
Balance at December 31, 2016	\$ (318,450)	\$ (640)	\$ (3,627)	\$ (322,717)
Other comprehensive income (loss), net of tax	33,615	1,513	(217)	34,911
Balance at March 31, 2017	<u>\$ (284,835)</u>	<u>\$ 873</u>	<u>\$ (3,844)</u>	<u>\$ (287,806)</u>
Balance at December 31, 2015	\$ (239,650)	\$ (3,732)	\$ (3,808)	\$ (247,190)
Other comprehensive income (loss), net of tax	34,043	(5,557)	—	28,486
Balance at March 31, 2016	<u>\$ (205,607)</u>	<u>\$ (9,289)</u>	<u>\$ (3,808)</u>	<u>\$ (218,704)</u>

NOTE 11—SEGMENT INFORMATION

We evaluate performance and allocate resources based on the operating income of each operating segment. The operating income of each operating segment includes the revenues of the segment less expenses that are directly related to those revenues. Operating overhead, shared costs and certain compensation costs are included in Corporate in the following table. Interest and other income, interest and other expense and provision for income taxes are not allocated to the individual segments. We do not evaluate the performance of or allocate resources to our operating segments using asset data. The accounting policies of the reportable operating segments are the same as those described in our Transition Report on Form 10-K for the seven months ended December 31, 2016 and our summary of significant accounting policies in "Note 1—Basis of Presentation and Summary of Significant Accounting Policies."

Information on segments and reconciliations to consolidated revenues and consolidated operating income are as follows for the three months ended March 31, 2017 and March 31, 2016:

	Three Months Ended	
	March 31, 2017	March 31, 2016
(in thousands)		
Revenues⁽¹⁾:		
North America	\$ 687,044	\$ 427,860
Europe	165,549	144,119
Asia-Pacific	67,169	54,280
Consolidated revenues	<u>\$ 919,762</u>	<u>\$ 626,259</u>
Operating income (loss)⁽¹⁾:		
North America	\$ 94,083	\$ 65,190
Europe	54,507	55,778
Asia-Pacific	19,754	14,559
Corporate ⁽²⁾	(63,374)	(40,954)
Consolidated operating income	<u>\$ 104,970</u>	<u>\$ 94,573</u>
Depreciation and amortization⁽¹⁾:		
North America	\$ 92,708	\$ 24,927
Europe	11,576	9,621
Asia-Pacific	3,275	3,666
Corporate	1,474	1,098
Consolidated depreciation and amortization	<u>\$ 109,033</u>	<u>\$ 39,312</u>

⁽¹⁾ Revenues, operating income and depreciation and amortization reflect the effect of acquired businesses from the respective dates of acquisition. Notably, on April 22, 2016, we merged with Heartland as further discussed in "Note 2—Acquisitions."

⁽²⁾ During the three months ended March 31, 2017, operating loss for Corporate included Heartland integration expenses of \$26.1 million, which are included in selling, general and administrative expenses in the consolidated statements of income.

NOTE 12—SUBSEQUENT EVENT

On May 2, 2017, we entered into the Fourth Amendment to the Credit Facility Agreement (the "Fourth Amendment"). The Fourth Amendment increased the total financing capacity available under the Credit Facility Agreement to \$5.2 billion, consisting of (i) the \$1.2 billion Revolving Credit Facility; (ii) the \$1.5 billion Term A Loan; (iii) the \$1.3 billion Term A-2 Loan; and (iv) a \$1.2 billion term loan facility, which replaced the Term B Loan (the "Term B-2 Loan"). The aggregate outstanding debt under the Credit Facility Agreement did not change because we repaid certain outstanding amounts under the Term A Loan, the Term A-2 Loan and the Revolving Credit Facility in connection with the Fourth Amendment.

As amended by the Fourth Amendment, the Credit Facility Agreement provides for an interest rate with respect to borrowings under the Term A Loan, the Term A-2 Loan and the Revolving Credit Facility of (a) in the case of Base Rate Loans (as defined in the Credit Facility Agreement), a base rate plus a margin ranging from 0.25% to 1.00%, in each case depending on our leverage ratio and (b) in the case of Eurocurrency Loans (as defined in the Credit Facility Agreement), a base rate plus a margin ranging from 1.25% to 2.00%, in each case depending on our leverage ratio. As amended by the Fourth Amendment, the Credit Facility Agreement provides for an interest rate with respect to the borrowings under the Term B-2 Loan of a base rate plus a margin of 1.00% in the case of Base Rate Loans and a base rate plus a margin of 2.00% in the case of Eurocurrency Loans. With respect to the Base Rate Loans, the base rate is the highest of (a) the Federal Funds Effective Rate (as defined in the Credit Facility Agreement)

plus 0.50%, (b) the Bank of America prime rate and (c) the applicable Eurocurrency Base Rate (as defined in the Credit Facility Agreement) plus 1.00%. The Credit Facility Agreement also provides for a commitment fee with respect to borrowings under the Revolving Credit Facility at an applicable rate per annum ranging from 0.20% to 0.30% depending on our leverage ratio.

Pursuant to the Fourth Amendment, the Term A Loan and the Term A-2 Loan mature, and the Revolving Credit Facility Agreement expires, on May 2, 2022. The Term B-2 Loan matures on April 22, 2023. The Term A Loan principal must be repaid in quarterly installments in the amount of 1.25% of principal through June 2019, increasing to 1.875% of principal through June 2021, and increasing to 2.50% of principal through March 2022, with the remaining principal balance due upon maturity in May 2022. The Term A-2 Loan principal must be repaid in quarterly installments of \$1.7 million through June 2018, increasing to quarterly installments of \$8.6 million through March 2022, with the remaining balance due upon maturity in May 2022. The Term B-2 Loan principal must be repaid in quarterly installments in the amount of 0.25% of principal through March 2023, with the remaining principal balance due upon maturity in April 2023.

The Credit Facility Agreement contains customary affirmative and restrictive covenants, including, among others, financial covenants based on our leverage and fixed charge coverage ratios. The Credit Facility Agreement includes customary events of default, the occurrence of which, following any applicable cure period, would permit the lenders to, among other things, declare the principal, accrued interest and other obligations to be immediately due and payable.

Pursuant to the Fourth Amendment, financial covenants require a leverage ratio for the period beginning May 2, 2017 no greater than: (i) 4.75 to 1.00 as of the end of any fiscal quarter ending during the period from May 2, 2017 through June 30, 2017; (ii) 4.50 to 1.00 as of the end of any fiscal quarter ending during the period from July 1, 2017 through June 30, 2018; (iii) 4.25 to 1.00 as of the end of any fiscal quarter ending during the period from July 1, 2018 through June 30, 2019; and (iv) 4.00 to 1.00 as of the end of any fiscal quarter ending thereafter. The fixed charge coverage ratio is required to be no less than 2.25 to 1.00.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes included in Item 1 of Part 1 of this Quarterly Report and the Management's Discussion and Analysis of Financial Condition and Results of Operations and consolidated financial statements contained in our Transition Report on Form 10-K for the seven months ended December 31, 2016. This discussion and analysis contains forward-looking statements about our plans and expectations of what may happen in the future. Forward-looking statements are based on a number of assumptions and estimates that are inherently subject to significant risks and uncertainties, and our actual results could differ materially from the results anticipated by our forward-looking statements. See "Forward-Looking Statements" below for additional information.

Executive Overview

We are a leading worldwide provider of payment technology services delivering innovative solutions to our customers globally. Our technologies, partnerships and employee expertise enable us to provide a broad range of services that allow our customers to accept various payment types. We distribute our services across a variety of channels to merchants and partners in 30 countries throughout North America, Europe, the Asia-Pacific region and Brazil and operate in three reportable segments: North America, Europe and Asia-Pacific.

We merged with Heartland Payments Systems, Inc. ("Heartland") in a cash-and-stock transaction on April 22, 2016 for total purchase consideration of \$3.9 billion. See "Note 2—Acquisitions" in the notes to the accompanying unaudited consolidated financial statements for further discussion of our merger with Heartland.

Highlights related to our financial condition and results of operations for the three months ended March 31, 2017 are provided below:

- Consolidated revenues increased by 46.9% to \$919.8 million in the three months ended March 31, 2017, compared to \$626.3 million for the prior-year period, primarily due to the inclusion of Heartland, partially offset by the unfavorable effect of currency fluctuations in foreign markets of \$8.2 million.

- Consolidated operating income was \$105.0 million for the three months ended March 31, 2017 compared to \$94.6 million, for the prior-year period. Our operating margin for the three months ended March 31, 2017 was 11.4%, compared to 15.1%, for the prior-year period. The contribution of the revenue growth in local currency was partially offset by an increase in depreciation and amortization expense of \$69.7 million and Heartland integration expenses of \$26.1 million for the three months ended March 31, 2017.
- Net income attributable to Global Payments was \$48.8 million for the three months ended March 31, 2017 compared to \$59.9 million for the prior-year period. Diluted earnings per share was \$0.32 for the three months ended March 31, 2017 compared to \$0.46 in the prior-year period.

Emerging Trends

The payments industry continues to grow worldwide and as a result, certain large payment technology companies, including us, have expanded operations globally by pursuing acquisitions and creating alliances and joint ventures. We expect to continue to expand into new markets internationally or increase our scale and improve our competitiveness in existing markets by pursuing further acquisitions and joint ventures.

We believe that electronic payment transactions will continue to grow and that an increasing percentage of these will be facilitated through emerging technologies. As a result, we expect an increasing portion of our future capital investment will be allocated to support the development of new and emerging technologies; however, we do not expect our aggregate capital spending to increase materially from our current level of spending as a result of this.

We also believe new markets will continue to develop in areas that have been previously dominated by paper-based transactions. We expect industries such as education, government and healthcare, as well as payment types such as recurring payments and business-to-business payments, to continue to see transactions migrate to electronic-based solutions. We anticipate that the continued development of new services and the emergence of new vertical markets will be a factor in the growth of our business and our revenue in the future.

Results of Operations

The following table sets forth key selected financial data for the three months ended March 31, 2017 and March 31, 2016, this data as a percentage of total revenues, and the changes between the periods in dollars and as a percentage of the prior year amount. The income statement data for the three months ended March 31, 2016 are derived from our unaudited consolidated financial statements for that period.

	Three Months Ended March 31, 2017	% of Revenue ⁽¹⁾	Three Months Ended March 31, 2016	% of Revenue ⁽¹⁾	Change	% Change
(dollar amounts in thousands)						
Revenues⁽²⁾:						
North America	\$ 687,044	74.7%	\$ 427,860	68.3%	\$ 259,184	60.6 %
Europe	165,549	18.0%	144,119	23.0%	21,430	14.9 %
Asia-Pacific	67,169	7.3%	54,280	8.7%	12,889	23.7 %
Total revenues	\$ 919,762	100.0%	\$ 626,259	100.0%	\$ 293,503	46.9 %
Consolidated operating expenses⁽²⁾:						
Cost of service	\$ 455,936	49.6%	\$ 248,187	39.6%	\$ 207,749	83.7 %
Selling, general and administrative	358,856	39.0%	283,499	45.3%	75,357	26.6 %
Operating expenses	\$ 814,792	88.6%	\$ 531,686	84.9%	\$ 283,106	53.2 %
Operating income (loss)⁽²⁾:						
North America	\$ 94,083		\$ 65,190		\$ 28,893	44.3 %
Europe	54,507		55,778		(1,271)	(2.3)%
Asia-Pacific	19,754		14,559		5,195	35.7 %
Corporate ⁽³⁾	(63,374)		(40,954)		(22,420)	54.7 %
Operating income	\$ 104,970	11.4%	\$ 94,573	15.1%	\$ 10,397	11.0 %
Operating margin⁽²⁾:						
North America		13.7%		15.2%		(1.5)%
Europe		32.9%		38.7%		(5.8)%
Asia-Pacific		29.4%		26.8%		2.6 %

⁽¹⁾Percentage amounts may not sum to the total due to rounding.

⁽²⁾Revenues, operating expenses, operating income and operating margin reflect the effect of acquired businesses from the respective dates of acquisition. Notably, on April 22, 2016, we merged with Heartland as further discussed in "Note 2—Acquisitions" in the notes to the accompanying unaudited consolidated financial statements.

⁽³⁾During the three months ended March 31, 2017, operating loss for Corporate included Heartland integration costs of \$26.1 million, which are included in selling, general and administrative expenses in the unaudited consolidated statements of income.

Revenues

For the three months ended March 31, 2017, revenues increased by \$293.5 million, or 46.9%, compared to the prior year, to \$919.8 million, reflecting growth in each of our operating segments, despite the unfavorable effect of currency fluctuations of \$8.2 million.

North America Segment. For the three months ended March 31, 2017, revenues from our North America segment increased by \$259.2 million, or 60.6%, compared to the prior year, to \$687.0 million, primarily due to our merger with Heartland.

Europe Segment. For the three months ended March 31, 2017, revenues from our Europe segment increased by \$21.4 million, or 14.9%, compared to the prior year, to \$165.5 million, primarily due to growth in local currencies partially offset by the unfavorable effect of currency fluctuations of \$10.6 million.

Asia-Pacific Segment. For the three months ended March 31, 2017, revenues from our Asia-Pacific segment increased by \$12.9 million, or 23.7%, compared to the prior year, to \$67.2 million, primarily due to organic growth.

Operating Expenses

Cost of Service. For the three months ended March 31, 2017, cost of service increased by \$207.7 million, or 83.7%, compared to the prior year, to \$455.9 million. As a percentage of revenues, cost of service increased to 49.6% for the three months ended March 31, 2017 from 39.6% for the prior year. The increase in cost of service was driven primarily by an increase in the variable costs associated with our revenue growth, including those related to our merger with Heartland, and by additional intangible asset amortization associated with recently acquired businesses of \$63.5 million for the three months ended March 31, 2017.

Selling, General and Administrative Expenses. For the three months ended March 31, 2017, selling, general and administrative expenses increased by \$75.4 million, or 26.6%, compared to the prior year, to \$358.9 million. As a percentage of revenues, selling, general and administrative expenses decreased to 39.0% for the three months ended March 31, 2017 from 45.3% for the prior year. The increase in selling, general and administrative expenses was primarily due to additional costs to support the growth of our business, including incremental expenses associated with the integration of Heartland. The decrease in selling, general and administrative expenses as a percentage of revenues is primarily due to synergies achieved in general and administrative expenses from the merger with Heartland.

Operating Income and Operating Margin

North America Segment. Operating income in our North America segment increased by 44.3% to \$94.1 million for the three months ended March 31, 2017 compared to the prior year. The increase in operating income was primarily due to revenue growth in our U.S. business offset by expenses associated with the integration of Heartland and additional intangible asset amortization associated with the merger. Operating margin decreased 1.5 percentage points for the three months ended March 31, 2017.

Europe Segment. Operating income in our Europe segment decreased by 2.3% to \$54.5 million for the three months ended March 31, 2017 compared to the prior year, including the effect of unfavorable currency fluctuations of \$6.5 million. Operating margin decreased 5.8 percentage points for the three months ended March 31, 2017. The decreases in operating income and operating margin were primarily driven by the effect of unfavorable currency fluctuations.

Asia-Pacific Segment. Operating income in our Asia-Pacific segment increased by 35.7% to \$19.8 million for the three months ended March 31, 2017 compared to the prior year. Operating margin increased 2.6 percentage points for the three months ended March 31, 2017. The increase in operating income and operating margin was due to organic revenue growth.

Corporate. Corporate expenses increased by 54.7% to \$63.4 million for the three months ended March 31, 2017 compared to the prior year, primarily due to the merger with Heartland and expenses of \$26.1 million associated with its integration.

Other Income/Expense, Net

Interest and other expense increased \$28.2 million for the three months ended March 31, 2017 compared to the prior year, primarily due to an increase in interest expense incurred resulting from an increase in the outstanding borrowings to fund the merger with Heartland.

Provision for Income Taxes

Our effective income tax rates were 18.9% and 23.4% for the three months ended March 31, 2017 and March 31, 2016, respectively. The decrease in our effective income tax rate was primarily due to a higher percentage of income generated in international

jurisdictions with lower tax rates (primarily as a result of the merger-related expenses incurred in the United States).

Liquidity and Capital Resources

In the ordinary course of our business, a significant portion of our liquidity comes from operating cash flows. Cash flow from operations is used to make planned capital investments in our business, to pursue acquisitions that meet our corporate objectives, to pay dividends, to pay principal and interest on our outstanding debt and to repurchase shares of our common stock. Accumulated cash balances are invested in high-quality, marketable short-term instruments.

Our capital plan objectives are to support our operational needs and strategic plan for long-term growth while maintaining a low cost of capital. We use our financing, such as our revolving credit facility and our term loans, for general corporate purposes and to fund acquisitions. In addition, lines of credit are also used in certain of our markets to fund merchant settlement prior to receipt of funds from the card network. We regularly evaluate our liquidity and capital position relative to cash requirements, and we may elect to raise additional funds in the future, either through the issuance of debt, equity or otherwise.

At March 31, 2017, we had cash and cash equivalents totaling \$1,261.8 million. Of this amount, we consider \$423.3 million to be available for general purposes, which does not include the following: (1) settlement-related cash balances, (2) funds held as collateral for merchant losses ("Merchant Reserves") and (3) funds held for customers. Settlement-related cash balances represent funds that we hold when the incoming amount from the card networks precedes the funding obligation to the merchant. Settlement-related cash balances are not restricted; however, these funds are generally paid out in satisfaction of settlement processing obligations the following day. At March 31, 2017, our cash and cash equivalents included \$322.7 million for settlement-related cash balances. Merchant Reserves serve as collateral to minimize contingent liabilities associated with any losses that may occur under the merchant agreement. At March 31, 2017, our cash and cash equivalents included \$160.1 million related to Merchant Reserves. While this cash is not restricted in its use, we believe that designating this cash to collateralize Merchant Reserves strengthens our fiduciary standing with our member sponsors and is in accordance with the guidelines set by the card networks. Funds held for customers and the corresponding liability that we record in customer deposits include amounts collected prior to remittance on our customers' behalf. At March 31, 2017, cash and cash equivalents included funds held for customers of \$315.9 million.

Our available cash balance at March 31, 2017 included \$342.9 million of cash held by foreign subsidiaries whose earnings are considered indefinitely reinvested outside the United States. These cash balances reflect our capital investments in these subsidiaries and the accumulation of cash flows generated by their operations, net of cash flows used to service debt locally and fund acquisitions outside of the United States. We believe that we are able to maintain a sufficient level of liquidity for our domestic operations and commitments without repatriation of the earnings of these foreign subsidiaries. If we were to repatriate some or all of the cash held by such foreign subsidiaries, we do not believe that the associated income tax liabilities would have a significant effect on our liquidity.

Operating activities provided net cash of \$294.0 million and \$208.2 million for the three months ended March 31, 2017 and March 31, 2016, respectively. The increase in cash flows from operating activities of \$85.8 million was primarily due to an increase in the change in net settlement processing assets of \$56.7 million. Fluctuations in settlement processing assets and obligations are largely due to timing of month-end and settlement transaction volume.

Net cash used in investing activities was \$46.6 million and \$24.4 million during the three months ended March 31, 2017 and March 31, 2016, respectively, reflecting capital expenditures of \$46.2 million and \$24.4 million, respectively. During the year ending December 31, 2017, we expect capital expenditures for property and equipment, including internal-use capitalized software development costs, to approximate \$160 million.

Net cash used in financing activities was \$160.0 million and \$161.5 million during the three months ended March 31, 2017 and March 31, 2016, respectively, primarily due to net repayments of our settlement lines of credit. Fluctuations in our settlement lines of credit balances are largely due to timing of month-end and settlement transaction volume.

We generally pay dividends to our shareholders on a quarterly basis. In connection with the change in our fiscal year end from May 31 to December 31, our board of directors approved a quarterly dividend of \$0.0133 per share, payable June 23, 2017 to shareholders of record as of June 9, 2017. This dividend includes the period from December 1, 2016 through March 31, 2017.

We believe that our current level of cash and borrowing capacity under our long-term debt and lines of credit described below, together with future cash flows from operations will be sufficient to meet the needs of our existing operations and planned requirements for the foreseeable future.

Long-Term Debt and Lines of Credit

We are party to a credit facility agreement with Bank of America, N.A., as administrative agent, and a syndicate of financial institutions, as lenders and other agents (as amended from time to time, the "Credit Facility Agreement"). The Credit Facility Agreement was most recently amended on May 2, 2017 (the "Fourth Amendment") and, as amended, provides for (i) a \$1.2 billion revolving credit facility (the "Revolving Credit Facility"); (ii) a \$1.5 billion term loan (the "Term A Loan"); (iii) a \$1.3 billion term loan (the "Term A-2 Loan"); and (iv) a \$1.2 billion term loan facility, which replaced the Term B Loan (the "Term B-2 Loan"). The Fourth Amendment increased the total financing capacity under the Credit Facility Agreement on May 2, 2017 from \$4.9 billion to \$5.2 billion, although the outstanding debt under the Credit Facility Agreement did not change because we repaid certain outstanding amounts under the Term A Loan, the Term A-2 Loan and the Revolving Credit Facility in connection with the Fourth Amendment. Substantially all of the assets of our domestic subsidiaries are pledged as collateral under the Credit Facility Agreement.

The Credit Facility Agreement provides for an interest rate, at our election, of either London Interbank Offered Rate ("LIBOR") or a base rate, in each case plus a leverage-based margin. As of March 31, 2017, the interest rates on the Term A Loan, the Term A-2 Loan and the Term B Loan (which was superseded by the Term B-2 Loan under the Fourth Amendment) were 3.23%, 3.20% and 3.48%, respectively, and the interest rate on the Revolving Credit Facility was 3.20%. As of March 31, 2017, the aggregate outstanding balance on the term loans was \$3.7 billion, and the outstanding balance on the Revolving Credit Facility was \$761.0 million.

As amended by the Fourth Amendment, the Credit Facility Agreement provides for an interest rate with respect to borrowings under the Term A Loan, the Term A-2 Loan and the Revolving Credit Facility of (a) in the case of Base Rate Loans (as defined in the Credit Facility Agreement), a base rate plus a margin ranging from 0.25% to 1.00%, in each case depending on our leverage ratio and (b) in the case of Eurocurrency Loans (as defined in the Credit Facility Agreement), a base rate plus a margin ranging from 1.25% to 2.00%, in each case depending on our leverage ratio. As amended by the Fourth Amendment, the Credit Facility Agreement provides for an interest rate with respect to the borrowings under the Term B-2 Loan of a base rate plus a margin of 1.00% in the case of Base Rate Loans and a base rate plus a margin of 2.00% in the case of Eurocurrency Loans. With respect to the Base Rate Loans, the base rate is the highest of (a) the Federal Funds Effective Rate (as defined in the Credit Facility Agreement) plus 0.50%, (b) the Bank of America prime rate and (c) the applicable Eurocurrency Base Rate (as defined in the Credit Facility Agreement) plus 1.00%. The Credit Facility Agreement also provides for a commitment fee with respect to borrowings under the Revolving Credit Facility at an applicable rate per annum ranging from 0.20% to 0.30% depending on our leverage ratio.

Pursuant to the Fourth Amendment, the Term A Loan and the Term A-2 Loan mature, and the Revolving Credit Facility Agreement expires, on May 2, 2022. The Term B-2 Loan matures on April 22, 2023. The Term A Loan principal must be repaid in quarterly installments in the amount of 1.25% of principal through June 2019, increasing to 1.875% of principal through June 2021, and increasing to 2.50% of principal through March 2022, with the remaining principal balance due upon maturity in May 2022. The Term A-2 Loan principal must be repaid in quarterly installments of \$1.7 million through June 2018, increasing to quarterly installments of \$8.6 million through March 2022, with the remaining balance due upon maturity in May 2022. The Term B-2 Loan principal must be repaid in quarterly installments in the amount of 0.25% of principal through March 2023, with the remaining principal balance due upon maturity in April 2023.

The Credit Facility Agreement allows us to issue standby letters of credit of up to \$100 million in the aggregate under the Revolving Credit Facility. Outstanding letters of credit under the Revolving Credit Facility reduce the amount of borrowings available to us. Borrowings available to us under the Revolving Credit Facility are further limited by the covenants described below under "Compliance with Covenants." The total available commitments under the Revolving Credit Facility at March 31, 2017 were \$228.8 million.

Settlement Lines of Credit

We have lines of credit with banks in the United States and Canada as well as several countries in Europe and in the Asia-Pacific region where we do business. The lines of credit, which are restricted for use in funding settlement, generally have variable

interest rates and are subject to annual review. The lines of credit are generally denominated in local currency but may, in some cases, facilitate borrowings in multiple currencies. For certain of our lines of credit, the available credit is increased by the amount of cash we have on deposit in specific accounts with the lender. Accordingly, the amount of the outstanding line of credit may exceed the stated credit limit. As of March 31, 2017 and December 31, 2016, a total of \$41.0 million and \$51.0 million, respectively, of cash on deposit was used to determine the available credit.

As of March 31, 2017 and December 31, 2016, respectively, we had \$276.4 million and \$392.1 million outstanding under these lines of credit with additional capacity of \$856.5 million as of March 31, 2017 to fund settlement. The weighted-average interest rate on these borrowings was 2.40% and 1.90% at March 31, 2017 and December 31, 2016, respectively.

Compliance with Covenants

The Credit Facility Agreement contains customary affirmative and restrictive covenants, including, among others, financial covenants based on our leverage and fixed charge coverage ratios as defined in the agreement. Pursuant to the Fourth Amendment, financial covenants require a leverage ratio for the period beginning May 2, 2017 no greater than: (i) 4.75 to 1.00 as of the end of any fiscal quarter ending during the period from May 2, 2017 through June 30, 2017; (ii) 4.50 to 1.00 as of the end of any fiscal quarter ending during the period from July 1, 2017 through June 30, 2018; (iii) 4.25 to 1.00 as of the end of any fiscal quarter ending during the period from July 1, 2018 through June 30, 2019; and (iv) 4.00 to 1.00 as of the end of any fiscal quarter ending thereafter. The fixed charge coverage ratio is required to be no less than 2.25 to 1.00. Refer to "Note 5—Long-Term Debt and Lines of Credit" in the notes to the accompanying unaudited consolidated financial statements for the required leverage ratios as of March 31, 2017.

The Credit Facility Agreement and settlement lines of credit also include various other covenants that are customary in such borrowings. The Credit Facility Agreement includes covenants, subject in each case to exceptions and qualifications that may restrict certain payments, including, in certain circumstances, repurchasing our common stock and paying cash dividends in excess of our current rate of \$0.01 per share per quarter.

The Credit Facility Agreement also includes customary events of default, the occurrence of which, following any applicable cure period, would permit the lenders to, among other things, declare the principal, accrued interest and other obligations to be immediately due and payable. We were in compliance with all applicable covenants as of and for the three months ended March 31, 2017.

See "Note 5—Long-Term Debt and Lines of Credit" and "Note 12—Subsequent Event" in the notes to the accompanying unaudited consolidated financial statements for further discussion of our borrowing arrangements.

Off-Balance Sheet Arrangements

We have not entered into any transactions with unconsolidated entities whereby we have financial guarantees, subordinated retained interest, derivative instruments, or other contingent arrangements that expose us to material continuing risks, contingent liabilities, or other obligations under a variable interest in an unconsolidated entity that provides us with financing, liquidity, market, or credit risk support other than the guarantee services described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies" in our Transition Report on Form 10-K for the year ended December 31, 2016.

Critical Accounting Policies

Our unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which often require the judgment of management in the selection and application of certain accounting principles and methods. We discuss our critical accounting policies in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our Transition Report on Form 10-K for the seven-months ended December 31, 2016.

During the first quarter of 2017, we revised our reporting unit structure within our North America segment to reflect changes made in connection with the integration of Heartland. Under the revised reporting unit structure, we operate two reporting units in our North America segment: (i) Payments and (ii) Integrated Solutions and Vertical Markets. We reassigned the goodwill previously allocated to North America merchant services and Heartland to the two new reporting units using a relative fair value approach. As

a result of the change in reporting units, we performed goodwill impairment tests immediately before and after this change in reporting units and determined that there was no impairment.

Effect of New Accounting Pronouncements and Recently Issued Accounting Pronouncements Not Yet Adopted

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board or other standards setting bodies that may affect our current and/or future financial statements. See "Note 1—Basis of Presentation and Summary of Significant Accounting Policies" in the notes to the accompanying unaudited consolidated financial statements for a discussion of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

Forward-Looking Statements

Investors are cautioned that some of the statements we use in this report contain forward-looking statements and are made pursuant to the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a number of risks and uncertainties and depend upon future events or conditions. Actual events or results might differ materially from those expressed or forecasted in these forward-looking statements. Accordingly, we cannot guarantee you that our plans and expectations will be achieved. Such statements may include, but are not limited to, statements about the benefits of our merger with Heartland, including future financial and operating results, the combined company's plans, objectives, expectations and intentions and other statements that are not historical facts. Our forward-looking statements speak only as of the date they are made and should not be relied upon as representing our plans and expectations as of any subsequent date. We undertake no obligation to revise any of these statements to reflect future circumstances or the occurrence of unanticipated events.

Important factors that may cause actual events or results to differ materially from those anticipated by our forward-looking statements include our ability to safeguard our data; increased competition from larger companies and non-traditional competitors; our ability to update our services in a timely manner; our ability to maintain Visa and MasterCard registration and financial institution sponsorship; our reliance on financial institutions to provide clearing services in connection with our settlement activities; our potential failure to comply with card network requirements; potential systems interruptions or failures; software defects or undetected errors; increased attrition of merchants, referral partners or independent sales organizations; our ability to increase our share of existing markets and expand into new markets; a decline in the use of cards for payment generally; unanticipated increases in chargeback liability; increases in credit card network fees; changes in laws, regulations or network rules or interpretations thereof; foreign currency exchange and interest rate risks; political, economic and regulatory changes in the foreign countries in which we operate; future performance, integration and conversion of acquired operations, including without limitation difficulties and delays in integrating the Heartland business or fully realizing cost savings and other benefits of the acquisition at all or within the expected time period; fully realizing anticipated annual interest expense savings from refinancing our corporate debt facilities; our loss of key personnel; and other risk factors presented in Item 1A— Risk Factors of our Transition Report on Form 10-K for the seven months ended December 31, 2016.

ITEM 3—QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to market risk related to changes in interest rates on our long-term debt and cash investments. We invest our excess cash in securities that we believe are highly liquid and marketable in the short term. These investments earn a floating rate of interest and are not held for trading or other speculative purposes.

We have term loans and a revolving credit facility that we use for general corporate purposes, as well as various lines of credit that we use to fund settlement in certain of our markets. Interest rates on these debt instruments and settlement lines of credit are based on market rates and fluctuate accordingly. As of March 31, 2017, there was \$4.7 billion outstanding under these variable-rate debt arrangements and settlement lines of credit.

The interest earned on our cash investments and the interest paid on our debt are based on variable interest rates; therefore, the exposure of our net income to a change in interest rates is partially mitigated as an increase in rates would increase both interest income and interest expense, and a reduction in rates would decrease both interest income and interest expense. Under our current policies, we may selectively use derivative instruments, such as interest rate swaps or forward rate agreements, to manage all or

a portion of our exposure to interest rate changes. We have interest rate swaps that reduce a portion of our exposure to market interest rate risk on our LIBOR-based debt as discussed in "Note 5—Long-Term Debt and Lines of Credit" in the notes to our accompanying unaudited consolidated financial statements.

Based on balances outstanding under variable-rate debt agreements and cash investment balances at March 31, 2017, a hypothetical increase of 50 basis points in applicable interest rates as of March 31, 2017 would increase our annual interest expense by approximately \$17.1 million and increase our annual interest income by approximately \$2.7 million.

Foreign Currency Exchange Rate Risk

A substantial amount of our operations are conducted in foreign currencies. Consequently, a portion of our revenues and expenses may be affected by fluctuations in foreign currency exchange rates. We are also affected by fluctuations in exchange rates on assets and liabilities related to our foreign operations. We have not historically hedged our translation risk on foreign currency exposure, but we may do so in the future.

ITEM 4—CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of March 31, 2017, management carried out, under the supervision and with the participation of our principal executive officer and principal financial officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2017, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and are designed to ensure that information required to be disclosed in those reports is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

In April 2016, we completed our merger with Heartland, which is being integrated into our North America segment. As part of our ongoing integration activities, we are continuing to apply our controls and procedures to the Heartland business and to augment our company-wide controls to reflect the risks inherent in an acquisition of this magnitude. Otherwise, there were no changes in our internal control over financial reporting during the quarter ended March 31, 2017 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1—LEGAL PROCEEDINGS

We are party to a number of claims and lawsuits incidental to our business. In our opinion, the liabilities, if any, which may ultimately result from the outcome of such matters, individually or in the aggregate, are not expected to have a material adverse effect on our financial position, liquidity, results of operations or cash flows.

Heartland, Heartland's board of directors, Global Payments, Data Merger Sub One, Inc. (a wholly owned subsidiary of Global Payments, which we refer to as "Data Merger Sub One") and Data Merger Sub Two, LLC (a wholly owned subsidiary of Global Payments, which we refer to as "Data Merger Sub Two") were named as defendants in a putative class action lawsuit challenging the merger with Heartland. The suit was filed on January 8, 2016 in the New Jersey Superior Court, Mercer County, Civil Division, and is captioned Kevin Merchant v. Heartland Payment Systems, et al, L-45-16. The complaint alleges, among other things, that the directors of Heartland breached their fiduciary duties to Heartland stockholders by agreeing to sell Heartland for inadequate consideration, agreeing to improper deal protection terms in the merger agreement, failing to properly value Heartland, and filing a materially incomplete registration statement with the Securities and Exchange Commission. In addition, the complaint alleges that Heartland, Global Payments, Merger Sub One, and Merger Sub Two aided and abetted these purported breaches of fiduciary duty. On April 12, 2016, solely to avoid the costs, disruption and distraction of further litigation, and without admitting the validity of any allegations made by the plaintiff, Heartland and Global Payments reached an agreement to settle the suit and entered into a Memorandum of Understanding to document the terms and conditions for settlement of the suit. The court has approved the parties' settlement agreement under which Heartland amended its pre-acquisition disclosures and agreed to pay Plaintiffs' counsel \$325,000 in attorney's fees. The settlement releases all claims that were or could have been brought challenging any aspect of the merger with Heartland or the merger agreement related thereto.

ITEM 1A - RISK FACTORS

There have been no material changes from the risk factors set forth in Part I, Item 1A, "Risk Factors" of our Transition Report on Form 10-K for the seven months ended December 31, 2016.

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

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Information about the shares of our common stock that we repurchased during the quarter ended March 31, 2017 is set forth below:

Period	Total Number of Shares Purchased ⁽¹⁾	Approximate Average Price Paid per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs ⁽³⁾
				(in millions)
January 2017	—	\$ —	—	
February 2017	—	\$ —	—	
March 2017	—	\$ —	—	
Total	—		—	\$ 299.7

⁽¹⁾ Our board of directors has authorized us to repurchase shares of our common stock through any combination of Rule 10b5-1 open-market repurchase plans, accelerated share repurchase plans, discretionary open-market purchases or privately negotiated transactions.

⁽²⁾ We did not repurchase any shares of our common stock under our share repurchase program during the three months ended March 31, 2017.

⁽³⁾ The approximate dollar value of shares that may yet be purchased under our share repurchase program, as of March 31, 2017, was comprised of \$299.7 million remaining available under the board's authorization announced on January 5, 2017. The authorizations by the board of directors do not expire, but could be revoked at any time. In addition, we are not required by any of the board's authorizations or otherwise to complete any repurchases by any specific time or at all.

During the quarter ended March 31, 2017, pursuant to our employee incentive plans, we withheld 1,018 shares at an average price per share of \$79.38 in order to satisfy employees' tax withholding and payment obligations in connection with the vesting of awards of restricted stock, which we withheld at fair market value on the vesting date.

ITEM 6—EXHIBITS

List of Exhibits

- 2.1 [Agreement and Plan of Merger, dated as of December 15, 2015, by and among Global Payments Inc., Data Merger Sub One, Inc., Data Merger Sub Two, LLC and Heartland Payment Systems, Inc., incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed December 17, 2015.](#)⁺⁺
- 3.1 [Second Amended and Restated Articles of Incorporation of the Company, incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K filed July 25, 2013.](#)
- 3.2 [Seventh Amended and Restated Bylaws of the Company, incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K filed July 25, 2013.](#)
- 10.1* [Form of Restricted Stock Award pursuant to the 2011 Amended and Restated Incentive Plan for Executive Officers \(calendar 2017\)](#)
- 10.2* [Form of Performance Unit Award Agreement pursuant to the 2011 Amended and Restated Incentive Plan for Executive Officers \(calendar 2017\)](#)
- 10.3* [Form of Stock Option Award pursuant to the 2011 Amended and Restated Incentive Plan for Executive Officers \(calendar 2017\)](#)
- 10.4* [Third Amendment, dated March 30, 2017, to Second Amended and Restated Credit Agreement, dated as of July 31, 2015 among the Company, the other borrowers party thereto, the Guarantors party thereto, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent.](#)
- 31.1* [Certification of the Principal Executive Officer pursuant to Exchange Act Rule 13a-14\(a\) and 15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2* [Certification of the Principal Financial Officer pursuant to Exchange Act Rule 13a-14\(a\) and 15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1* [Certification of the Principal Executive Officer and the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101* The following financial information from the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, formatted in XBRL (eXtensible Business Reporting Language) and filed electronically herewith: (i) the Unaudited Consolidated Statements of Income; (ii) the Unaudited Consolidated Statements of Comprehensive Income; (iii) the Consolidated Balance Sheets; (iv) the Unaudited Consolidated Statements of Cash Flows; (v) the Unaudited Consolidated Statements of Changes in Equity; and (vi) the Notes to Unaudited Consolidated Financial Statements.

* Filed herewith.

⁺⁺ Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K and Global Payments Inc. agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule and/or exhibit upon request.

SIGNATURES

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

Global Payments Inc.
(Registrant)

Date: May 4, 2017

/s/ Cameron M. Bready
Cameron M. Bready
Senior Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Global Payments Inc.

RESTRICTED STOCK AWARD CERTIFICATE

Non-transferable
GRANT TO

("Grantee")

by Global Payments Inc. (the "Company") of

_____[fill in number]

shares of its common stock, no par value (the "Shares") pursuant to and subject to the provisions of the Global Payments Inc. Amended and Restated 2011 Incentive Plan (the "Plan") and to the terms and conditions set forth on the following pages of this award certificate (the "Terms and Conditions"). By accepting this Award, Grantee shall be deemed to have agreed to the terms and conditions set forth in this Restricted Stock Award Certificate (the "Certificate") and the Plan.

Unless sooner vested in accordance with Section 3 of the Terms and Conditions or otherwise in the discretion of the Committee, the restrictions imposed under Section 2 of the Terms and Conditions will expire as to the following percentage of the Shares awarded hereunder, on the following respective dates; provided that Grantee is then still employed by the Company or any of its Affiliates:

<u>Percentage of Shares</u>	<u>Date of Expiration of Restrictions</u>
33.33%	3/1/2018
33.33%	3/1/2019
33.34%	3/1/2020

IN WITNESS WHEREOF, Global Payments Inc., acting by and through its duly authorized officers, has caused this Certificate to be executed.

Global Payments Inc.

Grant Date: 3/1/2017
Grant Number:

By: _____
Its: Authorized Officer

Accepted by Grantee: _____

TERMS AND CONDITIONS

1. Grant of Shares. The Company hereby grants to the Grantee named on the cover page hereof, subject to the restrictions and the other terms and conditions set forth in the Plan and in this Certificate, the number of Shares indicated on the cover page hereof of the Company's no par value common stock (the "Shares"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

2. Restrictions. The Shares are subject to each of the following restrictions. "Restricted Shares" mean those Shares that are subject to the restrictions imposed hereunder which restrictions have not then expired or terminated. Restricted Shares may not be sold, transferred, exchanged, assigned, pledged, hypothecated or otherwise encumbered. If Grantee's employment with the Company or any Affiliate terminates for any reason other than as set forth in paragraph (b) of Section 3 hereof, then Grantee shall forfeit all of Grantee's right, title and interest in and to the Restricted Shares as of the date of employment termination, and such Restricted Shares shall revert to the Company. The restrictions imposed under this Section shall apply to all shares of the Company's Stock or other securities issued with respect to Restricted Shares hereunder in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the Stock.

3. Expiration and Termination of Restrictions. The restrictions imposed under Section 2 will expire on the earliest to occur of the following (the period prior to such expiration being referred to herein as the "Restricted Period"):

- (a) As to the percentages of the Shares specified on the cover page hereof, on the respective dates specified on the cover page hereof; provided Grantee is then still employed by the Company or an Affiliate; or
- (b) Termination of Grantee's employment by reason of death or Disability or, subject to the consent of the Committee, Grantee's Retirement.

4. Delivery of Shares. The Shares will be registered on the books of the Company in Grantee's name as of the Grant Date and will be held by the Company during the Restricted Period in certificated or uncertificated form. If a certificate for Restricted Shares is issued during the Restricted Period with respect to such Shares, such certificate shall be registered in the name of Grantee and shall bear a legend in substantially the following form:

"This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in a Restricted Stock Award Certificate between the registered owner of the shares represented hereby and Global Payments Inc. Release from such terms and conditions shall be made only in accordance with the provisions of such Certificate, copies of which are on file in the offices of Global Payments Inc."

Stock certificates for the Shares, without the above legend, shall be delivered to Grantee or Grantee's designee upon request of Grantee after the expiration of the Restricted Period, but delivery may be postponed for such period as may be required for the Company with reasonable diligence to comply if deemed advisable by the Company, with registration requirements under the Securities Act of 1933, listing requirements under the rules of any stock exchange, and requirements under any other law or regulation applicable to the issuance or transfer of the Shares.

5. Voting and Dividend Rights. Grantee, as beneficial owner of the Shares, shall have full voting and dividend rights with respect to the Shares during and after the Restricted Period. If Grantee forfeits any rights he or she may have under this Certificate in accordance with Section 2, Grantee shall no longer have any rights as a shareholder with respect to the Restricted Shares or any interest therein and Grantee shall no longer be entitled to receive dividends on such stock.

6. No Right of Continued Employment. Nothing in the Plan or this Certificate or any document executed under either of them shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee's employment without liability at any time, nor confer upon Grantee any right to continue in the employ of the Company or any Affiliate.

7. No Entitlement to Future Awards. The grant of this Award does not entitle Grantee to the grant of any additional awards under the Plan in the future. Future grants, if any, will be at the sole discretion of the Company.

8. Payment of Taxes. Upon issuance of the Shares hereunder, Grantee may make an election to be taxed upon such award under Section 83(b) of the Code. The Company or any Affiliate employing Grantee has the authority and the right to deduct or withhold, or require Grantee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the vesting of the Shares. The withholding requirement may be satisfied, in whole or in part, at the election of the Company's general counsel, principal financial officer or chief accounting officer, by withholding from the settlement Shares having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as such officer establishes. The obligations of the Company under this Certificate will be conditional on such payment or arrangements, and the Company and, where applicable, its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Grantee.

9. Amendment. The Committee may amend, modify or terminate this Certificate without approval of Grantee; provided, however, that such amendment, modification or termination shall not, without Grantee's consent, reduce or diminish the value of this award determined as if it had been fully vested (i.e., as if all restrictions on the Restricted Shares hereunder had expired) on the date of such amendment or termination.

10. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plan. Without limiting the foregoing, the Restricted Shares are subject to adjustment as provided in Article 15 of the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Certificate, the provisions of the Plan shall be controlling and determinative. Any conflict between this Certificate and the terms of a written employment, key position, or change-in-control agreement with Grantee that has been approved, ratified or confirmed by the Committee shall be decided in favor of the provisions of such employment, key position, or change-in-control agreement.

11. Governing Law. This Certificate shall be construed in accordance with and governed by the laws of the State of Georgia, United States of America, regardless of the law that might be applied under principles of conflict of laws. Grantee hereby agrees and submits to jurisdiction in the state and federal courts of the State of Georgia and waives objection to such jurisdiction.

12. Severability. If any one or more of the provisions contained in this Certificate is deemed to be invalid, illegal or unenforceable, the other provisions of this Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

13. Relationship to Other Benefits. The Shares shall not affect the calculation of benefits under any other compensation plan or program of the Company, except to the extent specially provided in such other plan or program.

14. Notice. Notices and communications hereunder must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Global Payments Inc., 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328, Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

15. Clawback. Notwithstanding anything to the contrary in this Certificate, the Plan, or any employment, key position, or change-in-control agreement with Grantee, the award granted hereunder is subject to the provisions of the following clawback policy established by the Committee prior to the grant of the Restricted Shares hereunder. The Committee may seek to recoup all or any portion of the value of any annual or long-term incentive awards provided to any current or former executive officers in the event that the Company's financial statements are restated due to the Company's material noncompliance with any financial reporting requirement under the securities laws (the "Restatement"). The Committee may seek recoupment from any current or former executive officer who received incentive-based compensation, granted after the date hereof, during the three (3) year period preceding the date that the Company was required to prepare the Restatement. The Committee may seek to recover the amount by which the individual executive's incentive payments exceeded the lower payment that would have been made based on the restated financial results and the Committee may determine whether the Company shall effect such recovery: (i) by seeking repayment from the executive; (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the executive under any compensatory plan, program or arrangement maintained by the Company; or (iii) a combination of foregoing. The Grantee hereby acknowledges that this award is subject to the foregoing policy and agrees to make any repayment required in connection therewith.

16. Non-Competition and Non-Solicitation. As a condition of Grantee's receipt of this Award, Grantee agrees to the following restrictions. Grantee acknowledges and agrees that as a result of Grantee's employment with the Company or an Affiliate, Grantee's knowledge of and access to confidential and proprietary information, and Grantee's relationships with the Company's or its Affiliate's customers and employees, Grantee would have an unfair competitive advantage if Grantee were to engage in activities in violation of this Agreement. Grantee also acknowledges and agrees that the covenants in this Section 16 are necessary to protect the trade secrets of Company.

16.1 Non-Competition. During the term of Grantee's employment and for a period of twenty-four (24) months immediately following the termination of Grantee's employment for any reason, Grantee shall not, directly or indirectly, seek or obtain any employment or independent contractor relationship with a Competitor, or otherwise engage in Competitive Services, in the geographic area in which the Company or an Affiliate conducts business, in which relationship Grantee has duties for (or provides services to) such Competitor that relate to Competitive Services and are the same or similar to those services actually performed by Grantee for the Company; provided, however, that (a) nothing in this Section 16.1 shall prohibit Grantee from acquiring or holding, for investment purposes only, less than five percent (5%) of the outstanding publicly traded securities of any corporation which may compete directly or indirectly with the Company or an Affiliate; and (b) the time period of the non-compete in this Section 16.1 shall not be longer than the time period of the non-compete in a written employment agreement between Grantee and the Company.

16.2 Non-Solicitation of Customers. During the term of Grantee's employment and for a period of twenty-four (24) months immediately following the termination of Grantee's employment for any reason, Grantee shall not, directly or indirectly, on Grantee's own behalf or on behalf of any other individual, corporation, partnership, joint venture, limited liability company, association or other entity or otherwise, solicit, divert or take away or attempt to solicit divert or take away any Protected Customer for the purpose of providing or selling Competitive Services; provided however, that the non-solicitation restriction contained in this Section 16.2 shall only apply to those Protected Customers (a) with whom Grantee, alone or in conjunction with others, had business dealings on behalf of the Company or an Affiliate during the twelve (12) month period immediately preceding the termination of Grantee's employment or any earlier date of any alleged breach by Grantee of the restriction in Section 16.2 hereof, and/or (b) for whom Grantee was responsible for supervising or coordinating the business dealings between the Company or an Affiliate and the Protected Customer during the twelve (12) month period immediately preceding the termination of Grantee's employment or any earlier date of any alleged breach by Grantee of the restriction in Section 16.2 hereof.

16.3 Non-Solicitation of Employees. During the term of Grantee's employment and for a period of twenty-four (24) months immediately following the termination of Grantee's employment for any reason, Grantee shall not, directly or indirectly, on Grantee's own behalf or on behalf of any other individual, corporation, partnership, joint venture, limited liability company, association or other entity or otherwise, solicit or induce any Protected Employee with whom Grantee worked or otherwise had material contact with through employment with the Company or an Affiliate to terminate his or her employment relationship with the Company or an Affiliate or to enter into employment with any other individual, corporation, partnership, joint venture, limited liability company, association or other entity.

16.4 Definitions. For purposes of this Section 16, the following definitions shall apply:

(a) "Competitive Services" means services competitive with the business activities engaged in by the Company or an Affiliate as of the date of termination of Grantee's employment for any reason or any earlier date of an alleged breach by Grantee of the restrictions in Section 16 hereof, which include, but are not limited to, the provision of products and services to facilitate or assist with the movement in electronic commerce of payment and financial information, merchant processing, merchant acquiring, credit and debit transaction processing, check guarantee and verification, electronic authorization and capture, terminal management services, purchase card services, financial electronic data interchange, cash management services, and wire transfer services.

(b) "Competitor" means any individual, corporation, partnership, joint venture, limited liability company, association, or other entity or enterprise which is engaged, wholly or in part, in Competitive Services, including but not limited to the following companies, all of whom engage in Competitive Services (and all of their parents, subsidiaries, or affiliates who engage in Competitive Services) and all of the successors in interest to any of the foregoing: TSYS Acquiring Solutions, Chase Paymentech Solutions, First Data Corporation, Total System Services, Inc., Vantiv, Wells Fargo Merchant Services, First National Merchant Solutions, RBS Lynk, TransFirst Holdings, iPayment, Bank of America Merchant Services, NPC, Elavon, Moneris Solutions and Worldpay.

(c) “Protected Customer” means any individual, corporation, partnership, joint venture, limited liability company, association, or other entity or enterprise to whom the Company or an Affiliate has sold or provided its products or services, or actively solicited to sell its products or services, during the twelve (12) months prior to termination of Grantee’s employment for any reason or any earlier date of an alleged breach by Grantee of the restrictions in Section 16 hereof.

(d) “Protected Employee” means any employee of the Company or an Affiliate who was employed by Company or an Affiliate at any time within six (6) months prior to the termination of Grantee’s employment for any reason or any earlier date of an alleged breach by Grantee of the restrictions in Section 16 hereof.

16.5 Rights and Remedies Upon Breach. Grantee agrees that, in the event that Grantee breaches or threatens to breach the covenants set forth in Section 16 hereof, the Company shall be entitled to enjoin, preliminarily and permanently, Grantee from violating or threatening to violate the covenants set forth in Section 16 hereof and to have the covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. In addition, if the Grantee breaches any of the covenants set forth in Section 16 hereof, all unvested Shares covered by this Certificate shall be immediately forfeited. Such forfeiture shall be in addition to any other right the Company may have with respect to any such violation or breach.

16.6 Severability. Grantee acknowledges and agrees that the covenants set forth in Section 16 hereof are reasonable and valid in time and scope and in all other respects and shall be considered and construed as separate and independent covenants. If any portion of the foregoing provisions is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, the territory, the definition of activities or the definition of information covered is considered to be invalid or unreasonable in scope, the invalid or unreasonable term shall be redefined, or a new enforceable term provided, such that the intent of the Company and Grantee will not be impaired and the provision in question shall be enforceable to the fullest extent of the applicable laws.

GLOBAL PAYMENTS INC.

PERFORMANCE UNIT AWARD CERTIFICATE

Non-transferable

G R A N T T O

("Grantee")

by Global Payments Inc. (the "Company") of Performance Units (the "Performance Units") representing the right to earn, on a one-for-one basis, shares of the Company's no par value common stock ("Shares"), pursuant to and subject to the provisions of the Global Payments Inc. Amended and Restated 2011 Incentive Plan (the "Plan") and to the terms and conditions set forth on the following pages of this award certificate (the "Certificate").

The target number of Shares subject to this award is _____ (the "Target Award"). Depending on the Company's CY 2017 Adjusted Operating Income and year over year Annual Adjusted EPS Growth over the Performance Period (each as defined herein), Grantee may earn 0% to 200% of the Target Award, in accordance with the matrix attached hereto as Exhibit A and the terms and conditions of this Certificate.

By accepting this Award, Grantee shall be deemed to have agreed to the terms and conditions of this Certificate and the Plan.

IN WITNESS WHEREOF, Global Payments Inc., acting by and through its duly authorized officers, has caused this Certificate to be executed.

GLOBAL PAYMENTS INC.

Grant Date: 3/1/2017

Grant Number:

By: _____

Accepted by Grantee: _____

ts: Authorized Officer

TERMS AND CONDITIONS

1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan. In addition, for purposes of this Certificate:

(i) “Conversion Date” means March 1, 2020, provided that the Committee has previously certified the Company’s CY 2017 Adjusted Operating Income and year over year Annual Adjusted EPS Growth, as more fully described in Exhibit A hereto.

(ii) “Performance Period” means the three year period beginning on January 1, 2017 and ending on December 31, 2019.

(iii) “Performance Multiplier” means the percentage, from 0% to 200%, that will be applied to the Target Award to determine the number of Performance Awards that will convert to Shares on the Conversion Date, as more fully described in Exhibit A hereto.

2. Performance Units. The Performance Units have been credited to a bookkeeping account on behalf of Grantee. The Performance Units will be earned in whole, in part, or not at all, as provided on Exhibit A attached hereto. Any Performance Units that fail to vest in accordance with the terms of this Certificate will be forfeited and reconveyed to the Company without further consideration or any act or action by Grantee.

3. Conversion to Shares. Except as otherwise provided in Section 4 below, 100% of the Performance Units that are earned based on performance will be converted to actual unrestricted Shares (one Share per vested Performance Unit) on the Conversion Date. These shares will be registered on the books of the Company in Grantee’s name as of the Conversion Date and stock certificates for the Shares shall be delivered to Grantee or Grantee’s designee upon request of the Grantee.

4. Termination of Employment. If Grantee’s employment is terminated during the Performance Period, the following provisions of this Section 4 shall govern the vesting of the Performance Units:

(i) Death or Disability. If Grantee’s employment is terminated by reason of death or Disability, the number of Performance Units earned shall be determined at the end of the Performance Period based on actual performance as of the end of the Performance Period.

(ii) Any Other Reason. If Grantee’s employment is terminated for any other reason, all of the Performance Units shall be forfeited; provided, however, that in the case of Grantee’s Retirement or a termination of Grantee’s employment by the Company without Cause or by Grantee for Good Reason, the Committee may, but shall not be required to, determine that some or all of the Performance Units shall be earned at the end of the Performance Period based on actual performance as of the end of the Performance Period.

5. Restrictions on Transfer and Pledge. No right or interest of Grantee in the Performance Units may be pledged, encumbered, or hypothecated or be made subject to any lien, obligation, or liability of Grantee to any other party other than the Company or an Affiliate. The Performance Units may not be sold, assigned, transferred or otherwise disposed of by Grantee other than by will or the laws of descent and distribution.

6. Restrictions on Issuance of Shares. If at any time the Committee shall determine, in its discretion, that registration, listing or qualification of the Shares underlying the Performance Units upon any securities exchange or similar self-regulatory organization or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the Performance Units, stock units will not be converted to Shares in whole or in part unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

7 . Limitation of Rights. The Performance Units do not confer to Grantee or Grantee's beneficiary, executors or administrators any rights of a shareholder of the Company unless and until Shares are in fact issued to such person in connection with the units. Nothing in this Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee's employment at any time, nor confer upon Grantee any right to continue in employment of the Company or any Affiliate.

8. No Entitlement to Future Awards. The grant of the Performance Units does not entitle Grantee to the grant of any additional units or other awards under the Plan in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any grant, the number of units, and vesting provisions.

9. Payment of Taxes. The Company or any Affiliate employing Grantee has the authority and the right to deduct or withhold, or require Grantee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the vesting or settlement of the Performance Units. The withholding requirement may be satisfied, in whole or in part, at the election of the Company's general counsel, principal financial officer or chief accounting officer, by withholding from the settlement of the stock units Shares having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as such officer establishes. The obligations of the Company under this Certificate will be conditional on such payment or arrangements, and the Company and, where applicable, its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Grantee.

10 . Amendment. The Committee may amend, modify or terminate this Certificate without approval of Grantee; provided, however, that such amendment, modification or termination shall not, without Grantee's consent, reduce or diminish the value of this award determined as if it had been fully vested (i.e., as if all restrictions on the Performance Units hereunder had expired) on the date of such amendment or termination.

11. Plan Controls. The terms contained in the Plan shall be and are hereby incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plan. Without limiting the foregoing, the terms and conditions of the Performance Units, including the number of shares and the class or series of capital stock which may be delivered upon settlement of the Performance Units, are subject to adjustment as provided in Article 15 of the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Certificate, the provisions of the Plan shall be controlling and determinative. Any conflict between this Certificate and the terms of a written employment, key position, or change-in-control agreement with Grantee that has been approved, ratified or confirmed by the Committee shall be decided in favor of the provisions of such employment, key position, or change-in-control agreement.

12. Governing Law. This Certificate shall be construed in accordance with and governed by the laws of the State of Georgia, United States of America, regardless of the law that might be applied under principles of conflict of laws. Grantee hereby agrees and submits to jurisdiction in the state and federal courts of the State of Georgia and waives objection to such jurisdiction.

13. Severability. If any one or more of the provisions contained in this Certificate is deemed to be invalid, illegal or unenforceable, the other provisions of this Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

14. Relationship to Other Benefits. The Performance Units shall not affect the calculation of benefits under any other compensation plan or program of the Company, except to the extent specially provided in such other plan or program.

15. Clawback. Notwithstanding anything to the contrary in this Certificate, the Plan, or any employment, key position, or change-in-control agreement with Grantee, the award granted hereunder is subject to the provisions of the following clawback policy established by the Committee prior to the grant of the Performance Units hereunder. The Committee may seek to recoup all or any portion of the value of any annual or long-term incentive awards provided to any current

or former executive officers in the event that the Company's financial statements are restated due to the Company's material noncompliance with any financial reporting requirement under the securities laws (the "Restatement"). The Committee may seek recoupment from any current or former executive officer who received incentive-based compensation, granted after the date hereof, during the three (3) year period preceding the date that the Company was required to prepare the Restatement. The Committee may seek to recover the amount by which the individual executive's incentive payments exceeded the lower payment that would have been made based on the restated financial results and the Committee may determine whether the Company shall effect such recovery: (i) by seeking repayment from the executive; (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the executive under any compensatory plan, program or arrangement maintained by the Company; or (iii) a combination of foregoing. The Grantee hereby acknowledges that this award is subject to the foregoing policy and agrees to make any repayment required in connection therewith.

16. Notice. Notices and communications hereunder must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Global Payments Inc., 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328, Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

17. Non-Competition and Non-Solicitation. As a condition of Grantee's receipt of this Award, Grantee agrees to the following restrictions. Grantee acknowledges and agrees that as a result of Grantee's employment with the Company or an Affiliate, Grantee's knowledge of and access to confidential and proprietary information, and Grantee's relationships with the Company's or its Affiliate's customers and employees, Grantee would have an unfair competitive advantage if Grantee were to engage in activities in violation of this Agreement. Grantee also acknowledges and agrees that the covenants in this Section 17 are necessary to protect the trade secrets of Company.

17.1 Non-Competition. During the term of Grantee's employment and for a period of twenty-four (24) months immediately following the termination of Grantee's employment for any reason, Grantee shall not, directly or indirectly, seek or obtain any employment or independent contractor relationship with a Competitor, or otherwise engage in Competitive Services, in the geographic area in which the Company or an Affiliate conducts business, in which relationship Grantee has duties for (or provides services to) such Competitor that relate to Competitive Services and are the same or similar to those services actually performed by Grantee for the Company; provided, however, that (a) nothing in this Section 17.1 shall prohibit Grantee from acquiring or holding, for investment purposes only, less than five percent (5%) of the outstanding publicly traded securities of any corporation which may compete directly or indirectly with the Company or an Affiliate; and (b) the time period of the non-compete in this Section shall not be longer than the time period of the non-compete in a written employment agreement between Grantee and the Company.

17.2 Non-Solicitation of Customers. During the term of Grantee's employment and for a period of twenty-four (24) months immediately following the termination of Grantee's employment for any reason, Grantee shall not, directly or indirectly, on Grantee's own behalf or on behalf of any other individual, corporation, partnership, joint venture, limited liability company, association or other entity or otherwise, solicit, divert or take away or attempt to solicit divert or take away any Protected Customer for the purpose of providing or selling Competitive Services; provided however, that the non-solicitation restriction contained in this Section 17.2 shall only apply to those Protected Customers (a) with whom Grantee, alone or in conjunction with others, had business dealings on behalf of the Company or an Affiliate during the twelve (12) month period immediately preceding the termination of Grantee's employment or any earlier date of any alleged breach by Grantee of the restriction in Section 17.2 hereof, and/or (b) for whom Grantee was responsible for supervising or coordinating the business dealings between the Company or an Affiliate and the Protected Customer during the twelve (12) month period immediately preceding the termination of Grantee's employment or any earlier date of any alleged breach by Grantee of the restriction in Section 17.2 hereof.

17.3 Non-Solicitation of Employees. During the term of Grantee's employment and for a period of twenty-four (24) months immediately following the termination of Grantee's employment for any reason, Grantee shall not, directly or indirectly, on Grantee's own behalf or on behalf of any other individual, corporation, partnership, joint venture, limited liability company, association or other entity or otherwise, solicit or induce any Protected Employee with whom Grantee worked or otherwise had material contact with through employment with the Company or an

Affiliate to terminate his or her employment relationship with the Company or an Affiliate or to enter into employment with any other individual, corporation, partnership, joint venture, limited liability company, association or other entity.

17.4 Definitions. For purposes of this Section 17, the following definitions shall apply:

(a) “Competitive Services” means services competitive with the business activities engaged in by the Company or an Affiliate as of the date of termination of Grantee’s employment for any reason or any earlier date of an alleged breach by Grantee of the restrictions in Section 17 hereof, which include, but are not limited to, the provision of products and services to facilitate or assist with the movement in electronic commerce of payment and financial information, merchant processing, merchant acquiring, credit and debit transaction processing, check guarantee and verification, electronic authorization and capture, terminal management services, purchase card services, financial electronic data interchange, cash management services, and wire transfer services.

(b) “Competitor” means any individual, corporation, partnership, joint venture, limited liability company, association, or other entity or enterprise which is engaged, wholly or in part, in Competitive Services, including but not limited to the following companies, all of whom engage in Competitive Services (and all of their parents, subsidiaries, or affiliates who engage in Competitive Services) and all of the successors in interest to any of the foregoing: TSYS Acquiring Solutions, Chase Paymentech Solutions, First Data Corporation, Total System Services, Inc., Vantiv, Wells Fargo Merchant Services, First National Merchant Solutions, RBS Lynk, TransFirst Holdings, iPayment, Bank of America Merchant Services, NPC, Elavon, Moneris Solutions and Worldpay.

(c) “Protected Customer” means any individual, corporation, partnership, joint venture, limited liability company, association, or other entity or enterprise to whom the Company or an Affiliate has sold or provided its products or services, or actively solicited to sell its products or services, during the twelve (12) months prior to termination of Grantee’s employment for any reason or any earlier date of an alleged breach by Grantee of the restrictions in Section 17 hereof.

(d) “Protected Employee” means any employee of the Company or an Affiliate who was employed by Company or an Affiliate at any time within six (6) months prior to the termination of Grantee’s employment for any reason or any earlier date of an alleged breach by Grantee of the restrictions in Section 17 hereof.

17.5 Rights and Remedies Upon Breach. Grantee agrees that, in the event that Grantee breaches or threatens to breach the covenants set forth in Section 17 hereof, the Company shall be entitled to enjoin, preliminarily and permanently, Grantee from violating or threatening to violate the covenants set forth in Section 17 hereof and to have the covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. In addition, if the Grantee breaches any of the covenants set forth in Section 17 hereof, all unvested Shares covered by this Certificate shall be immediately forfeited. Such forfeiture shall be in addition to any other right the Company may have with respect to any such violation or breach.

17.6 Severability. Grantee acknowledges and agrees that the covenants set forth in Section 17 hereof are reasonable and valid in time and scope and in all other respects and shall be considered and construed as separate and independent covenants. If any portion of the foregoing provisions is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, the territory, the definition of activities or the definition of information covered is considered to be invalid or unreasonable in scope, the invalid or unreasonable term shall be redefined, or a new enforceable term provided, such that the intent of the Company and Grantee will not be impaired and the provision in question shall be enforceable to the fullest extent of the applicable laws.

EXHIBIT A

Grantee may earn a percentage of the Target Award based on the Company's year over year Annual Adjusted EPS Growth for the Performance Period, as follows:

- A. If CY 2017 Adjusted Operating Income is zero or below, the Performance Multiplier will be 0% and all of the Performance Units will be forfeited to the Company without further consideration or any act or action by Grantee.
- B. If CY 2017 Adjusted Operating Income is above zero, the Performance Multiplier will be 200%, subject to the Committee's discretion to determine that a lower Performance Multiplier shall apply to this Award. In exercising such discretion, the Committee shall consider and be guided by the Company's year over year Annual Adjusted EPS Growth (as defined herein) based upon the following Performance Matrices with respect to Annual Adjusted EPS Growth for each of CY 2017, 2018 and 2019.

Performance Matrix for CY 2017 Annual Adjusted EPS Growth

Degree of Performance Attainment	Annual Adjusted EPS Growth	Annual Multiple ⁽¹⁾
Maximum	16%	200%
Target	13%	100%
Threshold	8%	50%
Less than Threshold	Below 8%	0%

(1) Payouts between performance levels will be determined based on straight line interpolation.

Performance Matrix for CY 2018 Annual Adjusted EPS Growth

Degree of Performance Attainment	Annual Adjusted EPS Growth	Annual Multiple ⁽¹⁾
Maximum	16%	200%
Target	13%	100%
Threshold	8%	50%
Less than Threshold	Below 8%	0%

(1) Payouts between performance levels will be determined based on straight line interpolation.

Performance Matrix for CY 2019 Annual Adjusted EPS Growth

Degree of Performance Attainment	Annual Adjusted EPS Growth	Annual Multiple ⁽¹⁾
Maximum	16%	200%
Target	13%	100%
Threshold	8%	50%
Less than Threshold	Below 8%	0%

(1) Payouts between performance levels will be determined based on straight line interpolation.

- C. The resulting Annual Multiples for each of CY 2017, 2018 and 2019 are averaged together to determine the Performance Multiplier. For example:
-

- If actual CY 2017 Annual Adjusted EPS Growth results in an Annual Multiple of 50%, actual CY 2018 Annual Adjusted EPS Growth results in an Annual Multiple of 100%, and actual CY 2019 Annual Adjusted EPS Growth results in an Annual Multiple of 100%, then the Performance Multiplier shall be 83%.
- For the avoidance of doubt, no Performance Units shall be earned prior to the Conversion Date.

D. For purposes of this Certificate, the following terms shall have the following meanings:

- (1) “CY 2017” or “2017 calendar year” means the twelve month period commencing on January 1, 2017 and ending December 31, 2017.
- (2) “CY 2018” or “2018 calendar year” means the twelve month period commencing on January 1, 2018 and ending December 31, 2018.
- (3) “CY 2019” or “2019 calendar year” means the twelve month period commencing on January 1, 2019 and ending December 31, 2019.
- (4) “Annual Adjusted EPS” means “diluted earnings per share” as described and quantified in the Company’s calendar 2017, 2018, and 2019 year-end earnings press releases, respectively, except that for purposes of this Certificate, Annual Adjusted EPS shall exclude the after-tax impact of expenses associated with share-based compensation and foreign currency exchange as calculated based on foreign currency exchange rates established at the Grant Date of this Award.
- (5) “Annual Adjusted EPS Growth” means the percentage increase in Annual Adjusted EPS for each calendar year in the Performance Period. For purposes of the 2017 calendar year, the beginning point for measurement of Annual Adjusted EPS growth shall be actual Annual Adjusted EPS for the twelve month period commencing on January 1, 2016 and ending December 31, 2016. For purposes of the 2018 and 2019 calendar years, the beginning point for measurement of Annual Adjusted EPS growth shall be actual Annual Adjusted EPS for the 2017 and 2018 calendar years, respectively, as measured in accordance with this Certificate.
- (6) “CY 2017 Adjusted Operating Income” means “operating income” as shown in the Company’s Consolidated Statements of Income for the calendar year ended December 31, 2017, as filed with the Securities and Exchange Commission on the Company’s Form 10-K for CY 2017, except that for the purpose of this Certificate, CY 2017 Adjusted Operating Income will be rounded up or down to the nearest whole million dollar level and shall exclude the impact of restructuring, acquisition-related intangible amortization expense, foreign exchange, and other non-recurring charges that are specifically excluded from the calculation of the Company’s adjusted operating income for such year, as described and quantified in the Company’s CY 2017 year-end earnings press release.

NON-STATUTORY STOCK OPTION

Non-transferable

GRANT TO

(the "Optionee")

the right to purchase from Global Payments Inc. (the "Company")

_____ shares of its common stock, no par value, at the price of \$_____ per share

pursuant to and subject to the provisions of the Global Payments Inc. Amended and Restated 2011 Incentive Plan (the "Plan") and to the terms and conditions set forth on the following page (the "Terms and Conditions").

Unless sooner vested in accordance with Section 2 of the Terms and Conditions or otherwise in the discretion of the Committee, the Options shall vest (become exercisable) in accordance with the following schedule:

<u>Continuous Status as a Participant after Grant Date</u>	<u>Percent of Option Shares Vested</u>
Less than 1 Year	0%
1 Year	33.33%
2 Years	66.66%
3 Years	100%

IN WITNESS WHEREOF, Global Payments Inc., acting by and through its duly authorized officers, has caused this Certificate to be executed as of the Grant Date.

GLOBAL PAYMENTS INC.

By: _____
Its: Authorized Officer

Grant Number: _____

Grant Date: 3/1/2017

Accepted by Optionee: _____

TERMS AND CONDITIONS

1. Grant of Option. Global Payments Inc. (the “Company”) hereby grants to the Optionee named on Page 1 hereof (“Optionee”), under the Global Payments Inc. 2011 Incentive Plan (the “Plan”), stock options to purchase from the Company (the “Options”), on the terms and on conditions set forth in this certificate (this “Certificate”), the number of shares indicated on Page 1 of the Company’s no par value common stock, at the exercise price per share set forth on Page 1. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

2. Vesting of Options. The Option shall vest (become exercisable) in accordance with the schedule shown on Page 1 of this Certificate. Notwithstanding the foregoing vesting schedule, upon Optionee’s death or Disability during his or her Continuous Status as a Participant, or subject to the consent of the Committee, upon Optionee’s Retirement, all Options shall become fully vested and exercisable.

3. Term of Options and Limitations on Right to Exercise. The term of the Options will be for a period of ten years, expiring at 5:00 p.m., Eastern Time, on the tenth anniversary of the Grant Date (the “Expiration Date”). To the extent not previously exercised, the Options will lapse prior to the Expiration Date upon the earliest to occur of the following circumstances:

(a) Three months after the termination of Optionee’s Continuous Status as a Participant for any reason other than by reason of Optionee’s death, Disability or Retirement.

(b) Twelve months after termination of Optionee’s Continuous Status as Participant by reason of Disability.

(c) Five years after termination of Optionee’s Continuous Status as a Participant by reason of Retirement.

(d) Twelve months after the date of Optionee’s death, if Optionee dies while employed, or during the three-month period described in subsection (a) above or during the twelve-month period described in subsection (b) above and before the Options otherwise lapse. If the Optionee dies during the five-year period described in subsection (c) above, the Option shall lapse as provided in subsection (c). Upon Optionee’s death, the Options may be exercised by Optionee’s beneficiary designated pursuant to the Plan.

The Committee may, prior to the lapse of the Options under the circumstances described in paragraphs (a), (b), (c) or (d) above, extend the time to exercise the Options as determined by the Committee in writing. If Optionee returns to employment with the Company during the designated post-termination exercise period, then Optionee shall be restored to the status Optionee held prior to such termination but no vesting credit will be earned for any period Optionee was not in Continuous Status as a Participant. If Optionee or his or her beneficiary exercises an Option after termination of service, the Options may be exercised only with respect to the Shares that were otherwise vested on Optionee’s termination of service.

4. Exercise of Option. The Options shall be exercised by (a) written notice directed to the Secretary of the Company or his or her designee at the address and in the form specified by the Secretary from time to time and (b) payment to the Company in full for the Shares subject to such exercise (unless the exercise is a broker-assisted cashless exercise, as described below). If the person exercising an Option is not Optionee, such person shall also deliver with the notice of exercise appropriate proof of his or her right to exercise the Option. Payment for such Shares shall be in (a) cash, (b) Shares previously acquired by the purchaser, which have been held by the purchaser for such period of time, if any, as necessary to avoid variable accounting for the Option, or (c) any combination thereof, for the number of Shares specified in such written notice. The value of surrendered Shares for this purpose shall be the Fair Market Value as of the last trading day immediately prior to the exercise date. To the extent permitted under Regulation T of the Federal Reserve Board, and subject to

applicable securities laws and any limitations as may be applied from time to time by the Committee (which need not be uniform), the Options may be exercised through a broker in a so-called “cashless exercise” whereby the broker sells the Option Shares on behalf of Optionee and delivers cash sales proceeds to the Company in payment of the exercise price. In such case, the date of exercise shall be deemed to be the date on which notice of exercise is received by the Company and the exercise price shall be delivered to the Company by the settlement date.

5. Beneficiary Designation. Optionee may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of Optionee hereunder and to receive any distribution with respect to the Options upon Optionee’s death. A beneficiary, legal guardian, legal representative, or other person claiming any rights hereunder is subject to all terms and conditions of this Certificate and the Plan, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives Optionee, the Options may be exercised by the legal representative of Optionee’s estate, and payment shall be made to Optionee’s estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by Optionee at any time provided the change or revocation is filed with the Company.

6. Withholding. The Company or any employer Affiliate has the authority and the right to deduct or withhold, or require Optionee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Optionee’s FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the exercise of the Options. The withholding requirement may be satisfied, in whole or in part, at the election of the Secretary, by withholding from the Options Shares having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as the Secretary establishes. If Shares are surrendered to satisfy withholding obligations in excess of the minimum withholding obligation, such Shares must have been held by the purchaser as fully vested shares for such period of time, if any, as necessary to avoid variable accounting for the Options. The obligations of the Company under this Certificate will be conditional on such payment or arrangements, and the Company and, where applicable, its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Optionee.

7. Limitation of Rights. The Options do not confer to Optionee or Optionee’s beneficiary designated pursuant to Paragraph 5 any rights of a shareholder of the Company unless and until Shares are in fact issued to such person in connection with the exercise of the Options.

8. No Right of Continued Employment; No Rights to Compensation or Damages. Nothing in the Plan or this Certificate or any document executed under either of them shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Optionee’s employment without liability at any time, nor confer upon Optionee any right to continue in the employ of the Company or any Affiliate. By executing this Certificate, Optionee waives any and all rights to compensation or damages for the termination of his office or employment, or failure to provide sufficient notice of termination of his office or employment, with the Company or any Affiliate for any reason whatsoever insofar as those rights arise or may arise from the loss of Optionee’s benefits or rights upon conversion of the Options in connection with such termination.

9. Stock Reserve. The Company shall at all times during the term of this Certificate reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Certificate.

10. Restrictions on Transfer and Pledge. No right or interest of Optionee in the Options may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or an Affiliate, or shall be subject to any lien, obligation, or liability of Optionee to any other party other than the Company or an Affiliate. The Options are not assignable or transferable by Optionee other than by will or the laws of descent and distribution or pursuant to a domestic relations order that would satisfy Section 414(p)

(1)(A) of the Code if such Section applied to an Option under the Plan; provided, however, that the Committee may (but need not) permit other transfers. The Options may be exercised during the lifetime of Optionee only by Optionee or any permitted transferee.

11. Restrictions on Issuance of Shares. If at any time the Committee shall determine in its discretion, that registration, listing or qualification of the Shares covered by the Options upon any Exchange or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the exercise of the Options, the Options may not be exercised in whole or in part unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

12. No Entitlement to Future Awards. The grant of the Options does not entitle Optionee to the grant of any additional options or other awards under the Plan in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any grant, the number of options, and vesting provisions. The grant of the options is an extraordinary item of compensation outside the scope of any employment contract. As such, the Options are not part of normal or expected compensation for purposes of calculating severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

13. Transfer of Data. By executing this certificate, Optionee voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this paragraph. Optionee is not obliged to consent to such collection, use, processing and transfer of personal data, but failure to provide the consent may affect Optionee's eligibility to receive awards under the Plan. The Company and its Affiliates hold certain personal information about Optionee, including name, home address and telephone number, date of birth, employee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, and details of any rights or entitlements to shares of stock, for the purpose of managing and administering the Plan ("Data"). The Company and its Affiliates will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of Optionee's participation in the Plan, and the Company and any of its Affiliates may each further transfer Data to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the United States or elsewhere throughout the world. Optionee authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Optionee's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of stock on Optionee's behalf to a broker or other third party with whom Optionee may elect to deposit any shares of stock acquired pursuant to the Plan. Optionee may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, by withdrawing his or her consent, Optionee will affect his or her ability to participate in the Plan.

14. Amendment. The Committee may amend, modify or terminate this Certificate without approval of Optionee; provided, however, that such amendment, modification or termination shall not, without Optionee's consent, reduce or diminish the value of this award determined as if it had been fully vested on the date of such amendment or termination.

15. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Certificate, the provisions of the Plan shall be controlling and determinative. Any conflict between this Certificate and the terms of a written employment, key position, or change-in-control agreement with Optionee that has been approved, ratified or confirmed by the Committee shall be decided in favor of the provisions of such employment, key position, or change-in-control agreement.

16. Successors. This Certificate shall be binding upon any successor of the Company, in accordance with the terms of this Certificate and the Plan.

17. Governing Law. This Certificate shall be construed in accordance with and governed by the laws of the State of Georgia, United States of America, regardless of the law that might be applied under principles of conflict of laws. Optionee hereby agrees and submits to jurisdiction in the state and federal courts of the State of Georgia and waives objection to such jurisdiction.

18. Severability. If any one or more of the provisions contained in this Certificate is deemed to be invalid, illegal or unenforceable, the other provisions of this Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

19. Relationship to Other Benefits. The Shares shall not affect the calculation of benefits under any other compensation plan or program of the Company, except to the extent specially provided in such other plan or program.

20. Notice. Notices and communications under this Certificate must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Global Payments Inc., 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328, Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Optionee. Notices to Optionee will be directed to the address of Optionee then currently on file with the Company, or at any other address given by Optionee in a written notice to the Company.

21. Clawback. Notwithstanding anything to the contrary in this Certificate, the Plan, or any employment, key position, or change-in-control agreement with Optionee, the options granted hereunder are subject to the provisions of the following clawback policy established by the Committee prior to the grant of the Options hereunder. The Committee may seek to recoup all or any portion of the value of any annual or long-term incentive awards provided to any current or former executive officers in the event that the Company's financial statements are restated due to the Company's material noncompliance with any financial reporting requirement under the securities laws (the "Restatement"). The Committee may seek recoupment from any current or former executive officer who received incentive-based compensation, granted after the date hereof, during the three (3) year period preceding the date that the Company was required to prepare the Restatement. The Committee may seek to recover the amount by which the individual executive's incentive payments exceeded the lower payment that would have been made based on the restated financial results and the Committee may determine whether the Company shall effect such recovery: (i) by seeking repayment from the executive; (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the executive under any compensatory plan, program or arrangement maintained by the Company; or (iii) a combination of foregoing. The Optionee hereby acknowledges that this award is subject to the foregoing policy and agrees to make any repayment required in connection therewith.

22. Non-Competition and Non-Solicitation. As a condition of Optionee's receipt of this Award, Optionee agrees to the following restrictions. Optionee acknowledges and agrees that as a result of Optionee's employment with the Company or an Affiliate, Optionee's knowledge of and access to confidential and proprietary information, and Optionee's relationships with the Company's or its Affiliate's customers and employees, Optionee would have an unfair competitive advantage if Optionee were to engage in activities in violation of this Agreement. Optionee also acknowledges and agrees that the covenants in this Section 22 are necessary to protect the trade secrets of Company.

22.1 Non-Competition. During the term of Optionee's employment and for a period of twenty-four (24) months immediately following the termination of Optionee's employment for any reason, Optionee shall not, directly or indirectly, seek or obtain any employment or independent contractor relationship with a Competitor, or otherwise engage in Competitive Services, in the geographic area in which the Company or an Affiliate conducts business, in which relationship Optionee has duties for (or provides services to) such Competitor that relate to Competitive Services and are the same or similar to those services actually performed by Optionee for the Company; provided, however, that (a) nothing in this Section 22.1 shall prohibit Optionee from acquiring or holding, for investment purposes only, less than five percent (5%) of the outstanding publicly traded securities of any corporation which may compete directly or indirectly with the

Company or an Affiliate; and (b) the time period of the non-compete in this Section shall not be longer than the time period of the non-compete in a written employment agreement between Optionee and the Company.

22.2 Non-Solicitation of Customers. During the term of Optionee's employment and for a period of twenty-four (24) months immediately following the termination of Optionee's employment for any reason, Optionee shall not, directly or indirectly, on Optionee's own behalf or on behalf of any other individual, corporation, partnership, joint venture, limited liability company, association or other entity or otherwise, solicit, divert or take away or attempt to solicit divert or take away any Protected Customer for the purpose of providing or selling Competitive Services; provided however, that the non-solicitation restriction contained in this Section 22.2 shall only apply to those Protected Customers (a) with whom Optionee, alone or in conjunction with others, had business dealings with on behalf of the Company or an Affiliate during the twelve (12) month period immediately preceding the termination of Optionee's employment or any earlier date of any alleged breach by Optionee of the restriction in Section 22.2 hereof, and/or (b) for whom Optionee was responsible for supervising or coordinating the business dealings between the Company or an Affiliate and the Protected Customer during the twelve (12) month period immediately preceding the termination of Optionee's employment or any earlier date of any alleged breach by Optionee of the restriction in Section 22.2 hereof.

22.3 Non-Solicitation of Employees. During the term of Optionee's employment and for a period of twenty-four (24) months immediately following the termination of Optionee's employment for any reason, Optionee shall not, directly or indirectly, on Optionee's own behalf or on behalf of any other individual, corporation, partnership, joint venture, limited liability company, association or other entity or otherwise, solicit or induce any Protected Employee with whom Optionee worked or otherwise had material contact with through employment with the Company or an Affiliate to terminate his or her employment relationship with the Company or an Affiliate or to enter into employment with any other individual, corporation, partnership, joint venture, limited liability company, association or other entity.

22.4 Definitions. For purposes of this Section 22, the following definitions shall apply:

(a) "Competitive Services" means services competitive with the business activities engaged in by the Company or an Affiliate as of the date of termination of Optionee's employment for any reason or any earlier date of an alleged breach by Optionee of the restrictions in Section 22 hereof, which include, but are not limited to, the provision of products and services to facilitate or assist with the movement in electronic commerce of payment and financial information, merchant processing, merchant acquiring, credit and debit transaction processing, check guarantee and verification, electronic authorization and capture, terminal management services, purchase card services, financial electronic data interchange, cash management services, and wire transfer services.

(b) "Competitor" means any individual, corporation, partnership, joint venture, limited liability company, association, or other entity or enterprise which is engaged, wholly or in part, in Competitive Services, including but not limited to the following companies, all of whom engage in Competitive Services (and all of their parents, subsidiaries, or affiliates who engage in Competitive Services) and all of the successors in interest to any of the foregoing: TSYS Acquiring Solutions, Chase Paymentech Solutions, First Data Corporation, Total System Services, Inc., Vantiv, Wells Fargo Merchant Services, First National Merchant Solutions, RBS LYNK, TransFirst Holdings, iPayment, Bank of America Merchant Services, NPC, Elavon, Moneris Solutions, and Worldpay.

(c) "Protected Customer" means any individual, corporation, partnership, joint venture, limited liability company, association, or other entity or enterprise to whom the Company or an Affiliate has sold or provided its products or services, or actively solicited to sell its products or services, during the twelve (12) months prior to termination of Optionee's employment for any reason or any earlier date of an alleged breach by Optionee of the restrictions in Section 22 hereof.

(d) "Protected Employee" means any employee of the Company or an Affiliate who was employed by Company or an Affiliate at any time within six (6) months prior to the termination of Optionee's employment for any reason or any earlier date of an alleged breach by Optionee of the restrictions in Section 22 hereof.

22.5 Rights and Remedies Upon Breach. Optionee agrees that, in the event that Optionee breaches or threatens to breach the covenants set forth in Section 22 hereof, the Company shall be entitled to enjoin, preliminarily and permanently, Optionee from violating or threatening to violate the covenants set forth in Section 22 hereof and to have the covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. In addition, if the Optionee breaches any of the covenants set forth in Section 22 hereof, all unvested Options covered by this Certificate shall be immediately forfeited. Such forfeiture shall be in addition to any other right the Company may have with respect to any such violation or breach.

22.6 Severability. Optionee acknowledges and agrees that the covenants set forth in Section 22 hereof are reasonable and valid in time and scope and in all other respects and shall be considered and construed as separate and independent covenants. If any portion of the foregoing provisions is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, the territory, the definition of activities or the definition of information covered is considered to be invalid or unreasonable in scope, the invalid or unreasonable term shall be redefined, or a new enforceable term provided, such that the intent of the Company and Optionee will not be impaired and the provision in question shall be enforceable to the fullest extent of the applicable laws.

March 30, 2017

Global Payments Inc.
10 Glenlake Parkway, NE
Atlanta, Georgia 30328-3473

Re: Third Amendment to Second Amended and Restated Credit Agreement, dated as of July 31, 2015 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement") among Global Payments Inc., a Georgia corporation (the "Company"), the other borrowers party thereto (together with the Company, the "Borrowers" and each a "Borrower"), the Guarantors party thereto, the Lenders party thereto, and Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to the Credit Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Credit Agreement.

The Company and the Administrative Agent The parties hereto agree that the reference to "March 30, 2017" in Section 2.07(f) of the Credit Agreement is hereby amended to be "March 31, 2017".

The Credit Agreement remains in full force and effect as modified to the extent set forth herein. This letter agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one agreement. Delivery of an executed counterpart of this letter by facsimile or other secure electronic format (.pdf) shall be effective as an original. This letter agreement shall be effective upon receipt by the Administrative Agent of counterparts of this letter agreement executed by the Credit Parties. This letter agreement is a Loan Document.

This letter shall be governed by and construed in accordance with the laws of the State of New York.

[signature pages follow].

Very truly yours,

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /S/ Angela Larkin
Name: Angela Larkin
Title: Assistant Vice President

THIRD AMENDMENT
GLOBAL PAYMENTS, INC.

Accepted and Agreed to:

BORROWERS:

GLOBAL PAYMENTS INC.,
a Georgia corporation

By: /S/ David L. Green
Name: David L. Green
Title: EVP, General Counsel & Secretary

GLOBAL PAYMENTS DIRECT, INC.,
a New York corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

GLOBAL PAYMENTS UK LTD.,
an English company governed by the Laws of England and Wales

By: /S/ David L. Green
Name: David L. Green
Title: Director

GLOBAL PAYMENTS ACQUISITION
CORPORATION 2,
a Luxembourg *société à responsabilité limitée*, having its registered office at 6C, rue
Gabriel Lippmann, L-5365 Munsbach, Grand-Duchy of Luxembourg, and registered
with the R.C.S. Luxembourg under number B 139.629

By: /S/ David L. Green
Name: David L. Green
Title: Type A Manager

GLOBAL PAYMENTS ACQUISITION PS 1 - GLOBAL PAYMENTS DIRECT,
a Luxembourg *société en nom collectif*, having its registered office at 6C, rue Gabriel
Lippmann, L-5365 Munsbach, Grand-Duchy of Luxembourg, and registered with the
R.C.S. Luxembourg under number B 139.804

By: Global Payments Direct, Inc., its Manager

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

THIRD AMENDMENT
GLOBAL PAYMENTS, INC.

GLOBAL PAYMENTS ACQUISITION PS 2 C.V.,
a Netherlands limited partnership

By: Global Payments Direct, Inc., acting in its capacity as general partner of Global Payments Acquisition PS 1 C.V., in its turn representing Global Payments Acquisition PS 1 - Global Payments Direct S.e.n.c., in its turn acting in its capacity as general partner on behalf and for the benefit of Global Payments Acquisition PS 2 C.V.

By: /S/ David L. Green
Name: David L. Green
Title: Authorised Signatory

THIRD AMENDMENT
GLOBAL PAYMENTS, INC.

GUARANTORS:

GLOBAL PAYMENTS DIRECT, INC.,
a New York corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

GLOBAL PAYMENT HOLDING COMPANY,
a Delaware corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

Global Payments CHECK SERVICES, Inc.,
an Illinois corporation

By: /S/ David L. Green
Name: David L. Green
Title: Authorized Signatory

Global Payments GAMING SERVICES, Inc.,
an Illinois corporation

By: /S/ David L. Green
Name: David L. Green
Title: Authorized Signatory

GLOBAL PAYMENTS CHECK RECOVERY SERVICES, INC.,
a Georgia corporation

By: /S/ David L. Green
Name: David L. Green
Title: Authorized Signatory

GLOBAL PAYMENTS GAMING INTERNATIONAL, INC.,
a Georgia corporation

By: /S/ David L. Green
Name: David L. Green
Title: Authorized Signatory

DEBITEK, INC.,
a Delaware corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

DIGITAL DINING, LLC,
a Delaware limited liability company

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

DINERWARE, LLC,
a Delaware limited liability company

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

GP FINANCE, INC.,
a Delaware corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

GREATER GIVING, INC.,
a Delaware corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

HEARTLAND ACQUISITION, LLC,
a Delaware limited liability company

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

HEARTLAND COMMERCE, INC.,
a Delaware corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

HEARTLAND PAYMENT SOLUTIONS, INC.,
a Delaware corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

HEARTLAND PAYMENT SYSTEMS, LLC,
a Delaware limited liability company

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

HEARTLAND PAYROLL SOLUTIONS, INC.,
a Delaware corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

OPENEDGE PAYMENTS LLC,
a Delaware limited liability company

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

PAYPROS LLC,
a Delaware limited liability company

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

PAYROLL 1, INC.,
a Michigan corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

PCAMERICA, LLC,
a Delaware limited liability company

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

TOUCHNET INFORMATION SYSTEMS, INC.,
a Kansas corporation

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

XPIENT, LLC,
a Delaware limited liability company

By: /S/ David L. Green
Name: David L. Green
Title: Secretary

EDUCATIONAL COMPUTER SYSTEMS, INC.,
a Pennsylvania corporation

By: /S/ David L. Green
Name: David L. Green
Title: Authorized Signatory

THIRD AMENDMENT
GLOBAL PAYMENTS, INC.

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeffrey S. Sloan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Payments Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Jeffrey S. Sloan

Date: May 4, 2017

Jeffrey S. Sloan
Chief Executive Officer

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Cameron M. Bready, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Payments Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Cameron M. Bready _____

Date: May 4, 2017

Cameron M. Bready
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Global Payments Inc. on Form 10-Q for the period ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jeffrey S. Sloan, Chief Executive Officer of Global Payments Inc. (the "Company"), and Cameron M. Bready, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934;
and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey S. Sloan

Jeffrey S. Sloan
Chief Executive Officer
Global Payments Inc.

May 4, 2017

/s/ Cameron M. Bready

Cameron M. Bready
Chief Financial Officer
Global Payments Inc.

May 4, 2017

A signed original of this written statement required by Section 906 has been provided to Global Payments Inc. and will be retained by Global Payments Inc. and furnished to the Securities and Exchange Commission upon request.