

HEARTLAND PAYMENT SYSTEMS INC  
Form DEFM14A  
March 23, 2016  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**(Rule 14a-101)**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**HEARTLAND PAYMENT SYSTEMS, INC.**

**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  
  - (2) Aggregate number of securities to which transaction applies:
  
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
  - (4) Proposed maximum aggregate value of transaction:
  
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
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  - (1) Amount Previously Paid:
  
  - (2) Form, Schedule or Registration Statement No:
  
  - (3) Filing Party:
  
  - (4) Date Filed:

Table of Contents

March 23, 2016

Dear Stockholder of Heartland Payment Systems, Inc.:

On December 15, 2015, Heartland Payment Systems, Inc., which we refer to as Heartland, and Global Payments Inc., which we refer to as Global Payments, Data Merger Sub One, Inc., (a wholly owned subsidiary of Global Payments, which we refer to as Merger Sub One) and Data Merger Sub Two, LLC (a wholly owned subsidiary of Global Payments, which we refer to as Merger Sub Two, and together with Merger Sub One, the Merger Subs) entered into an Agreement and Plan of Merger, which we refer to as the merger agreement, under which Global Payments will acquire Heartland.

Under the terms of the merger agreement, Global Payments will acquire Heartland by way of two mergers (which we refer to as the mergers). First, Merger Sub One will merge with and into Heartland, with Heartland continuing as a wholly owned subsidiary of Global Payments. Second, Heartland will merge with and into Merger Sub Two immediately following the initial merger, with Merger Sub Two surviving the second merger as a wholly owned subsidiary of Global Payments. If the mergers contemplated by the merger agreement are completed, for each share of Heartland common stock you own, you will have the right to receive, (subject to adjustment as set forth in the next sentence) \$53.28 in cash (which we refer to as the cash consideration), without interest, and 0.6687 of a share of common stock of Global Payments (which we refer to as the stock consideration, and together with the cash consideration, the per share merger consideration), with cash paid in lieu of fractional shares of Global Payments common stock. Under the terms of the merger agreement, in the event that the number of shares of common stock of Global Payments issuable as a result of the mergers would exceed 19.9% of the issued and outstanding shares of common stock of Global Payments immediately prior to the closing of the mergers, the stock consideration will be reduced so that (i) no more than 19.9% of the outstanding shares of common stock of Global Payments become issuable in the mergers and the cash consideration will be increased by a corresponding amount, and (ii) the value of the per share merger consideration at closing will remain the same. Because this calculation will be made immediately prior to the mergers, you will not know at the time of the special meeting whether any such adjustment will be required to be made or, if such an adjustment is required, the exact combination of cash and Global Payments common stock that you will receive in the mergers.

**The value of the cash consideration is fixed at \$53.28 (subject to adjustments as set forth above), but the value of the stock consideration will fluctuate as the market price of Global Payments common stock fluctuates before the completion of the mergers, and may be more or less than the value of the stock consideration on the date of the special meeting.** Based on the closing stock price of Global Payments common stock on the New York Stock Exchange, which we refer to as the NYSE, on December 15, 2015, the date of the public announcement of the mergers, of \$71.42, the value of the stock consideration was \$47.76. Based on the closing stock price of Global Payments common stock on the NYSE on December 9, 2015, the last full trading day before the publication of news reports relating to a potential acquisition of Heartland by Global Payments, of \$69.63, the value of the stock consideration was \$46.56. Based on the closing stock price of Global Payments common stock on the NYSE on March 22, 2016, the latest practicable date before the mailing of this proxy statement/prospectus, of \$59.62, the value of the stock consideration was \$39.87. You may obtain current stock price quotations for Global Payments common

stock and Heartland common stock before you vote. Global Payments common stock is quoted on the NYSE under the symbol GPN. Heartland common stock is quoted on the NYSE under the symbol HPY.

The mergers cannot be completed unless the holders of a majority of the outstanding shares of Heartland common stock entitled to vote as of the close of business on March 24, 2016, the record date for the special meeting, vote to adopt the merger agreement at the special meeting. Failure to vote in favor of the adoption of the merger agreement will have the same effect as a vote AGAINST the adoption of the merger agreement.

The special meeting of Heartland stockholders will be held on April 21, 2016 at 300 Carnegie Center, Princeton, New Jersey 08540, at 9:00 a.m., local time.

**Your vote is very important, regardless of the number of shares of Heartland common stock you own. To ensure your representation at the Heartland special meeting, please take time to vote by following the instructions contained in this proxy statement/prospectus and on your proxy card.** Please vote promptly whether or not you expect to attend the Heartland special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Heartland special meeting.

**The Heartland board of directors unanimously recommends that Heartland stockholders vote FOR** the proposal to approve the merger agreement and **FOR** the other matters to be considered at the Heartland special meeting. In considering the recommendation of the board of directors of Heartland, you should be aware that certain directors and executive officers of Heartland may have interests in the mergers that are different from, or in addition to, the interests of Heartland stockholders generally. For additional information, see the section entitled Proposal 1: The Mergers Interests of Certain Persons in the Mergers beginning on page 58 of the accompanying proxy statement/prospectus.

**The accompanying proxy statement/prospectus describes the special meeting of Heartland stockholders, the mergers, the documents relating to the mergers and other related matters. Please read carefully the entire proxy statement/prospectus, including the section entitled Risk Factors beginning on page 29, for a discussion of the risks relating to the proposed mergers, and the Annexes and documents incorporated by reference into the accompanying proxy statement/prospectus.**

If you have any questions regarding the accompanying proxy statement/prospectus, you may contact Innisfree M&A Incorporated, Heartland's proxy solicitor, by calling toll-free at (888) 750-5834 if you are a stockholder or collect at (212) 750-5833 if you are a broker or bank.

Sincerely,

Robert O. Carr

*Chairman and Chief Executive Officer*

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the accompanying proxy statement/prospectus or determined that the accompanying proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

**The accompanying proxy statement/prospectus is dated March 23, 2016 and is first being mailed to Heartland stockholders on or about March 24, 2016.**

Table of Contents

**Heartland Payment Systems, Inc.**

**90 Nassau Street**

**Princeton, NJ 08542**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON APRIL 21, 2016**

Dear Stockholder of Heartland Payment Systems, Inc.:

You are cordially invited to attend a special meeting of Heartland stockholders. The special meeting will be held on April 21, 2016, at 300 Carnegie Center, Princeton, New Jersey 08540, at 9:00 a.m. local time, to consider and vote upon the following matters:

1. a proposal to approve and adopt the Agreement and Plan of Merger, dated as of December 15, 2015, by and among Heartland Payment Systems, Inc., Global Payments Inc., Data Merger Sub One, Inc., and Data Merger Sub Two, LLC, which we refer to as the merger proposal;
2. a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for Heartland's named executive officers in connection with the mergers, which we refer to as the compensation proposal; and
3. a proposal for adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger agreement, which we refer to as the adjournment proposal.

The record date for the special meeting is March 24, 2016. Only stockholders of record as of the close of business on March 24, 2016 are entitled to notice of, and to vote at, the special meeting. All stockholders of record as of that date are cordially invited to attend the special meeting in person. Approval of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Heartland common stock. Approval of the compensation proposal requires the affirmative vote of the holders of a majority of the votes present in person or represented by proxy at the special meeting and entitled to vote thereon; however, such vote is advisory (non-binding) only. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the votes present in person or represented by proxy at the special meeting and entitled to vote thereon.

**The Heartland board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the mergers, has determined that the merger agreement and the transactions contemplated thereby, including the mergers, are fair to and in the best interests of Heartland stockholders, and unanimously recommends that Heartland stockholders vote FOR the merger proposal, FOR the compensation proposal, and FOR the adjournment proposal.** In considering the recommendation of the board of directors of Heartland, you should be aware that certain directors and executive officers of Heartland may have interests in the mergers that are different from, or in addition to, the interests of Heartland stockholders generally. See the section entitled "Proposal 1: The Mergers - Interests of Certain Persons in the Mergers" beginning on page 58 of the

accompanying proxy statement/prospectus.

**Your vote is very important, regardless of the number of shares of Heartland common stock that you own.** We cannot complete the mergers unless Heartland stockholders approve the merger proposal. Failure to vote in favor of the adoption of the merger agreement will have the same effect as a vote **AGAINST** the adoption of the merger agreement.

Even if you plan to attend the special meeting in person, Heartland requests that you complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope or submit your proxy by telephone or Internet prior to the special meeting to ensure that your shares of Heartland common stock will be represented at the special meeting. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares. If you fail to submit a proxy or to attend the special meeting and vote in person or do not provide your bank, brokerage firm or other nominee with instructions as to how to vote your shares, as applicable, your shares of Heartland common stock will not be counted for purposes of determining whether a quorum is present at the special meeting and will have the same effect as a vote **AGAINST** the merger proposal.

**Table of Contents**

**WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE ACCOMPANYING PREPAID REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET. IF YOU ATTEND THE SPECIAL MEETING, REQUEST A REVOCATION OF YOUR SUBMITTED PROXY AND VOTE IN PERSON, YOUR VOTE BY BALLOT WILL REVOKE ANY PROXY PREVIOUSLY SUBMITTED.**

If you have any questions regarding the accompanying proxy statement/prospectus, you may contact Innisfree M&A Incorporated, Heartland's proxy solicitor, by calling toll-free at (888) 750-5834 if you are a stockholder or collect at (212) 750-5833 if you are a broker or bank.

By Order of the Board of Directors

Charles H.N. Kallenbach

Chief Legal Officer, General Counsel and  
Secretary

Princeton, New Jersey

Dated March 23, 2016



Table of Contents

## TABLE OF CONTENTS

	Page
<u>ADDITIONAL INFORMATION</u>	1
<u>ABOUT THIS PROXY STATEMENT/PROSPECTUS</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE MERGERS AND THE SPECIAL MEETING</u>	2
<u>SUMMARY</u>	9
<u>SELECTED HISTORICAL FINANCIAL DATA OF GLOBAL PAYMENTS</u>	20
<u>SELECTED HISTORICAL FINANCIAL DATA OF HEARTLAND</u>	21
<u>SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	23
<u>UNAUDITED COMPARATIVE PER SHARE INFORMATION</u>	24
<u>COMPARATIVE STOCK PRICE DATA AND DIVIDENDS</u>	26
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	28
<u>RISK FACTORS</u>	29
<u>THE COMPANIES</u>	34
<u>INFORMATION ABOUT THE SPECIAL MEETING</u>	36
<u>Time Place and Purpose of the Special Meeting</u>	36
<u>Board Recommendation</u>	36
<u>Stockholders Entitled to Vote</u>	36
<u>Vote Required for Approval</u>	36
<u>Shares Held in Street Name</u>	38
<u>Solicitation of Proxies</u>	38
<u>Revocability of Proxies</u>	39
<u>Adjournments</u>	39
<u>PROPOSAL 1: THE MERGERS</u>	40
<u>The Mergers: Merger Consideration</u>	40
<u>Background of the Mergers</u>	40
<u>Heartland's Reasons for the Mergers</u>	44
<u>Recommendation of the Heartland Board</u>	46
<u>Heartland Projections</u>	46
<u>Global Payments Projections</u>	48
<u>Opinion of Greenhill &amp; Co., LLC</u>	49
<u>Global Payments' Reasons for the Mergers</u>	57
<u>Interests of Certain Persons in the Mergers</u>	58
<u>Global Payments Board of Directors Following the Mergers</u>	63
<u>Regulatory Approvals</u>	63
<u>Financing</u>	64
<u>Closing and Effective Time</u>	65
<u>Global Payments Dividend Policy</u>	66
<u>Stock Exchange Listing of Global Payments Common Stock and Delisting and Deregistration of Heartland Common Stock</u>	66
<u>Accounting Treatment</u>	66
<u>Material United States Federal Income Tax Consequences</u>	66
<u>Appraisal Rights</u>	67
<u>Litigation Relating to the Mergers</u>	67
<u>THE MERGER AGREEMENT</u>	68

<u>The Mergers</u>	68
<u>Effective Time of the Mergers</u>	68
<u>Merger Consideration; Conversion of Shares</u>	68
<u>Treatment of Heartland Equity-Based Awards</u>	69
<u>Appraisal Rights</u>	70
<u>Exchange Agent and Payment Procedures</u>	70
<u>Dividends and Distributions</u>	71

**Table of Contents**

	Page
<u>Fractional Shares</u>	71
<u>Representations and Warranties</u>	72
<u>Definition of Material Adverse Effect</u>	73
<u>Covenants</u>	74
<u>Conditions to the Consummation of the Mergers</u>	83
<u>Termination of the Merger Agreement and Termination Fee</u>	84
<u>Specific Performance</u>	87
<u>Expenses</u>	87
<u>APPRAISAL RIGHTS</u>	88
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	92
<u>DESCRIPTION OF GLOBAL PAYMENTS CAPITAL STOCK</u>	106
<u>COMPARISON OF RIGHTS OF STOCKHOLDERS</u>	110
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGERS</u>	119
<u>PROPOSAL 2: NON-BINDING, ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS</u>	123
<u>PROPOSAL 3: ADJOURNMENT OF THE SPECIAL MEETING TO SOLICIT ADDITIONAL PROXIES, IF NECESSARY OR APPROPRIATE</u>	124
<u>EXPERTS</u>	125
<u>LEGAL MATTERS</u>	125
<u>STOCKHOLDER PROPOSALS</u>	126
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	127
<u>ANNEX A Agreement and Plan of Merger</u>	A-1
<u>ANNEX B Opinion of Greenhill &amp; Co., LLC</u>	B-1
<u>ANNEX C Section 262 of the General Corporation Law of the State of Delaware</u>	C-1

Table of Contents

**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Global Payments Inc., which we refer to as Global Payments, and Heartland Payment Systems, Inc., which we refer to as Heartland, that is contained in documents filed with the U.S. Securities and Exchange Commission, which we refer to as the SEC, and that is not included in or delivered with this document. You may obtain this information without charge through the SEC's website ([www.sec.gov](http://www.sec.gov)) or upon your written or oral request from the appropriate company at the following addresses and telephone numbers:

Global Payments Inc.	Heartland Payment Systems, Inc.
Investor Relations	Investor Relations
10 Glenlake Parkway, North Tower	90 Nassau Street
Atlanta, Georgia 30328	Second Floor
(770) 829-8234	Princeton, NJ 08542
	(609) 683-3831

**To ensure timely delivery of a copy of this proxy statement/prospectus or any of the documents incorporated by reference herein in advance of the special meeting of the Heartland stockholders to be held on April 21, 2016, you must request the information no later than five business days prior to the date of the special meeting, by April 14, 2016.**

For additional information, see the section entitled "Where You Can Find More Information" beginning on page 127 of this proxy statement/prospectus.

**ABOUT THIS PROXY STATEMENT/PROSPECTUS**

This document, which forms part of a registration statement on Form S-4 filed with the SEC by Global Payments (File No. 333-209419), constitutes a prospectus of Global Payments under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of common stock, without par value, of Global Payments, which we refer to as Global Payments common stock, to be issued to Heartland stockholders pursuant to the Agreement and Plan of Merger, dated as of December 15, 2015, by and among Heartland, Global Payments, Data Merger Sub One, Inc. and Data Merger Sub Two, LLC., as it may be amended from time to time, which we refer to as the merger agreement. This document also constitutes a proxy statement of Heartland under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. It also constitutes a notice of meeting with respect to the special meeting, at which Heartland stockholders will be asked to consider and vote upon the adoption of the merger agreement.

Global Payments has supplied all information contained or incorporated by reference herein relating to Global Payments and Heartland has supplied all such information related to Heartland.

You should rely only on the information contained or incorporated by reference in this document. Global Payments and Heartland have not authorized anyone to provide you with different information. This document is dated March

23, 2016. You should not assume that information contained in this document is accurate as of any date other than that date. Further, you should not assume that the information incorporated by reference herein is accurate as of any date other than the date of the incorporated document. Neither the mailing of this proxy statement/prospectus to Heartland stockholders nor the issuance by Global Payments of Global Payments common stock pursuant to the merger agreement will create any implication to the contrary.

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE MERGERS AND THE SPECIAL MEETING**

The following are some questions that you, as a stockholder of Heartland, may have regarding the mergers, which we describe below, and the merger agreement, and brief answers to those questions. Heartland urges you to read carefully the remainder of this proxy statement/prospectus because the information in this section may not provide all the information that might be important to you with respect to the mergers. Additional important information is also contained in the annexes and exhibits to, and the documents incorporated by reference in, this proxy statement/prospectus. For additional information, see the section entitled *Where You Can Find More Information* beginning on page 127 of this proxy statement/prospectus.

**Q: Why am I receiving this proxy statement/prospectus?**

A: Heartland has agreed to be acquired by Global Payments under the terms of the merger agreement that are described in this proxy statement/prospectus. In order to complete the mergers, Heartland stockholders must vote to approve and adopt the merger agreement.

If the merger agreement is adopted by Heartland stockholders and the other conditions to closing under the merger agreement are satisfied or waived, Data Merger Sub One, Inc., a Delaware corporation and a wholly owned subsidiary of Global Payments (which we refer to as Merger Sub One), will merge with and into Heartland (we refer to such transaction as the initial merger), with Heartland continuing as the surviving entity, followed by a merger of Heartland with and into Data Merger Sub Two, LLC, a Delaware limited liability company (which we refer to as Merger Sub Two), with Merger Sub Two continuing as the surviving entity and a wholly owned subsidiary of Global Payments (we refer to such transaction as the second merger and together with the initial merger, the mergers).

**Q: What am I being asked to vote on at the Heartland special meeting?**

Heartland is holding the special meeting to ask its stockholders to consider and vote upon a proposal to approve and adopt the merger agreement, which we refer to as the merger proposal.

You are also being asked to consider and vote upon (1) a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for Heartland's named executive officers in connection with the mergers, which we refer to as the compensation proposal, and (2) a proposal to grant authority to proxy holders to vote in favor of adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement, which we refer to as the adjournment proposal. This proxy statement/prospectus includes important information about the mergers, the merger agreement (a copy of which is attached as **Annex A** to this proxy statement/prospectus) and the special meeting. Heartland stockholders should read this information carefully and in its entirety. The enclosed voting materials allow stockholders to vote their shares without attending the special meeting in person.

**Q: Who can vote at the special meeting?**

A: All holders of record of Heartland common stock as of the close of business on March 24, 2016, the record date for the special meeting, are entitled to receive notice of, and to vote at, the special meeting, or any postponement or adjournment thereof.

**Q: What is the vote required to approve each proposal at the Heartland special meeting?**

The approval of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of common stock, par value \$0.001 per share, of Heartland (which we refer to as Heartland common stock) outstanding and entitled to vote. Any failure to vote in favor of the merger proposal will have the same effect as a vote AGAINST the merger proposal.

-2-

## **Table of Contents**

The approval of the compensation proposal requires the affirmative vote of the holders of a majority of the shares of Heartland common stock present in person or represented by proxy at the special meeting and entitled to vote thereon; however, such vote is advisory (non-binding) only. If your shares of Heartland common stock are present at the special meeting but your shares are not voted on the compensation proposal, or if you vote to abstain on the compensation proposal, it will have the same effect as a vote **AGAINST** the compensation proposal. If you fail to submit a proxy and fail to attend the special meeting and vote your shares in person, or if you hold your shares through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee, as applicable, to vote your shares of Heartland common stock, your shares of Heartland common stock will not be voted, but this will not have an effect on the vote for the compensation proposal except to the extent such non-vote results in there being insufficient shares present at the meeting to establish a quorum.

The approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Heartland common stock present in person or represented by proxy at the special meeting and entitled to vote thereon, whether or not a quorum is present. If your shares of Heartland common stock are present at the special meeting but are not voted on the adjournment proposal, or if you vote to abstain on the adjournment proposal, it will have the same effect as a vote **AGAINST** the adjournment proposal. If you fail to submit a proxy and fail to attend the special meeting and vote your shares in person, or if you hold your shares of Heartland common stock through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee, as applicable, to vote your shares of Heartland common stock, your shares of Heartland common stock will not be voted, but this will not have an effect on the approval of the adjournment proposal.

### **Q: How important is my vote?**

A: Your vote is very important. Because the affirmative vote required to adopt the merger proposal is based upon the total number of outstanding shares of Heartland common stock, if you vote to abstain, fail to submit a proxy or vote in person at the special meeting, or you hold your shares through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee, as applicable, to vote your shares of Heartland common stock, this will have the same effect as a vote **AGAINST** the merger proposal.

### **Q: What is the recommendation of the Heartland board of directors?**

A: The board of directors of Heartland, which we refer to as the Heartland board or Heartland board of directors, unanimously recommends that Heartland stockholders vote **FOR** the merger proposal, **FOR** the compensation proposal and **FOR** the adjournment proposal. For additional information, see the sections entitled **Proposal 1: The Mergers Heartland s Reasons for the Mergers** and **Proposal 1: The Mergers Recommendation of the Heartland Board** beginning on pages 44 and 46, respectively, of this proxy statement/prospectus.

### **Q: What will I receive if the mergers are completed?**

A: If the initial merger is completed, each share of Heartland common stock issued and outstanding immediately prior to the effective time of the initial merger, which we refer to as the effective time, will be converted into the right to receive \$53.28 in cash, without interest (which we refer to as the cash consideration), and 0.6687 of a share of Global Payments common stock (which ratio we refer to as the exchange ratio and which amount we refer to as the stock consideration, and together with the cash consideration, the per share merger consideration), with cash paid in lieu of fractional shares of Global Payments common stock. The per share merger consideration is subject to adjustment under limited circumstances as set forth in the merger agreement, including if the exchange ratio would otherwise result in Global Payments issuing in excess of 19.9% of its outstanding common stock immediately prior to the effective time as a result of the mergers. For additional information, see the section entitled **The Merger**



Agreement Merger Consideration; Conversion of Shares beginning on page 68 of this proxy statement/prospectus.

**Table of Contents**

**Q: How will I receive the per share merger consideration to which I am entitled?**

A: After receiving the proper documentation from you, following the effective time, the exchange agent will forward to you evidence of the stock consideration and cash consideration to which you are entitled. For additional information concerning the documentation you are required to deliver to the exchange agent see the section entitled *The Merger Agreement Merger Consideration; Conversion of Shares* beginning on page 68 of this proxy statement/prospectus. Please do not return any Heartland stock certificates with your proxy card.

**Q: What will happen to Heartland as a result of the mergers?**

A: Merger Sub One will merge with and into Heartland, followed by a merger of Heartland with and into Merger Sub Two, with Merger Sub Two continuing as the surviving entity and a wholly owned subsidiary of Global Payments (which we refer to as the surviving company). As a result of the mergers, Heartland will no longer be a publicly traded company. Following the mergers, Heartland common stock will be delisted from the New York Stock Exchange, which we refer to as the NYSE, and deregistered under the Exchange Act.

**Q: What equity stake will Heartland stockholders hold in Global Payments immediately following the mergers?**

A: Based on the number of issued and outstanding shares of Global Payments common stock and Heartland common stock as of March 21, 2016, and based on the exchange ratio, holders of shares of Heartland common stock immediately prior to the closing of the mergers are expected to hold, in the aggregate, approximately 17% of the issued and outstanding shares of Global Payments common stock immediately following the closing of the mergers.

**Q: When do you expect the mergers to be completed?**

A: Subject to the satisfaction or waiver of the closing conditions set forth in the merger agreement, including the adoption of the merger agreement by Heartland stockholders at the special meeting, Global Payments and Heartland expect that the mergers will close in the second quarter of the 2016 calendar year. However, it is possible that factors outside the control of both companies could result in the mergers being completed at a different time or not at all. For additional information, see the section entitled *The Merger Agreement Conditions to the Consummation of the Mergers* beginning on page 83 of this proxy statement/prospectus.

**Q: When and where will the special meeting be held?**

A: The special meeting will take place on April 21, 2016 at 300 Carnegie Center, Princeton, New Jersey 08540, at 9:00 a.m. local time. For additional information, see the section entitled *Information About the Special Meeting Time Place and Purpose of the Special Meeting* beginning on page 36 of this proxy statement/prospectus.

**Q: Who is entitled to vote at the special meeting?**

A: All holders of record of Heartland common stock as of the close of business on March 24, 2016, the record date for the special meeting, which we refer to as the record date, are entitled to receive notice of, and to vote at, the special meeting.

**Q: How many votes do I have?**

A: Each holder of Heartland common stock is entitled to cast one vote on each matter properly brought before the special meeting for each share of Heartland common stock that such holder owned of record as of the record date. As of the record date, there were 36,999,176 outstanding shares of Heartland common stock.

**Table of Contents**

**Q: What should I do if I receive more than one set of voting materials?**

A: Please vote each proxy card and voting instruction card that you receive. You may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, stockholders who hold shares in more than one brokerage account will receive a separate voting instruction card for each brokerage account in which shares are held. In addition, if shares are held in more than one name, stockholders will receive more than one proxy card or voting instruction card. For information on electronic voting via the Internet or telephone, see the section entitled "Information About the Special Meeting - Vote Required for Approval" beginning on page 36 of this proxy statement/prospectus.

**Q: Why am I being asked to consider and vote on the proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for Heartland's named executive officers in connection with the mergers?**

A: Under SEC rules, Heartland is required to seek an advisory (non-binding) vote with respect to the compensation that may be paid or become payable to its named executive officers that is based on, or otherwise relates to, the mergers.

**Q: What will happen if Heartland stockholders do not approve the compensation proposal?**

A: Approval of the compensation proposal is not a condition to completion of the mergers. The vote is an advisory vote and will not be binding on Heartland or the surviving company in the mergers. If the mergers are completed, such compensation may be paid to Heartland's named executive officers to the extent payable in accordance with the terms of their compensation agreements and arrangements even if Heartland stockholders do not approve, by advisory (non-binding) vote, such compensation.

**Q: Do any of Heartland's directors or executive officers have interests in the mergers that may differ from those of Heartland stockholders?**

A: Heartland's directors and executive officers may have interests in the mergers that are different from, or in addition to, the interests they may have as Heartland stockholders. The members of the Heartland board of directors were aware of and considered these interests, among other matters, in evaluating the merger agreement and the mergers, and in recommending that Heartland stockholders adopt the merger agreement. For additional information, see the section entitled "Proposal 1: The Mergers - Interests of Certain Persons in the Mergers" beginning on page 58 of this proxy statement/prospectus.

**Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

A: If your shares of Heartland common stock are registered directly in your name with Heartland's transfer agent, you are considered the stockholder of record with respect to those shares. As the stockholder of record, you have the right to vote or to grant a proxy for your vote directly to Heartland or to a third party to vote at the special meeting.

If your shares are held by a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares held in street name, and your bank, brokerage firm or other nominee, as applicable, is considered the stockholder of record with respect to those shares. Your bank, brokerage firm or other nominee, as applicable, will send you, as the beneficial owner, a package describing the procedure for voting your shares. You should follow the instructions provided by them to vote your shares. You are invited to attend the special meeting; however, you may not vote these shares in person at the special meeting unless you obtain a legal proxy from your bank, brokerage firm or other nominee, as applicable, that holds your shares, giving you the right to vote the shares at the special meeting.



**Table of Contents**

**Q: If my shares of Heartland common stock are held in street name by my bank, brokerage firm or other nominee, will my bank, brokerage firm or other nominee, as applicable, automatically vote those shares for me?**

A: No. Your bank, brokerage firm or other nominee, as applicable, will only be permitted to vote your shares of Heartland common stock if you instruct them how to vote. You should follow the procedures provided by your bank, brokerage firm or other nominee, as applicable, regarding the voting of your shares of Heartland common stock. In accordance with the rules of the NYSE, banks, brokerage firms and other nominees who hold shares of Heartland common stock in street name for their customers have authority to vote on routine proposals when they have not received instructions from beneficial owners. However, banks, brokerage firms and other nominees are precluded from exercising their voting discretion with respect to non-routine matters, such as the adoption of the merger agreement, the approval of the compensation proposal, and approval of the adjournment proposal. As a result, absent specific instructions from the beneficial owner of such shares, banks, brokerage firms and other nominees are not empowered to vote such shares. A so-called broker non-vote results when banks, brokerage firms and other nominees return a valid proxy but do not vote on a particular proposal because they do not have discretionary authority to vote on the matter and have not received specific voting instructions from the beneficial owner of such shares. The effect of not instructing your bank, brokerage firm or other nominee, as applicable, how you wish your shares to be voted will be the same as a vote AGAINST the merger proposal, but will not have an effect on the approval of the compensation proposal (except to the extent there are insufficient shares present at the meeting to establish a quorum) or on the approval of the adjournment proposal.

**Q: What constitutes a quorum for the special meeting?**

A: The presence, in person or represented by proxy, of holders of a majority of all of the outstanding shares of Heartland common stock entitled to vote at the special meeting constitutes a quorum for the purposes of the special meeting. Abstentions are considered present for purposes of establishing a quorum.

**Q: What happens if I sell my shares of Heartland common stock before the special meeting?**

A: The record date is earlier than both the date of the special meeting and the effective time. If you transfer your shares of Heartland common stock after the record date but before the special meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the special meeting but will transfer the right to receive the per share merger consideration to the transferee. In order to receive the per share merger consideration, you must hold your shares at the effective time.

**Q: Who will solicit and pay the cost of soliciting proxies?**

A: Heartland has engaged Innisfree M&A Incorporated to assist in the solicitation of proxies for the special meeting. Heartland estimates that it will pay Innisfree a fee of approximately \$25,000. Heartland has agreed to reimburse Innisfree for certain out-of-pocket fees and expenses and also will indemnify Innisfree against certain losses, claims, damages, liabilities or expenses. Heartland also may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of Heartland common stock. Heartland's directors, officers and employees also may solicit proxies by telephone, by facsimile, by mail, on the Internet or in person. They will not be paid any additional amounts for soliciting proxies.

**Q: Should I send in my stock certificates now?**

A: No, please do NOT return your stock certificate(s), if any are physically held, with your proxy. If the merger agreement is adopted by Heartland stockholders and the mergers are completed, and you hold physical stock certificates, you will be sent a letter of transmittal as soon as reasonably practicable after the completion of the mergers describing how you may exchange your shares of Heartland common stock for the per share merger

## **Table of Contents**

consideration. If your shares of Heartland common stock are held in street name through a bank, brokerage firm or other nominee, you will receive instructions from your bank, brokerage firm or other nominee, as applicable, as to how to effect the surrender of your street name shares of Heartland common stock in exchange for the per share merger consideration.

### **Q: How can I change or revoke my vote?**

A: If you are a holder of record of Heartland common stock on the record date for the Heartland special meeting, you have the power to revoke your proxy at any time before your proxy is voted at the Heartland special meeting. You can revoke your proxy in one of three ways:

you can send a signed notice of revocation;

you can submit a new, valid proxy card bearing a later date; or

you can attend the Heartland special meeting and vote in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

For additional information see the section entitled **Information About the Special Meeting Revocability of Proxies** beginning on page 38 of this proxy statement/prospectus.

### **Q: Can I exercise appraisal rights?**

A: Heartland stockholders are entitled to appraisal rights under Section 262 of the Delaware General Corporation Law, which we refer to as the DGCL, provided they follow the procedures and satisfy the conditions set forth in Section 262 of the DGCL. For additional information regarding appraisal rights, see the section entitled **Appraisal Rights** beginning on page 88 of this proxy statement/prospectus. In addition, a copy of Section 262 of the DGCL is attached as **Annex C** to this proxy statement/prospectus. If you fail to strictly comply with Section 262 of the DGCL you may be waiving, or you may become unable to exercise, appraisal rights.

### **Q: Are there any risks that I should consider in deciding whether to vote for the adoption of the merger agreement?**

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled **Risk Factors** beginning on page 29 of this proxy statement/prospectus. You also should read and carefully consider the risk factors of Global Payments and Heartland contained in the documents that are incorporated by reference into this proxy statement/prospectus.

### **Q: What is the value of the per share merger consideration?**

A: Upon completion of the initial merger, subject to the terms and conditions of the merger agreement, each share of Heartland common stock issued and outstanding (other than certain shares owned by the parties to the merger agreement (which will be cancelled), by stockholders who have properly exercised and perfected appraisal rights under Delaware law (as described below in the section entitled **Appraisal Rights** beginning on page 88 of this proxy



statement/prospectus), or by any direct or indirect wholly owned subsidiary of Heartland (which will remain outstanding)) will be converted into the right to receive, subject to adjustment under limited circumstances described in the paragraph below, \$53.28 in cash, without interest, and 0.6687 of a share of Global Payments common stock. Other than the possible adjustment described in the paragraph below, the exchange ratio of 0.6687 of a share of Global Payments common stock is fixed, which means that it will not change between now and the date of the mergers, including as a result of a change in the trading price of Global Payments common stock or Heartland common stock. Therefore, the value of the shares of Global Payments common stock received by Heartland stockholders in the mergers will depend on the market price of Global Payments common stock at the time the mergers are completed.

## **Table of Contents**

Under the terms of the merger agreement, in the event that the number of shares of common stock of Global Payments issuable as a result of the mergers would exceed 19.9% of the issued and outstanding shares of common stock of Global Payments immediately prior to the closing of the mergers, the stock consideration will be reduced so that no more than 19.9% of the outstanding shares of common stock of Global Payments become issuable in the mergers and the cash consideration will be increased by a corresponding amount, so that the value of the per share merger consideration at closing will remain the same.

### **Q: What happens if the mergers are not completed?**

A: If the merger agreement is not adopted by Heartland stockholders or if the mergers are not completed for any other reason, Heartland stockholders will not receive the per share merger consideration for their shares of Heartland common stock. Instead, Heartland will remain an independent public company, and Heartland common stock will continue to be listed and traded on the NYSE and registered under the Exchange Act. Heartland is required to pay Global Payments a termination fee of \$153 million if the merger agreement is terminated in certain circumstances including if Global Payments terminates the merger agreement following a change of recommendation of the Heartland board of directors, if Heartland terminates the merger agreement to enter into a definitive agreement with a third party with respect to a superior acquisition proposal, or if the merger agreement is terminated under certain circumstances and Heartland subsequently enters into, or consummates, an alternative acquisition proposal within twelve months. For additional information, see the section entitled *The Merger Agreement Termination of the Merger Agreement and Termination Fee* beginning on page 84 of this proxy statement/prospectus.

### **Q: What are the material United States federal income tax consequences of the mergers?**

A: The mergers are intended to qualify for U.S. federal income tax purposes as a *reorganization* within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Assuming that the mergers do qualify as a *reorganization* for U.S. federal income tax purposes, a U.S. holder of shares of Heartland common stock generally will recognize gain (but not loss) on the exchange in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the fair market value of the shares (including any fractional shares) of Global Payments common stock and cash received pursuant to the mergers (excluding any cash received in lieu of fractional shares) over the holder's adjusted tax basis in its shares of Heartland common stock surrendered pursuant to the mergers) and (2) the amount of cash (excluding any cash received in lieu of fractional shares) received pursuant to the mergers, and such holder will recognize gain or loss with respect to any cash received in lieu of fractional shares of Global Payments common stock. Heartland stockholders should consult their tax advisors for a full understanding of all of the tax consequences of the mergers to them. For additional information, see the section entitled *Material United States Federal Income Tax Consequences of the Mergers* beginning on page 119 of this proxy statement/prospectus.

### **Q: Whom should I call if I have questions?**

A: If you have additional questions about the mergers, need assistance in submitting your proxy or voting your shares of Heartland common stock, or need additional copies of this proxy statement/prospectus, please contact Innisfree M&A Incorporated, by calling toll-free at (888) 750-5834 if you are a stockholder or collect at (212) 750-5833 if you are a broker or bank.

**Table of Contents**

**SUMMARY**

*This summary highlights selected material information from this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger agreement fully and for a more complete description of the legal terms of the mergers, you should carefully read the entire documents to which we have referred you, including the complete merger agreement included with this proxy statement/prospectus as **Annex A**. For additional information, see the section entitled *Where You Can Find More Information* beginning on page 127 of this proxy statement/prospectus.*

All references to Heartland in this proxy statement/prospectus refer to Heartland Payment Systems, Inc., a Delaware corporation; all references to Global Payments refer to Global Payments Inc., a Georgia corporation; all references to Merger Sub One refer to Data Merger Sub One, Inc., a Delaware corporation and a wholly owned subsidiary of Global Payments formed solely for the purpose of implementing the mergers; all references to Merger Sub Two refer to Data Merger Sub Two, LLC, a Delaware limited liability company and a wholly owned subsidiary of Global Payments formed solely for the purpose of implementing the mergers; all references to Merger Subs refer, collectively, to Merger Sub One and Merger Sub Two; all references to the initial merger refer to the merger of Merger Sub One with and into Heartland, with Heartland continuing as a wholly owned subsidiary of Global Payments; all references to the second merger refer to the merger of Heartland with and into Merger Sub Two immediately following the initial merger, with Merger Sub Two surviving as a wholly owned subsidiary of Global Payments; all references to the mergers refer, collectively, to the initial merger and the second merger; all references to Heartland common stock refer to shares of common stock, par value \$0.001 per share, of Heartland; all references to Global Payments common stock refer to shares of common stock, without par value, of Global Payments; all references to the Heartland board or Heartland board of directors refer to the board of directors of Heartland; all references to the Global Payments board or Global Payments board of directors refer to the board of directors of Global Payments; unless otherwise indicated or as the context otherwise requires, all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of December 15, 2015, and as may be amended from time to time, by and among Heartland, Global Payments and the Merger Subs, a copy of which is included as **Annex A** to this proxy statement/prospectus.

**The Companies (page 34)**

***Heartland Payment Systems, Inc.***

Heartland's primary business is to provide payment services to merchants throughout the United States. This involves providing end-to-end electronic payment services to merchants by facilitating the exchange of information and funds between them and cardholders' financial institutions. It undertakes merchant set-up and training, transaction authorization and electronic draft capture, clearing and settlement, merchant accounting, merchant assistance and support, and risk management. It also sells and rents point-of-sale devices. Its card-accepting customers primarily fall into two categories: small and mid-sized merchants and network services merchants, which are predominantly petroleum industry merchants of all sizes.

Heartland also provides additional services such as:

integrated commerce solutions, payment services, higher education loan services and open and closed-loop payment solutions to higher-education institutions through its Campus Solutions segment;

school nutrition, point-of-sale solutions (POS), and associated payment solutions, including online prepayment solutions, to kindergarten through 12th grade (K-12) schools through its Heartland School Solutions segment;

**Table of Contents**

full-service payroll processing and related tax filing services throughout the United States provided by its Heartland Payroll Solutions segment; and

other services including (1) prepaid and stored-value card solutions throughout the United States and Canada provided by its Micropayments segment, (2) POS solutions and other adjacent business service applications through its Heartland Commerce segment, and (3) marketing solutions including loyalty and gift cards which we provide through its Heartland Marketing Solutions segment.

Heartland is organized under the laws of the state of Delaware. The address and telephone number of Heartland's principal executive offices are 90 Nassau Street, Second Floor, Princeton, NJ 08542 and (609) 683-3831.

***Global Payments Inc.***

Global Payments is a leading worldwide provider of payment technology services delivering innovative solutions to its customers. Its partnerships, technologies and employee expertise enable it to provide a broad range of services that allow its customers to accept various payment types. Global Payments distributes its services across a variety of channels to merchants and partners in 29 countries throughout North America, Europe, the Asia-Pacific region and Brazil. It also provides payment and digital commerce solutions and operates in three reportable segments: North America, Europe and Asia-Pacific.

Global Payments was incorporated in 2000 and spun-off from its former parent company in 2001. Including its time as part of its former parent company, Global Payments has been in the payment technology services business since 1967.

Global Payments is organized under the laws of the state of Georgia. The address and telephone number of its executive offices are 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328 and (770) 829-8234.

***Data Merger Sub One, Inc.***

Merger Sub One is a Delaware corporation and a wholly owned subsidiary of Global Payments formed solely for the purpose of implementing the mergers. It has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement.

The address and telephone number of the principal executive offices of Merger Sub One are 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328 and (770) 829-8234.

***Data Merger Sub Two, LLC***

Merger Sub Two is a Delaware limited liability company and a wholly owned subsidiary of Global Payments formed solely for the purpose of implementing the mergers. It has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement.

The address and telephone number of the principal executive offices of Merger Sub Two are 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328 and (770) 829-8234.



**Table of Contents**

**Information About the Special Meeting (page 36)**

The Heartland special meeting is scheduled to be held on April 21, 2016, at 300 Carnegie Center, Princeton, New Jersey 08540, at 9:00 a.m. local time, for the purpose of considering and voting on the following matters:

a proposal to approve and adopt the merger agreement;

a proposal to approve by advisory (non-binding) vote, certain compensation arrangements for Heartland's named executive officers in connection with the mergers;

a proposal to approve the adjournment of the Heartland special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to adopt the merger agreement and approve the transactions contemplated by the merger agreement; and

such other business as may properly come before the Heartland special meeting.

**The Heartland board of directors unanimously recommends that Heartland stockholders vote FOR the merger proposal, FOR the compensation proposal and FOR the adjournment proposal.**

***Record Date and Vote Required for the Heartland Special Meeting***

Holders of record of Heartland common stock at the close of business on March 24, 2016, the record date for the Heartland special meeting, will be entitled to notice of, and to vote at, the Heartland special meeting or any postponements or adjournments thereof. You are entitled to one vote for each share of Heartland common stock that you owned as of the close of business on the record date. As of the record date, there were 36,999,176 shares of Heartland common stock outstanding and entitled to vote at the Heartland special meeting, approximately 1.4 million of which were held by directors and executive officers of Heartland. Heartland currently expects that Heartland's directors and executive officers will vote their shares in favor of each of the proposals to be presented at the Heartland special meeting, although none of them has entered into any agreements obligating them to do so.

Approval of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Heartland common stock. Approval of the compensation proposal and approval of the adjournment proposal each requires the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the special meeting and entitled to vote thereon.

**The Mergers (page 68)**

Heartland, Global Payments and the Merger Subs entered into the merger agreement. Pursuant to the terms and subject to the conditions set forth in the merger agreement, Global Payments will acquire Heartland by way of two mergers. First, Merger Sub One will merge with and into Heartland, with Heartland continuing as a wholly owned subsidiary of Global Payments in the initial merger. Second, Heartland will merge with and into Merger Sub Two immediately following the initial merger, with Merger Sub Two surviving the second merger as a wholly owned subsidiary of Global Payments. For additional information, see the section entitled Proposal 1: The Mergers .

A copy of the merger agreement is attached as **Annex A** to this proxy statement/prospectus. *You are encouraged to read the merger agreement carefully in its entirety because it is the legal agreement that governs the mergers.*

**Merger Consideration (page 68)**

Upon completion of the initial merger, subject to the terms and conditions of the merger agreement, each share of Heartland common stock issued and outstanding immediately prior to the effective time of the initial



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**Table of Contents**

merger will be converted into the right to receive, subject to adjustment under limited circumstances described below, in exchange for each share of Heartland common stock held immediately prior to the effective time of the initial merger, a combination \$53.28 in cash, without interest (which we refer to as the cash consideration), and 0.6687 of a share of Global Payments common stock (which ratio we refer to as the exchange ratio and which amount of Global Payments common stock we refer to as the stock consideration, and together with the cash consideration, the per share merger consideration). Global Payments will not issue any fractional shares of Global Payments common stock in the mergers. Heartland stockholders who would otherwise be entitled to a fractional share of Global Payments common stock will instead receive an amount in cash based on the volume weighted average trading price of Global Payments common stock on the New York Stock Exchange, which we refer to as the NYSE, for the five consecutive trading days ending on the trading day immediately preceding the closing date of the mergers. In connection with the payment of the aggregate stock consideration, Global Payments expects to issue approximately 26 million shares of common stock to Heartland stockholders. It is currently expected that the closing date of the mergers will occur no later than three business days after the special meeting in accordance with the merger agreement.

Other than the possible adjustment described in the paragraph below, the exchange ratio is fixed, which means that it will not change between now and the date of the closing of the mergers, including as a result of a change in the trading price of Global Payments common stock or Heartland common stock. Therefore, the value of the shares of Global Payments common stock received by Heartland stockholders in the mergers will depend on the market price of Global Payments common stock at the time the mergers are completed.

The exchange ratio will be adjusted if the exchange ratio would otherwise result in Global Payments issuing in excess of 19.9% of its common stock outstanding immediately prior to the effective time as a result of the mergers. In such circumstance, the exchange ratio will be reduced to the minimum extent necessary so that the number of shares of Global Payments common stock issued or issuable as a result of the mergers will equal 19.9% of its common stock outstanding immediately prior to the effective time, and the cash consideration will be increased by an equivalent value (based on the volume weighted average trading price of Global Payments common stock on the NYSE for the five consecutive trading days ending on the trading day immediately preceding the closing date of the mergers).

As of the time the merger agreement was executed, the number of shares of Global Payments common stock expected to be issued in the mergers constituted less than 19.9% of Global Payments outstanding shares of common stock, and Global Payments and Heartland currently do not anticipate that any adjustment to the exchange ratio will be required. A vote by Heartland stockholders for the approval of the merger proposal will remain effective whether or not the exchange ratio is adjusted as described above.

**Treatment of Equity Awards (page 69)**

*Stock Options.* At the effective time, each outstanding stock option to purchase shares of Heartland common stock will be cancelled and converted into the right to receive the per share merger consideration with respect to each share of Heartland common stock relating to such stock option, net of the applicable exercise price. Any stock option with an exercise price that equals or exceeds the value of the per share merger consideration as of the effective time (using the volume weighted average trading price of Global Payments common stock on the NYSE for the five consecutive trading days ending on the trading day immediately preceding the closing date of the mergers to calculate the value of the stock consideration) will be cancelled for no consideration.

*Restricted Stock Units.* At the effective time, each restricted stock unit award (other than a performance share unit award) in respect of Heartland common stock will fully vest and be cancelled and converted into the right to receive the per share merger consideration in respect of each share of Heartland common stock underlying the restricted stock unit award. Any accrued but unpaid dividend equivalents corresponding to each such restricted stock unit award will

become fully vested and be paid in cash at the time the corresponding restricted stock unit award is settled.

## **Table of Contents**

*Performance Share Units.* At the effective time, each performance share unit award in respect of Heartland common stock will fully vest (with any performance-based vesting condition deemed to have been satisfied at either maximum or target levels, depending on whether the award was granted prior to, or on or after, December 1, 2015, respectively) and be cancelled and converted into the right to receive the per share merger consideration in respect of each share of Heartland common stock underlying the performance share unit award. Any accrued but unpaid dividend equivalents corresponding to each such performance share unit award will become fully vested (assuming achievement of maximum performance) and be paid in cash at the time the corresponding performance share unit award is settled.

## **Recommendation of the Heartland Board and Reasons for the Mergers (pages 46 and 44, respectively)**

**The Heartland board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the mergers, has determined that the merger agreement and the transactions contemplated thereby, including the mergers, are fair to and in the best interests of Heartland stockholders, and unanimously recommends that Heartland stockholders vote FOR the merger proposal.** For a description of the reasons considered by the Heartland board of directors in deciding to recommend adoption of the merger agreement, see the sections entitled Proposal 1: The Mergers Heartland s Reasons for the Mergers and Proposal 1: The Mergers Recommendation of the Heartland Board.

## **Opinion of Greenhill & Co., LLC (page 49)**

In connection with the mergers, Greenhill & Co., LLC, which we refer to as Greenhill, delivered a written opinion, dated December 15, 2015, to the Heartland board as to the fairness, from a financial point of view and as of such date, of the per share merger consideration to be received in the initial merger pursuant to the merger agreement by the holders of Heartland common stock (other than shares held by Heartland as treasury stock or by a subsidiary of Heartland, or shares held by Global Payments or the Merger Subs (which we collectively refer to as excluded holders)). The full text of Greenhill s written opinion, dated December 15, 2015, is attached as Annex B to this proxy statement/prospectus and is incorporated in this document by reference. The written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by Greenhill in rendering its opinion. **Greenhill delivered its opinion to the Heartland board for the information of the Heartland board (in its capacity as such) in connection with and for purposes of its evaluation of the per share merger consideration from a financial point of view and did not express any opinion as to any other term, aspect or implication of the mergers (other than the fairness, from a financial point of view, of the per share merger consideration to be received in the initial merger pursuant to the merger agreement by the holders of Heartland common stock (other than excluded holders)). Greenhill was not requested to opine as to, and its opinion did not in any manner address, the underlying business decision to proceed with or effect the mergers. Greenhill s opinion is not and did not constitute a recommendation to the members of the Heartland board as to whether to approve the mergers or the merger agreement, or as to how any stockholder should vote or act in connection with the mergers.**

## **Interests of Certain Persons in the Mergers (page 58)**

Heartland stockholders should be aware that Heartland s directors and executive officers may have interests in the mergers that are different from, or in addition to, interests of Heartland stockholders generally. These interests include, among others, the treatment of outstanding Heartland equity awards pursuant to the merger agreement, certain payments and benefits payable under employment agreements entered into with executive officers, and rights to ongoing indemnification and insurance coverage by the surviving company for acts or omissions occurring prior to the mergers. The Heartland board of directors was aware of and considered those interests, among other matters, in reaching its decisions to approve the merger agreement and the transactions



## **Table of Contents**

contemplated thereby and to recommend the adoption of the merger agreement to Heartland common stockholders. For a more detailed description of these interests, see the section entitled *The Merger Interests of Certain Persons in the Mergers* .

### **Global Payments Board of Directors Following the Mergers (page 63)**

The parties have agreed to select two Heartland nominees for appointment to the Global Payments board of directors. In connection with such appointment, Global Payments has agreed to take all appropriate action to submit to the Global Payments board of directors such nominees for appointment in accordance with Global Payments sixth amended and restated bylaws, which we refer to as the Global Payments bylaws. Currently, the Global Payments board of directors consists of eight directors. Following the appointment of the Heartland nominees, the Global Payments board of directors would consist of ten directors. For additional information, see the section entitled *Proposal 1: The Mergers Global Payments Board of Directors Following the Mergers* .

### **Regulatory Approvals (page 63)**

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act, and the related rules and regulations issued by the Federal Trade Commission, which we refer to as the FTC, certain transactions, including the mergers, may not be consummated until notifications have been given and specified information and documentary material have been furnished to the FTC and the United States Department of Justice, which we refer to as the DOJ, and the applicable waiting periods have expired or been terminated. The completion of the mergers is conditioned upon the expiration or early termination of the HSR Act waiting period. On December 30, 2015, Global Payments and Heartland filed their respective notification and report forms under the HSR Act with the DOJ and the FTC and the waiting period expired at 11: 59 p.m. on January 29, 2016. For additional information, see the sections entitled *Proposal 1: The Mergers Regulatory Approvals* and *The Merger Agreement Covenants Efforts* .

### **Financing (page 64)**

Global Payments anticipates that the funds needed to complete the transactions will be derived from a combination of (1) available cash on hand of Global Payments and (2) third-party debt financing, which we refer to as the debt financing, consisting of term loan facilities, a revolving credit facility and a delayed draw term loan facility. The consummation of the mergers is not conditioned on the receipt of such debt financing. For additional information, see the section entitled *Proposal 1: The Mergers Financing* .

### **Closing and Effective Time (page 65)**

Global Payments and Heartland expect that the mergers will close in the second quarter of the 2016 calendar year, subject to the adoption of the merger agreement by Heartland stockholders, the satisfaction or valid waiver of the other conditions to closing, and the completion of the marketing period in connection with the debt financing. However, it is possible that factors outside the control of both companies could result in the mergers being completed at a different time or not at all. For additional information, see the section entitled *Proposal 1: The Mergers Closing and Effective Time* .

The closing of the mergers will occur on the third business day after the date on which all of the closing conditions to the mergers are satisfied or waived (other than those conditions that by their terms are to be satisfied at the closing, but subject to the satisfaction or waiver of those conditions) and the completion of the marketing period in connection with the debt financing, or at such other time as the parties may mutually agree.



## **Table of Contents**

For purposes of the merger agreement, the effective time means the time when the certificate of merger for the initial merger is duly filed with the Secretary of State of the State of Delaware or a mutually agreed later time that is specified in the certificate of merger for the initial merger.

### **Stock Exchange Listing of Global Payments Common Stock and Delisting and Deregistration of Heartland Common Stock (page 66)**

Application will be made to have the shares of Global Payments common stock to be issued in the mergers approved for listing on the NYSE, where Global Payments common stock is currently traded. If the mergers are consummated, Heartland common stock will no longer be listed on the NYSE, and will be deregistered under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. For additional information, see the section entitled Proposal 1: The Mergers Stock Exchange Listing of Global Payments Common Stock and Delisting and Deregistration of Heartland Common Stock .

### **Accounting Treatment (page 66)**

Global Payments and Heartland prepare their financial statements in accordance with accounting principles generally accepted in the United States (which we refer to as GAAP). The mergers will be accounted for using the acquisition method of accounting. Global Payments will be treated as the acquirer for accounting purposes. For additional information, see the section entitled Proposal 1: The Mergers Accounting Treatment .

### **Material United States Federal Income Tax Consequences (page 66)**

The mergers are intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Assuming that the mergers do qualify as a reorganization for U.S. federal income tax purposes, a U.S. holder of shares of Heartland common stock generally will recognize gain (but not loss) on the exchange in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the fair market value of the shares (including any fractional shares) of Global Payments common stock and cash received pursuant to the mergers (excluding any cash received in lieu of fractional shares) over the holder's adjusted tax basis in its shares of Heartland common stock surrendered pursuant to the mergers) and (2) the amount of cash (excluding any cash received in lieu of fractional shares) received pursuant to the mergers, and such holder will recognize gain or loss with respect to any cash received in lieu of fractional shares of Global Payments common stock. Heartland stockholders should consult their tax advisors for a full understanding of all of the tax consequences of the mergers to them. For additional information, see the section entitled Material United States Federal Income Tax Consequences of the Mergers .

### **Appraisal Rights (page 67)**

Heartland stockholders who do not vote for the adoption of the merger agreement, who continuously hold their shares of Heartland common stock through the effective time of the mergers and who otherwise comply with the applicable provisions of Section 262 of the Delaware General Corporation Law (which we refer to as DGCL) will be entitled to seek appraisal of the fair value of their shares of Heartland common stock, as determined by the Delaware Court of Chancery, if the mergers are completed. The fair value of your shares of Heartland common stock as determined by the Delaware Court of Chancery could be greater than, the same as, or less than the value of the per share merger consideration that you would otherwise be entitled to receive under the terms of the merger agreement. For additional information, see the section entitled Appraisal Rights .

### **No Solicitation by Heartland (page 77)**

Subject to certain exceptions, Heartland has agreed not to solicit, induce, encourage, facilitate, or participate in discussions or negotiations concerning acquisition proposals with third parties, or provide non-public



## **Table of Contents**

information relating to Heartland and its subsidiaries in connection with third party proposals. Notwithstanding these restrictions, however, the merger agreement provides that, under specified circumstances and before Heartland stockholders adopt the merger proposal, the Heartland board is permitted to provide access to its properties, books and records, information or data, and engage in negotiations or discussions with, a third party making an acquisition proposal (subject to such third party executing an acceptable confidentiality agreement), but only in response to an unsolicited bona fide written acquisition proposal if the Heartland board (1) determines in good faith, after consultation with Heartland's outside legal counsel and financial advisor, that such acquisition proposal is reasonably expected to constitute or result in a superior proposal to the mergers and (2) determines in good faith, after consultation with, and taking into account the advice of, outside legal counsel, that failure to take such action would be reasonably likely to be a violation of the Heartland board's fiduciary duties under applicable law. For additional information, see the section entitled "The Merger Agreement - Covenants - No Solicitation".

### **Change of Recommendation; Match Rights (page 79)**

The Heartland board recommends that Heartland stockholders vote **FOR** the merger proposal, which we refer to as the recommendation. The merger agreement provides that the Heartland board may not change its recommendation except in limited circumstances, including either (1) in response to an unsolicited bona fide written acquisition proposal that the Heartland board determines in good faith, after consultation with Heartland's outside legal counsel and financial advisor, constitutes a superior proposal and, after consultation with outside legal counsel, that the failure to change its recommendation would be reasonably likely to be a violation of the Heartland board's fiduciary duties under applicable law or (2) if there exists, with respect to Heartland or its subsidiaries, any event, development, change, effect or occurrence that was not known by the Heartland board or, if known, the consequences of which were not known or reasonably foreseeable as of the date of the merger agreement and the Heartland board further determines in good faith, after consultation with, and taking into account the advice of, outside legal counsel, that the failure to change its recommendation would be reasonably likely to be a violation of the Heartland board's fiduciary duties under applicable law. In addition, Heartland must provide Global Payments with prior notice of any such change in its recommendation and negotiate with Global Payments for a specific period in advance of any such change. For additional information, see the section entitled "The Merger Agreement - Covenants - Change of Recommendation; Match Rights".

### **Conditions to the Consummation of the Mergers (page 83)**

The obligations of each party to complete the mergers are conditioned upon:

the expiration or early termination of the applicable waiting period under the HSR Act;

the adoption of the merger agreement by the holders of a majority of the outstanding shares of Heartland common stock entitled to vote thereon;

the listing of the shares of Global Payments common stock issuable pursuant to the merger agreement on the NYSE;

the effectiveness under the Securities Act of 1933, as amended, which we refer to as the Securities Act, of the registration statement of which this proxy statement/prospectus forms a part, which shall not be the subject of any stop order or proceedings seeking a stop order to suspend the effectiveness of such registration statement;

the absence of any applicable law which restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated by the merger agreement, including the mergers;

the accuracy of the representations and warranties of the other party, subject to certain materiality thresholds;  
and

**Table of Contents**

the performance and compliance, in all material respects, by the other party of all of its covenants, obligations and agreements contained in the merger agreement to be performed and complied with by it at or prior to the effective time.

Additionally, the obligations of Global Payments and the Merger Subs to complete the mergers are conditioned upon the absence of any material adverse effect of Heartland.

For additional information, see the section entitled "The Merger Agreement - Conditions to the Consummation of the Mergers".

**Termination of the Merger Agreement (page 84)**

The merger agreement may be terminated:

by mutual written consent of each of Heartland and Global Payments;

by either Heartland or Global Payments (unless, in the case of the first three bullets below, the terminating party is in material breach of the merger agreement):

if the closing does not occur on or before June 15, 2016, which we refer to as the termination date (provided that in certain cases if all closing conditions have otherwise been satisfied and the marketing period in connection with the debt financing has commenced but not yet ended such date will be automatically extended for twenty-one business days from the first day of the marketing period);

if there is a law that makes the closing of the mergers illegal or if any government authority issues an order or takes any other action permanently restraining, enjoining or otherwise prohibiting the mergers;

if the other party breaches or fails to perform its representations, warranties, covenants or other agreements contained in the merger agreement and such breach or failure to perform would give rise to a failure of a closing condition relating to the accuracy of such breaching party's representations and warranties or compliance with the terms of the merger agreement, and such breach or failure to perform is not cured within a specified period of time; or

if the approval of Heartland stockholders of the merger proposal is not obtained at the special meeting or at the final adjournment or postponement of the special meeting;

by Heartland before approval of Heartland stockholders of the merger proposal is obtained, if the Heartland board, after compliance with the terms and conditions of the merger agreement (including its non-solicitation obligations and Global Payments' match rights), determines to terminate the merger agreement to enter into a definitive agreement with respect to a superior proposal; or

by Global Payments, if the Heartland board of directors does any of the following (which we refer to collectively as the change of recommendation termination rights):

makes a change of recommendation;

fails to include the recommendation in this proxy statement/prospectus;

recommends, approves or otherwise declares advisable to Heartland stockholders an acquisition proposal other than the mergers;

fails to have published, sent or given to its stockholders, within ten business days following the commencement of a tender offer or exchange offer that constitutes an acquisition proposal (or subsequent material amendment thereof), a statement recommending that its stockholders reject such tender offer or exchange offer and affirming the recommendation;

## **Table of Contents**

fails to publicly reaffirm the recommendation within ten business days of Global Payments' request to do so following the public announcement or public disclosure by any person of an acquisition proposal or an intention to make an acquisition proposal; or

formally resolves to effect or publicly announces an intention to effect any of the foregoing, prior to obtaining the approval of Heartland stockholders of the merger proposal.

For additional information, see the section entitled "The Merger Agreement - Termination of the Merger Agreement and Termination Fee - Termination".

### **Termination Fee (page 86)**

Under the merger agreement, Heartland will be required to pay to Global Payments a termination fee of \$153 million in connection with a termination of the merger agreement in certain circumstances, including (1) if Global Payments terminates the merger agreement pursuant to any of the change of recommendation termination rights or if the merger agreement is terminated after a failure to obtain the approval of Heartland stockholders of the merger proposal at a time when Global Payments could have terminated the merger agreement pursuant to any of the change of recommendation termination rights, (2) if Heartland terminates the merger agreement to enter into a definitive agreement with a third party with respect to a superior proposal to the mergers, or (3) if the merger agreement is terminated (either at the termination date prior to obtaining the approval of Heartland stockholders of the merger proposal, due to a failure to obtain the approval of Heartland stockholders of the merger proposal or due to Heartland's breach of the merger agreement) under certain circumstances following a third party having publicly made an alternative acquisition proposal, and Heartland subsequently enters into, or consummates, within twelve months, an alternative acquisition proposal.

For additional information, see the section entitled "The Merger Agreement - Termination of the Merger Agreement and Termination Fee - Termination Fee".

### **Specific Performance (page 87)**

Each party is entitled to an injunction, specific performance and other equitable remedies to prevent and restrain breaches or threatened breaches of the merger agreement or to enforce specifically the performance of the terms and provisions of the merger agreement in the Court of Chancery of the State of Delaware or, if such court declines to accept jurisdiction over a particular matter, in any state or federal court located in the State of Delaware. This remedy is in addition to any other remedy to which the parties are entitled at law or in equity.

### **Expenses (page 87)**

Each party will bear all its own expenses in connection with the merger agreement and the transactions contemplated thereby, whether or not such transactions are consummated, except, subject to certain exceptions, Global Payments will bear the cost of filings under the HSR Act and will reimburse Heartland and its subsidiaries for their costs incurred in connection with their cooperation in obtaining the debt financing.

### **Comparison of the Rights of Shareholders of Global Payments and Stockholders of Heartland (page 110)**

The rights of Heartland stockholders are governed by Heartland's amended and restated certificate of incorporation, which we refer to as the Heartland charter or the Heartland certificate of incorporation, and



## **Table of Contents**

Heartland's amended and restated bylaws, which we refer to as the Heartland bylaws, and by Delaware corporate law. Following the mergers, your rights as a stockholder of Global Payments will be governed by Global Payments' second amended and restated articles of incorporation, which we refer to as the Global Payments charter or the Global Payments articles of incorporation, the Global Payments bylaws and by Georgia corporate law. Your rights under the Global Payments charter, the Global Payments bylaws and Georgia corporate law will differ in some respects from your rights under the Heartland charter, the Heartland bylaws and Delaware corporate law. For additional information, see the section entitled "Comparison of Rights of Stockholders".

## **Comparative Stock Price Data and Dividends (page 26)**

Global Payments common stock is listed on the NYSE under the symbol GPN. Heartland common stock is listed on the NYSE under the symbol HPY.

Global Payments has historically paid a quarterly dividend on its common stock and last paid a dividend on February 26, 2016 of \$0.01 per share. Future cash dividends paid by Global Payments, if any, are subject to the sole discretion of the Global Payments board. Under the terms of the merger agreement, during the period before the closing of the mergers, Global Payments is prohibited from paying any dividends other than its ordinary course quarterly dividends in accordance with past practice.

Heartland has historically paid a quarterly dividend on its common stock and last paid a dividend on March 15, 2016 of \$0.10 per share. Under the terms of the merger agreement, during the period before the closing of the mergers, Heartland is prohibited from paying any dividends other than its ordinary course quarterly dividends in accordance with past practice.

For additional information, see the section entitled "Comparative Stock Price Data and Dividends".

## **Litigation Relating to the Mergers (page 67)**

Heartland, the Heartland Board, Global Payments, Merger Sub One, and Merger Sub Two have been named as defendants in a putative class action lawsuit challenging the proposed mergers. The suit was filed in the New Jersey Superior Court, Mercer County, Civil Division, and is captioned *Kevin Merchant v. Heartland Payment Systems, et al.*, L-45-16 (filed January 8, 2016). 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, and failing to properly value Heartland. 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. Plaintiff seeks, among other things, an injunction barring the mergers, rescission of the mergers or rescissory damages to the extent they have already been implemented, and an award of damages and attorney's fees. On February 29, 2016, Plaintiff Kevin Merchant filed an amended complaint that further alleges that the February 5, 2016 preliminary proxy statement contains allegedly materially misleading statements and omissions. The defendants believe the lawsuit is without merit.

For additional information, see the section entitled "Proposal 1: The Mergers - Litigation Relating to the Mergers".

## **Risk Factors (page 29)**

In evaluating the mergers, merger agreement and transactions contemplated thereby, you should carefully read this proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risk Factors".





**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA OF GLOBAL PAYMENTS**

The following table sets forth Global Payments' selected historical consolidated financial data for the periods ended and as of the dates indicated. This information has been derived from Global Payments' consolidated financial statements filed with the SEC. Historical financial data as of and for the six months ended November 30, 2015 and 2014 are unaudited and include, in management's opinion, all known adjustments necessary for a fair presentation of the results of operations and financial condition of Global Payments. These adjustments consist of normal recurring accruals and estimates that affect the carrying amount of assets and liabilities. You should not assume the results of operations for past periods are indicative of results for any future periods.

You should read this information in conjunction with (i) the historical consolidated financial statements of Global Payments and the related notes presented in its Annual Report on Form 10-K for the year ended May 31, 2015, (ii) updated portions of Global Payments' Annual Report on Form 10-K for the year ended May 31, 2015 filed with the SEC in a Current Report on Form 8-K on February 5, 2016 to reflect, for all periods presented, the retrospective effects of a change in reportable segments, the adoption of accounting standards updates and a stock split effected in the form of a dividend paid on November 2, 2015, and (iii) the historical consolidated financial statements of Global Payments and related notes presented in Global Payments' Quarterly Report on Form 10-Q for the period ended November 30, 2015. For additional information, see the section entitled "Where You Can Find More Information" beginning on page 127 of this proxy statement/prospectus.

	Unaudited		Year Ended May 31,				
	Six Months Ended November 30,		2015	2014	2013	2012	2011
	2015	2014	2015	2014	2013	2012	2011
	(in thousands, except per share data)						
<b>Income statement data:</b>							
Revenues	\$ 1,471,146	\$ 1,402,186	\$ 2,773,718	\$ 2,554,236	\$ 2,375,923	\$ 2,203,847	\$ 1,859,802
Operating income	260,937	248,382	456,597	405,499	357,213	307,349	331,594
Net income	176,126	169,690	309,115	269,952	238,713	217,566	229,131
Net income attributable to Global Payments	165,418	150,147	278,040	245,286	216,125	188,161	209,238
<b>Per share data:</b>							
Basic earnings per share	\$ 1.27	\$ 1.11	\$ 2.07	\$ 1.70	\$ 1.39	\$ 1.19	\$ 1.31
Diluted earnings per share	1.27	1.10	2.06	1.69	1.38	1.18	1.30
Dividends per share	0.02	0.02	0.04	0.04	0.04	0.04	0.04
<b>Balance sheet data (at period end):</b>							
Total assets	\$ 5,328,101	\$ 4,526,929	\$ 5,779,301	\$ 4,002,527	\$ 3,114,025	\$ 2,665,678	\$ 3,348,720
Lines of credit	685,178	530,721	592,629	440,128	187,461	215,391	270,745
Long-term debt	1,915,803	1,598,198	1,740,067	1,390,507	960,749	312,953	353,904

Total equity	926,099	1,022,236	863,553	1,132,799	1,286,607	1,445,343	1,471,675
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**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA OF HEARTLAND**

The following table sets forth Heartland's selected historical consolidated financial and other data for the periods ended and as of the dates indicated. This information has been derived from Heartland's consolidated financial statements filed with the SEC. You should not assume the results of operations for past periods indicate results for any future periods. You should read this information in conjunction with Heartland's consolidated financial statements and related notes thereto in Heartland's Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this proxy statement/prospectus. For additional information, see the section entitled "Where You Can Find More Information" beginning on page 127 of this proxy statement/prospectus.

	<b>Year Ended December 31,</b>				
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>(in thousands, except per share data)</b>				
<b>Income statement data:</b>					
Total revenues	\$ 2,682,396	\$ 2,311,381	\$ 2,135,372	\$ 2,013,436	\$ 1,985,577
Total costs of services	2,292,843	2,001,342	1,835,706	1,763,701	1,783,731
General and administrative	244,005	190,554	173,568	139,934	125,765
Goodwill impairment charge		18,490			
Asset impairment charges		18,875			
Total expenses	2,536,848	2,229,261	2,009,274	1,903,635	1,909,496
Income from operations	145,548	82,120	126,098	109,801	76,081
Net income from continuing operations	84,732	31,868	74,102	64,353	42,988
Net income attributable to Heartland	84,732	33,879	78,626	65,889	43,939
<b>Basic earnings per share:</b>					
Income from continuing operations	\$ 2.31	\$ 0.93	\$ 2.03	\$ 1.67	\$ 1.10
Income from discontinued operations	\$	\$	\$ 0.11	\$ 0.04	\$ 0.03
Basic earnings per share	\$ 2.31	\$ 0.93	\$ 2.14	\$ 1.71	\$ 1.13
<b>Diluted earnings per share:</b>					
Income from continuing operations	\$ 2.28	\$ 0.91	\$ 1.96	\$ 1.60	\$ 1.07
Income from discontinued operations	\$	\$	\$ 0.10	\$ 0.04	\$ 0.02
Diluted earnings per share	\$ 2.28	\$ 0.91	\$ 2.06	\$ 1.64	\$ 1.09
<b>Weighted average number of common shares outstanding:</b>					
Basic	36,646	36,354	36,791	38,468	38,931
Diluted	37,237	37,187	38,053	40,058	40,233
<b>Dividends declared per share</b>	<b>\$ 0.40</b>	<b>\$ 0.34</b>	<b>\$ 0.28</b>	<b>\$ 0.24</b>	<b>\$ 0.16</b>

**Table of Contents**

	As of December 31,				
	2015	2014	2013	2012	2011
	(in thousands)				
<b>Balance sheet data:</b>					
Total assets	\$ 1,536,679	\$ 1,378,465	\$ 890,757	\$ 802,939	\$ 590,175
Current portion of borrowings	43,793	36,792		102,001	15,003
Long-term borrowings	437,842	523,122	150,000	50,000	70,000
Total liabilities	1,200,857	1,127,705	624,094	591,778	370,123
Total stockholders' equity	335,822	250,760	260,475	209,786	219,410

-22-

**Table of Contents****SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED****FINANCIAL INFORMATION**

The following tables present unaudited pro forma condensed combined financial information about Global Payments consolidated balance sheet and statement of income, after giving effect to the proposed acquisition of Heartland. The information under **Unaudited Pro Forma Condensed Combined Income Statement Data** in the table below gives effect to the mergers as if they had been consummated on June 1, 2014, the beginning of the earliest period presented. The information under **Unaudited Pro Forma Condensed Combined Balance Sheet Data** in the table below assumes the mergers had been consummated on November 30, 2015. This unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting, with Global Payments considered the acquirer of Heartland for accounting purposes. For additional information, see the section entitled **Proposal 1: The Mergers** beginning on page 40 of this proxy statement/prospectus.

In addition, the unaudited pro forma condensed combined financial information includes adjustments that are preliminary and may be revised. There can be no assurance that such revisions will not result in material changes. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of results that actually would have occurred or that may occur in the future had the mergers been completed on the dates indicated, nor is it necessarily indicative of the future operating results or financial position of Global Payments after the mergers. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled **Risk Factors** beginning on page 29 of this proxy statement/prospectus.

The information presented below should be read in conjunction with the historical consolidated financial statements of Global Payments and Heartland, including the related notes, filed by each with the SEC, and with the pro forma condensed combined financial information of Global Payments and Heartland, including the related notes, appearing elsewhere in this proxy statement/prospectus. For additional information, see the sections entitled **Where You Can Find More Information** and **Unaudited Pro Forma Condensed Combined Financial Information** beginning on pages 127 and 92, respectively, of this proxy statement/prospectus.

	<b>Six Months Ended November 30, 2015</b>	<b>Year Ended May 31, 2015</b>
	<b>(in thousands, except per share data)</b>	
<b>Unaudited Pro Forma Condensed Combined Income Statement</b>		
<b>Data:</b>		
Revenue	\$ 2,016,275	\$ 3,666,921
Operating income	258,737	356,052
Net income attributable to controlling shareholders	130,767	137,316
Net income per share:		
Basic	\$ 0.84	\$ 0.86
Diluted	\$ 0.84	\$ 0.86

**As of November 30,  
2015  
(in thousands)**

**Unaudited Pro Forma Condensed Combined Balance Sheet**

**Data:**

Total assets	\$	10,408,876
Long-term debt		4,420,671
Total liabilities		7,903,418
Total equity		2,505,458

-23-

**Table of Contents**

**UNAUDITED COMPARATIVE PER SHARE INFORMATION**

The following table sets forth selected historical per share information of Global Payments and Heartland and unaudited pro forma combined per share information after giving effect to the mergers, using the acquisition method of accounting, assuming that 0.6687 of a share of Global Payments common stock had been issued in exchange for each share of Heartland common stock.

In accordance with the requirements of the SEC, the pro forma and pro forma combined equivalent per share information gives effect to the mergers as if they had been completed on June 1, 2014, in the case of earnings per share data, and November 30, 2015, in the case of book value per share data. You should read this information in conjunction with the selected historical financial information, included elsewhere in this proxy statement/prospectus, and the historical financial statements of Global Payments and Heartland and related notes that have been filed with the SEC. For additional information, see the sections entitled *Selected Historical Financial Data of Global Payments*, *Selected Historical Financial Data of Heartland* and *Where You Can Find More Information* beginning on pages 20, 21 and 127, respectively, of this proxy statement/prospectus. The unaudited Global Payments pro forma combined per share information is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information and related notes included herein. For additional information, see the section entitled *Selected Unaudited Pro Forma Condensed Combined Financial Information* beginning on page 23 of this proxy statement/prospectus.

The pro forma per share data as of and for the six months ended November 30, 2015 and the per share data as of and for the year ended May 31, 2015 have been prepared utilizing period ends for Heartland that differ by fewer than 93 days, as permitted by Regulation S-X and as discussed further below.

The historical book share data of Heartland as of November 30, 2015 reflects the financial position of Heartland as of September 30, 2015 and was derived from its Quarterly Report on Form 10-Q for the period ended September 30, 2015. The historical per share data of Heartland for the six months ended November 30, 2015 reflects the results of operations of Heartland for the six months ended September 30, 2015 determined by (i) taking the results of operations of Heartland for the nine months ended September 30, 2015, which were derived from its Quarterly Report on Form 10-Q for the period ended September 30, 2015, and (ii) subtracting the results of operations of Heartland for the three months ended March 31, 2015, which were derived from its Quarterly Report on Form 10-Q for the period ended March 31, 2015. The historical financial information of Heartland for the year ended May 31, 2015 reflects the results of operations of Heartland for the twelve months ended March 31, 2015 determined by taking (i) the results of operations of Heartland for the year ended December 31, 2014, which were derived from its Annual Report on Form 10-K for the year ended December 31, 2015, subtracting (ii) the results of operations of Heartland for the three months ended March 31, 2014, which were derived from its Quarterly Report on Form 10-Q for the period ended March 31, 2014, and (iii) adding the results of operations of Heartland for the three months ended March 31, 2015, which were derived from its Quarterly Report on Form 10-Q for the period ended March 31, 2015.

The unaudited pro forma Heartland per share equivalents were calculated by multiplying the unaudited pro forma combined per share amounts by the exchange ratio of 0.6687. The exchange ratio does not include \$53.28 of cash consideration.

**Table of Contents**

The unaudited pro forma combined per share information does not purport to represent what the actual results of operations of Global Payments and Heartland would have been had the companies been combined during these periods or to project the combined company's results of operations that may be achieved after the mergers.

	<b>As of and for the Six Months Ended November 30, 2015</b>	<b>As of and for the Year Ended May 31, 2015</b>
<b>Global Payments Historical Per Share Data</b>		
Earnings per share basic	\$ 1.27	\$ 2.07
Earnings per share diluted	\$ 1.27	\$ 2.06
Cash dividends declared per common share	\$ 0.02	\$ 0.04
Book value per share	\$ 7.16	\$ 6.61

	<b>As of and for the Six Months Ended September 30, 2015</b>	<b>As of and for the Twelve Months Ended March 31, 2015</b>
<b>Heartland's Historical Per Share Data</b>		
Earnings per share basic	\$ 1.22	\$ 0.97
Earnings per share diluted	\$ 1.21	\$ 0.95
Cash dividends declared per common share	\$ 0.20	\$ 0.35
Book value per share	\$ 8.63	\$ 7.32

	<b>As of and for the Six Months Ended November 30, 2015</b>	<b>As of and for the Year Ended May 31, 2015</b>
<b>Unaudited Pro Forma Combined Per Share Data</b>		
Earnings per share basic	\$ 0.84	\$ 0.86
Earnings per share diluted	\$ 0.84	\$ 0.86
Cash dividends declared per common share <sup>(1)</sup>	n/a	n/a
Book value per share	\$ 16.16	n/a

	<b>As of and for the Six Months Ended November 30, 2015</b>	<b>As of and for the Year Ended May 31, 2015</b>
<b>Unaudited Pro Forma Combined Equivalent Per Share Data for Heartland<sup>(2)</sup></b>		



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Earnings per share basic	\$	0.56	\$	0.58
Earnings per share diluted	\$	0.56	\$	0.58
Cash dividends declared per common share <sup>(1)</sup>		n/a		n/a
Book value per share	\$	10.81		n/a

- (1) Pro forma combined cash dividends per common share is not presented as the dividend policy for the combined company will be determined by the Global Payments board of directors following the completion of the mergers.
- (2) The unaudited pro forma combined equivalent per share data for Heartland are calculated by multiplying the preliminary unaudited pro forma combined per share data by the exchange ratio of 0.6687.

-25-

Table of Contents**COMPARATIVE STOCK PRICE DATA AND DIVIDENDS****Market Values of Global Payments Securities**

Global Payments common stock is listed on the NYSE under the symbol GPN. The table below sets forth, for the fiscal quarters indicated, the high and low per share sale prices of Global Payments common stock as reported by the NYSE and cash dividends declared. The amounts below have been adjusted to reflect a two-for-one stock split of Global Payments common stock, paid to Global Payments shareholders in the form of a stock dividend on November 2, 2015.

	<b>High</b>	<b>Low</b>	<b>Dividends Per Share</b>
<b>Fiscal Year Ended May 31, 2014</b>			
First Quarter	\$ 24.88	\$ 22.42	\$ 0.01
Second Quarter	32.21	23.68	0.01
Third Quarter	35.39	30.61	0.01
Fourth Quarter	36.92	32.33	0.01
<b>Fiscal Year Ended May 31, 2015</b>			
First Quarter	37.23	33.67	0.01
Second Quarter	43.36	34.30	0.01
Third Quarter	46.50	38.58	0.01
Fourth Quarter	53.03	43.84	0.01
<b>Fiscal Year Ending May 31, 2016</b>			
First Quarter	59.29	50.69	0.01
Second Quarter	72.91	54.03	0.01
Third Quarter	74.64	51.29	0.01
Fourth Quarter (through March 22, 2016)	63.48	58.11	

**Market Values of Heartland Securities**

Heartland common stock is listed on the NYSE under the symbol HPY. The table below sets forth, for the fiscal quarters indicated, the high and low per share sale prices of Heartland common stock as reported by the NYSE and cash dividends declared.

	<b>High</b>	<b>Low</b>	<b>Dividends Per Share</b>
<b>Fiscal Year Ended December 31, 2013</b>			
First Quarter	\$ 33.70	\$ 29.30	\$ 0.07
Second Quarter	37.39	30.29	0.07
Third Quarter	40.38	36.73	0.07
Fourth Quarter	50.36	37.57	0.07
<b>Fiscal Year Ended December 31, 2014</b>			
First Quarter	50.44	38.67	0.085
Second Quarter	43.52	37.25	0.085
Third Quarter	49.46	40.61	0.085

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Fourth Quarter	56.28	46.67	0.085
<b>Fiscal Year Ended December 31, 2015</b>			
First Quarter	55.16	46.65	0.10
Second Quarter	55.89	47.64	0.10
Third Quarter	65.30	52.89	0.10
Fourth Quarter	96.47	59.03	0.10
<b>Fiscal Year Ending December 31, 2016</b>			
First Quarter (through March 22, 2016)	95.28	86.64	0.10

-26-

**Table of Contents**

On December 15, 2015, the trading day of the announcement of the mergers, the last reported sale price of Global Payments common stock on the NYSE was \$71.42 and the last reported sale price of Heartland common stock on the NYSE was \$85.10. On December 9, 2015, the last trading day before the publication of news reports relating to a potential acquisition of Heartland by Global Payments, the last reported sale price of Global Payments common stock on the NYSE was \$69.63, and the last reported sale price of Heartland common stock on the NYSE was \$77.84. On March 22, 2016, the most recent practicable date prior to the printing of this proxy statement/prospectus, the last reported sale price of Global Payments common stock on the NYSE was \$59.62 and the last reported sale price of Heartland common stock on the NYSE was \$92.62. We urge you to obtain current stock price quotations for Global Payments common stock and Heartland common stock from a newspaper, the internet or your broker.

**Dividends**

Global Payments has historically paid a quarterly dividend on its common stock and last paid a dividend on February 26, 2016 of \$0.01 per share. Future cash dividends paid by Global Payments, if any, are subject to the sole discretion of the Global Payments board. Notwithstanding the foregoing, under the terms of the merger agreement, during the period before the closing of the mergers, Global Payments is prohibited from paying any dividends other than its ordinary course quarterly dividends in accordance with past practice.

Heartland has historically paid a quarterly dividend on its common stock and last paid a dividend on March 15, 2016 of \$0.10 per share. Under the terms of the merger agreement, during the period before the closing of the mergers, Heartland is prohibited from paying any dividends other than its ordinary course quarterly dividends in accordance with past practice.

**Table of Contents**

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Information included in this proxy statement/prospectus (including information included or incorporated by reference in this document) 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, Global Payments and Heartland cannot guarantee you that their plans and expectations will be achieved. Such statements may include, but are not limited to, statements about the benefits of the mergers, including future financial and operating results, the combined company's plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements speak only as of the date they are made and should not be relied upon as representing plans and expectations as of any subsequent date. Global Payments and Heartland undertake no obligation to revise any of these statements to reflect future circumstances or the occurrence of unanticipated events.

Important factors, among others, associated with the mergers that could cause actual events or results to differ materially from those anticipated by forward-looking statements or historical performance include those factors set forth under the section entitled **Risk Factors** beginning on page 29 of this proxy statement/prospectus, as well as, among others, risks and uncertainties relating to: the ability to meet closing conditions at all or on the expected terms and schedule, including without limitation the approval of Heartland stockholders and other regulatory approvals required for the mergers; the possibility of a delay in closing the mergers or failure to consummate the mergers as a result of litigation or otherwise; business disruption during the pendency of the mergers or thereafter making it more difficult to maintain business and operational relationships, including the possibility that the announcement of the mergers could disrupt Heartland's relationships with sponsors, merchants, employees or other partners; difficulties and delays in integrating the Heartland business or fully realizing cost savings and other benefits of the mergers at all or within the expected time period; the ability to accurately predict future market conditions; and changes in laws, regulations or network rules or interpretations thereof impacting Global Payments or Heartland.

Additional important factors, among others, not directly associated with the mergers but that may otherwise cause actual events or results to differ materially from those anticipated by forward-looking statements or historical performance include, with respect to both Global Payments and Heartland, the potential failure to safeguard data; increased competition from nontraditional competitors; the ability to update products and services in a timely manner; potential systems interruptions or failures; software defects or undetected errors; the ability to maintain American Express, Discover, Visa, MasterCard and other registration and financial institution sponsorship; reliance on financial institutions to provide clearing services in connection with settlement activities; potential failure to comply with card network requirements; increased merchant, referral partner or, with respect to Global Payments, ISO attrition; the ability to increase each company's share of existing markets and expand into new markets; 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 the companies operate; future performance, integration and conversion of acquired operations (including Heartland, with respect to Global Payments); loss of key personnel; and other risk factors presented in Global Payments' Annual Report on Form 10-K for the fiscal year ended May 31, 2015 and Heartland's Annual Report on Form 10-K for the year ended December 31, 2015, and each of Global Payments' and Heartland's subsequently filed Quarterly Reports on Form 10-Q, and any amendments thereto.

Global Payments and Heartland caution that the foregoing list of factors is not exhaustive. Additional information concerning these and other risk factors is discussed under the section entitled **Risk Factors** beginning on page 29 of this proxy statement/prospectus and elsewhere in this proxy statement/prospectus and in documents incorporated herein by reference. All subsequent written and oral forward-looking statements concerning Global Payments,

Heartland, Heartland's special meeting, the mergers, any related transactions or other matters related to the companies or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

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**Table of Contents****RISK FACTORS**

*In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including, but not limited to, the matters addressed under the section **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 28 of this proxy statement/prospectus, you should carefully consider the following risk factors in deciding whether to vote for the adoption of the merger agreement. In addition, you should read and consider the risks associated with each of the businesses of Global Payments and Heartland because these risks will relate to the surviving company in the mergers and the shares of Global Payments common stock payable as the stock consideration in connection with the mergers. These risk factors may be found under Item 1A. **Risk Factors** in Global Payments Annual Report on Form 10-K for the fiscal year ended May 31, 2015, Heartland's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and in subsequent Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed by Global Payments and Heartland and incorporated by reference into this document. For additional information, see the section entitled **Where You Can Find More Information** beginning on page 127 of this proxy statement/prospectus.*

***Because the exchange ratio is fixed and the market price of Global Payments common stock will fluctuate, Heartland stockholders cannot be sure of the value of the per share merger consideration they will receive.***

Upon the completion of the initial merger, each share of Heartland common stock issued and outstanding immediately prior to the mergers will be converted into the right to receive, subject to adjustment under limited circumstances, a combination of \$53.28 in cash, without interest, and 0.6687 of a share of Global Payments common stock, with cash paid in lieu of fractional shares of Global Payments common stock. Because the exchange ratio of 0.6687 of a share of Global Payments common stock is fixed (subject to adjustment under limited circumstances if the number of shares of Global Payments common stock issuable in the mergers would otherwise exceed 19.9% of the outstanding Global Payments common stock prior to the mergers), the value of the stock consideration will depend on the market price of Global Payments common stock at the time the initial merger is completed. The value of the stock consideration will vary between the date of the announcement of the merger agreement, the date that this proxy statement/prospectus was mailed to Heartland stockholders, the date of the special meeting of Heartland stockholders, the date the initial merger is completed, and thereafter. Accordingly, at the time of the special meeting of Heartland stockholders, Heartland stockholders will not know or be able to calculate the market value of the per share merger consideration they would receive upon completion of the initial merger. The share price of Global Payments common stock may fluctuate for a variety of reasons related specifically to Global Payments or generally to the market for publicly traded equity securities, and the market price of Global Payments common stock has experienced volatility in the past. Stock price changes may result from a variety of factors, including, among others, general market and economic conditions, changes in Global Payments and Heartland's respective businesses, operations and prospects and regulatory considerations. Many of these factors are beyond Global Payments and Heartland's control. There will be no adjustment to the per share merger consideration for changes in the market price of either shares of Global Payments common stock or shares of Heartland common stock, and neither company is permitted to terminate the merger agreement or resolicit the vote of Heartland stockholders solely because of changes in the market prices of either company's stock. You should obtain current market quotations for shares of Global Payments common stock and for shares of Heartland common stock.

***Global Payments may fail to realize the anticipated benefits of the mergers or may be subject to additional or unanticipated transaction and acquisition-related costs, which could adversely affect Global Payments' results of operations and the value of Global Payments common stock received in the mergers.***

Global Payments and Heartland have operated and, until the completion of the mergers, will continue to operate, independently. The success of the mergers will depend, in part, on Global Payments' ability to successfully integrate

Heartland's operations in a manner that produces the anticipated synergies and other benefits. The achievement of the anticipated benefits of the mergers is subject to a number of uncertainties,



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**Table of Contents**

including whether Heartland's business can be integrated into Global Payments' business in an efficient and effective manner and the amount of transaction costs that Global Payments will incur in connection with the mergers. If the mergers are completed, there can be no assurance that (1) the anticipated benefits of the mergers, including synergies, will be fully realized in the time frame anticipated or at all; (2) the costs or difficulties related to the integration of Heartland's business and operations into Global Payments' business and operations will not be greater than expected; (3) Global Payments will be able to retain key personnel; or (4) the mergers will not cause disruption to Heartland's business and operations and relationships with financial institution sponsors, customers, merchants, employees and other partners. Further, integration efforts may divert management attention and resources. If one or more of these risks are realized or one or more of the anticipated benefits is not achieved, it could negatively affect Global Payments' operating results, cash flows, business, financial condition, operating results and prospects, and the mergers may not be accretive and may cause dilution to Global Payments' earnings per share.

***The parties may not be able to successfully or timely complete the mergers, which could affect the business and operations of Global Payments or Heartland.***

Risks and uncertainties related to the completion of the mergers include, among others, the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement. Specifically, completion of the mergers is subject to the satisfaction of certain conditions set forth in the merger agreement, including the adoption of the merger agreement by the holders of a majority of the outstanding shares of Heartland common stock, the listing of shares of Global Payments common stock issuable pursuant to the merger agreement on the NYSE, the effectiveness under the Securities Act of the registration statement filed by Global Payments on Form S-4 in connection with the mergers, the absence of any applicable law which restrains, enjoins otherwise prohibits the consummation of the transactions contemplated by the merger agreement, including the mergers and, subject to certain materiality exceptions, the accuracy of the representations and warranties made by the parties and compliance by the parties with their respective obligations under the merger agreement. If any condition to the closing of the mergers is not satisfied or waived, the mergers may not be completed. In addition, satisfying the conditions to the closing of the mergers may take longer than the parties expect. There can be no assurance that any of the conditions to closing will be satisfied or waived or that other events will not intervene to delay or result in the failure to complete the mergers.

Failure to complete the mergers could negatively affect the future business and financial results of Global Payments and Heartland. Global Payments and Heartland could also be subject to litigation related to any failure to complete the mergers. If the merger agreement is terminated in certain circumstances, Heartland is required to pay Global Payments a termination fee of \$153 million. Global Payments and Heartland will be required to pay certain transaction costs and expenses related to the mergers, whether or not the mergers are completed. Additionally, under the merger agreement, Heartland is subject to certain restrictions on the conduct of its business prior to completing the mergers, which may affect its ability to execute certain of its business strategies. Further, matters relating to the mergers (including integration planning) may require substantial commitments of time and resources by Global Payments and Heartland management, which could otherwise have been devoted to other opportunities that may have been beneficial to Global Payments or Heartland as independent companies.

Further, each of Global Payments and Heartland has incurred substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs and expenses of filing, printing and mailing this proxy statement/prospectus and all filing and other fees paid to the SEC in connection with the mergers. If the mergers are not completed, Global Payments and Heartland will have incurred these expenses without realizing any of the expected benefits of the mergers.

***The pendency of the mergers could adversely affect the respective business and operations of Global Payments and Heartland.***

In connection with the pending mergers, some customers, suppliers and other entities with whom Global Payments or Heartland have a business relationship may delay or defer decisions, which could negatively impact

**Table of Contents**

revenues, earnings and cash flows of Global Payments or Heartland, as well as the market price of Global Payments common stock or Heartland common stock, regardless of whether the mergers are completed.

***The market price of Global Payments common stock after the mergers may be affected by factors different from those affecting the price of Global Payments or Heartland common stock currently.***

Upon completion of the mergers, holders of Heartland common stock will become holders of Global Payments common stock. The businesses of Global Payments and Heartland differ in certain respects and, accordingly, the results of operations and cash flows of the combined company and the market price of Global Payments common stock following the mergers may be affected by factors different from those currently affecting the independent results of operations and cash flows of Global Payments and Heartland. For a discussion of the businesses of Global Payments and Heartland and of certain factors to consider in connection with those businesses, see the documents incorporated by reference into this proxy statement/prospectus referred to in the section entitled "Where You Can Find More Information" beginning on page 127 of this proxy statement/prospectus.

***The merger agreement limits Heartland's ability to pursue alternatives to the mergers and may discourage other companies from trying to acquire Heartland for greater consideration than what Global Payments has agreed to pay.***

The merger agreement contains provisions that make it more difficult for Heartland to sell its business to a person other than Global Payments. These provisions include a general prohibition on Heartland soliciting any alternative acquisition proposal to the mergers. If the merger agreement is terminated in certain circumstances, Heartland is required to pay Global Payments a termination fee of \$153 million. Further, there are only limited exceptions to Heartland's agreement that the Heartland board will not withdraw or modify in a manner adverse to Global Payments the recommendation of the Heartland board in favor of the adoption of the merger agreement and to Heartland's agreement not to enter into an agreement with respect to an alternative acquisition proposal to the mergers.

***Directors and officers of Heartland may have conflicts of interest that may influence them to support or approve the mergers.***

Certain members of the Heartland board and certain executive officers of Heartland may have interests in the transactions contemplated by the merger agreement that may be different from, or are in addition to, the general interests of Heartland stockholders. For additional information, see the section entitled "Proposal 1: The Mergers - Interests of Certain Persons in the Mergers" beginning on page 58 of this proxy statement/prospectus.

***Litigation filed against Heartland, the Heartland board, Global Payments and the Merger Subs could prevent or delay the consummation of the mergers or result in the payment of damages following the completion of the mergers.***

In connection with the mergers, a purported stockholder of Heartland has filed a putative stockholder class action lawsuit against Heartland, the Heartland board, Global Payments and the Merger Subs. Among other remedies, the plaintiff seeks to enjoin the mergers. The outcome of any such litigation is uncertain. If a dismissal is not granted or a settlement is not reached, any such lawsuit could prevent or delay the completion of the mergers and result in substantial costs to Heartland and Global Payments, including any costs associated with indemnification. Additional lawsuits may be filed against Heartland, Global Payments, the Merger Subs or the directors and officers of either Heartland or Global Payments in connection with the mergers. The defense or settlement of any such lawsuit or claim that remains unresolved at the time the mergers are consummated could negatively affect Global Payments' operating results and cash flows. See the section entitled "Proposal 1: The Mergers - Litigation Relating to the Mergers" beginning

on page 67 of this proxy statement/prospectus.

**Table of Contents**

***Global Payments will take on additional indebtedness to finance the mergers, which could adversely affect Global Payments, including by decreasing its business flexibility.***

In connection with the consummation of the mergers, Global Payments intends to increase its indebtedness. Global Payments has entered into an amended credit facility providing for approximately \$4.78 billion of financing to fund the cash consideration for the mergers, repay certain of Heartland's indebtedness and pay related fees and expenses, subject in each case to the conditions set forth in the amended credit facility. Global Payments' increased level of debt and the covenants to which Global Payments will agree in connection with the debt financing could have negative consequences on Global Payments, including, among other things, (1) requiring Global Payments to dedicate a larger portion of its cash flow from operations to servicing and repayment of the debt, (2) reducing funds available for strategic initiatives and opportunities, working capital and other general corporate needs and (3) limiting Global Payments' ability to incur certain kinds or amounts of additional indebtedness, which could restrict its flexibility to react to changes in its business, its industry and economic conditions.

***Heartland stockholders will have different rights with respect to their stockholdings following the mergers.***

Upon consummation of the mergers, Heartland stockholders, who presently hold stock in a public Delaware corporation, will become shareholders of Global Payments, a public Georgia corporation, and their rights as stockholders will be governed by the Global Payments charter, the Global Payments bylaws and Georgia law. There are material differences between the rights of stockholders of a Delaware corporation and the rights of stockholders of a Georgia corporation and between the rights of Heartland stockholders under the Heartland charter and the Heartland bylaws and the rights of Global Payments shareholders under the Global Payments charter and the Global Payments bylaws. For additional information, see the section entitled "Comparison of Rights of Stockholders" beginning on page 110 of this proxy statement/prospectus.

***After the completion of the mergers, shares of Heartland common stock will represent a significantly lower ownership and voting interest in Global Payments than they currently represent in Heartland and ownership thereof will exercise less influence over management.***

Based on the number of issued and outstanding shares of Global Payments common stock and Heartland common stock as of March 21, 2016, and based on the exchange ratio of 0.6687, former holders of shares of Heartland common stock as of immediately prior to the closing of the mergers are expected to hold, in the aggregate, approximately 17% of the issued and outstanding shares of Global Payments common stock immediately following the closing of the mergers. Consequently, former Heartland stockholders will have less influence over the management and policies of Global Payments after the completion of the mergers than they currently have over the management and policies of Heartland.

***The unaudited pro forma condensed combined financial information for Global Payments and Heartland included in this proxy statement/prospectus are preliminary, and Global Payments' actual financial position and results of operations after the completion of the mergers may differ materially from the unaudited pro forma condensed combined financial information included in this proxy statement/prospectus.***

The unaudited pro forma condensed combined financial information for both Global Payments and Heartland in this proxy statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what Global Payments' actual financial position or operations would have been had the mergers been completed on the dates indicated in such unaudited pro forma condensed combined financial information. For additional information, see the section entitled "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page 92 of this proxy statement/prospectus.



**Table of Contents**

*Issuance of shares of Global Payments common stock in connection with the mergers may adversely affect the market price of Global Payments common stock.*

In connection with the payment of the aggregate stock consideration, Global Payments expects to issue approximately 26 million shares of common stock to Heartland stockholders. The issuance of these new shares of Global Payments common stock will reduce the existing shareholders' ownership and voting interest in Global Payments and, as a result, Global Payments' existing shareholders will be able to exert less influence. The issuance of these new shares of Global Payments common stock may also result in fluctuations in the market price of Global Payments common stock, including a stock price decrease.

**Table of Contents**

**THE COMPANIES**

**Heartland Payment Systems, Inc.**

Heartland's primary business is to provide payment services to merchants throughout the United States. This involves providing end-to-end electronic payment services to merchants by facilitating the exchange of information and funds between them and cardholders' financial institutions. To accomplish this, it undertakes merchant set-up and training, transaction authorization and electronic draft capture, clearing and settlement, merchant accounting, merchant assistance and support, and risk management. It also sells and rents point-of-sale devices. Its card-accepting customers primarily fall into two categories: small and mid-sized merchants and network services merchants, which are predominantly petroleum industry merchants of all sizes.

Heartland also provides additional services such as:

integrated commerce solutions, payment services, higher education loan services and open and closed-loop payment solutions to higher-education institutions through its Campus Solutions segment;

school nutrition, point-of-sale solutions (POS), and associated payment solutions, including online prepayment solutions, to kindergarten through 12th grade (K-12) schools through its Heartland School Solutions segment;

full-service payroll processing and related tax filing services throughout the United States provided by its Heartland Payroll Solutions segment; and

other services including (1) prepaid and stored-value card solutions throughout the United States and Canada provided by its Micropayments segment, (2) POS solutions and other adjacent business service applications through its Heartland Commerce segment, and (3) marketing solutions including loyalty and gift cards which we provide through its Heartland Marketing Solutions segment.

Heartland is organized under the laws of the state of Delaware. The address and telephone number of Heartland's principal executive offices are 90 Nassau Street, Second Floor, Princeton, NJ 08542 and (609) 683-3831.

**Global Payments Inc.**

Global Payments is a leading worldwide provider of payment technology services delivering innovative solutions to its customers. Its partnerships, technologies and employee expertise enable it to provide a broad range of services that allow its customers to accept various payment types. Global Payments distributes its services across a variety of channels to merchants and partners in 29 countries throughout North America, Europe, the Asia-Pacific region and Brazil. It also provides payment and digital commerce solutions and operates in three reportable segments: North America, Europe and Asia-Pacific.

Global Payments was incorporated in 2000 and spun-off from its former parent company in 2001. Including its time as part of its former parent company, Global Payments has been in the payment technology services business since 1967.



Global Payments is organized under the laws of the state of Georgia. The address and telephone number of its executive offices are 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328 and (770) 829-8234.

**Data Merger Sub One, Inc.**

Merger Sub One is a Delaware corporation and a wholly owned subsidiary of Global Payments formed solely for the purpose of implementing the mergers. It has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement.

**Table of Contents**

The address and telephone number of the principal executive offices of Merger Sub One are 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328 and (770) 829-8234.

**Data Merger Sub Two, LLC**

Merger Sub Two is a Delaware limited liability company and a wholly owned subsidiary of Global Payments formed solely for the purpose of implementing the mergers. It has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement.

The address and telephone number of the principal executive offices of Merger Sub Two are 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328 and (770) 829-8234.

**Table of Contents**

**INFORMATION ABOUT THE SPECIAL MEETING**

**Time Place and Purpose of the Special Meeting**

This proxy statement/prospectus is being furnished to Heartland stockholders as part of the solicitation of proxies by the Heartland board for use at the special meeting to be held on April 21, 2016, at 300 Carnegie Center, Princeton, New Jersey 08540, at 9:00 a.m. local time, or at any postponement or adjournment thereof.

At the special meeting, Heartland stockholders will be asked to consider and vote upon (1) a proposal to approve and adopt the merger agreement, (2) a proposal to approve, by advisory (non-binding) vote, certain compensation arrangements for Heartland's named executive officers in connection with the mergers and (3) a proposal for adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger proposal.

Heartland stockholders must adopt and approve the merger agreement in order for the mergers to occur. If Heartland stockholders fail to approve the merger proposal, the mergers will not occur. A copy of the merger agreement is attached as **Annex A** to this proxy statement/prospectus, and you are encouraged to read the merger agreement carefully and in its entirety.

**Board Recommendation**

**The Heartland board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the mergers, has determined that the merger agreement and the transactions contemplated thereby, including the mergers, are fair to and in the best interests of Heartland stockholders, and unanimously recommends that Heartland stockholders vote FOR the merger proposal, FOR the compensation proposal, and FOR the adjournment proposal.**

**Stockholders Entitled to Vote**

Holders of record of Heartland common stock at the close of business on March 24, 2016, the record date fixed by the Heartland board of directors for the special meeting, will be entitled to notice of, and to vote at, the Heartland special meeting or any postponements or adjournments thereof. You are entitled to one vote for each share of Heartland common stock that you owned on the record date.

On the record date, there were 36,999,176 shares of Heartland common stock outstanding and entitled to vote at the Heartland special meeting.

On the record date, approximately 4% of the outstanding shares of Heartland common stock were held by Heartland directors and executive officers and their respective affiliates. Heartland currently expects that the directors and executive officers of Heartland will vote their shares in favor of each of the proposals to be presented at the Heartland special meeting, although none of them has entered into any agreements obligating him or her to do so.

**Vote Required for Approval**

***Quorum***

Stockholders who hold a majority of the total number of shares of Heartland common stock issued and outstanding on the record date must be present or represented by proxy to constitute a quorum at the Heartland special meeting. All

Heartland common stock represented at the Heartland special meeting, including abstentions, will be treated as present for purposes of determining the presence or absence of a quorum at the Heartland special meeting.

## **Table of Contents**

### ***Required Vote***

Approval of the merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Heartland common stock entitled to vote thereon. Approval of each of the compensation proposal and the adjournment proposal requires the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the special meeting and entitled to vote thereon.

### ***Effect of Not Voting, Withheld Votes and Abstentions***

If you are a Heartland stockholder and fail to vote, if you hold your shares through a bank, brokerage firm or other nominee and fail to instruct your broker, bank or nominee, as applicable, to vote, or abstain from voting, it will have the same effect as a vote **AGAINST** the merger proposal.

If your shares of Heartland common stock are present at the special meeting but your shares are not voted on the compensation proposal, or if you vote to abstain on the compensation proposal, it will have the same effect as a vote **AGAINST** the compensation proposal. If you fail to submit a proxy and fail to attend the special meeting, or if you hold your shares through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee, as applicable, to vote your shares of Heartland common stock, your shares of Heartland common stock will not be voted, but this will not have an effect on the vote for the compensation proposal except to the extent such non-vote results in there being insufficient shares present at the meeting to establish a quorum.

If your shares of Heartland common stock are present at the special meeting but your shares are not voted on the adjournment proposal, or if you vote to abstain on the adjournment proposal, it will have the same effect as a vote **AGAINST** the adjournment proposal. If you fail to submit a proxy and fail to attend the special meeting, or if you hold your shares through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee, as applicable, to vote your shares of Heartland common stock, your shares of Heartland common stock will not be voted, but this will not have an effect on the vote for the adjournment proposal.

### ***Voting in Person***

If you plan to attend the Heartland special meeting and wish to vote in person, you may vote by ballot at the Heartland special meeting. Please note, however, that if your Heartland shares are held in street name, and you wish to vote at the Heartland special meeting, you must bring to the Heartland special meeting a legal proxy executed in your favor from the record holder (your broker, bank, trust company or other nominee) of the Heartland shares authorizing you to vote at the Heartland special meeting.

In addition, you may be asked to present valid photo identification, such as a driver's license or passport, before being admitted to the Heartland special meeting. If you hold your Heartland shares in street name, you also may be asked to present proof of ownership to be admitted to the Heartland special meeting. A brokerage statement or letter from your broker, bank, trust company or other nominee proving ownership of the Heartland shares on the record date for the Heartland special meeting are examples of proof of ownership. Heartland stockholders will not be allowed to use cameras, recording devices or other similar electronic devices at the Heartland special meeting.

### ***Voting of Proxies***

A proxy card is enclosed for your use. Heartland requests that you sign the accompanying proxy and return it promptly in the enclosed postage-paid envelope. You may also vote your shares by telephone or through the Internet. Information and applicable deadlines for voting by telephone or through the Internet are set forth below and on the

enclosed proxy card.

*By Internet.* You may authorize a proxy to vote your shares via the Internet by going to the website address found on your proxy card and following the instructions provided. Internet

-37-

## **Table of Contents**

proxy authorization is available 24 hours per day. You will be given the opportunity to confirm that your voting instructions have been properly submitted. If you are a beneficial owner, your broker may provide additional instructions to you regarding voting your shares through the Internet. **IF YOU AUTHORIZE A PROXY TO VOTE VIA THE INTERNET, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.**

*By Telephone.* You also have the option to authorize a proxy to vote your shares by telephone by calling the toll-free number listed on your proxy card. Telephone proxy authorization is available 24 hours per day. When you call, please have your proxy card/voting instruction form in hand, and you will receive a series of voice instructions which will allow you to authorize a proxy to vote your Heartland common stock. You will be given the opportunity to confirm that your instructions have been properly recorded. If you are a beneficial owner, your broker may provide additional instructions to you regarding voting your shares by telephone. **IF YOU AUTHORIZE A PROXY TO VOTE BY TELEPHONE, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.**

When the accompanying proxy is returned properly executed, the shares of Heartland common stock represented by it will be voted at the Heartland special meeting or any postponement or adjournment thereof in accordance with the instructions contained in the proxy card.

If a proxy is returned without an indication as to how the shares of Heartland common stock represented by the proxy are to be voted with regard to a particular proposal, the Heartland common stock represented by the proxy will be voted in favor of each such proposal. At the date hereof, the management of Heartland has no knowledge of any business that will be presented for consideration at the Heartland special meeting and which would be required to be set forth in this proxy statement/prospectus other than the matters set forth in the accompanying Notice of Special Meeting of Stockholders of Heartland. If any other matter is properly presented at the Heartland special meeting for consideration, it is intended that the persons named in the enclosed form of proxy and acting thereunder will vote in accordance with their best judgment on such matter.

**Your vote is important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the Heartland special meeting in person.**

## **Shares Held in Street Name**

If your shares are held by a bank, brokerage firm or other nominee, you are considered the beneficial owner of shares held in street name, and your bank, brokerage firm or other nominee, as applicable, is considered the stockholder of record with respect to those shares. Your bank, brokerage firm or other nominee, as applicable, will send you, as the beneficial owner, a package describing the procedure for voting your shares. You should follow the instructions provided by them to vote your shares. You are invited to attend the special meeting; however, you may not vote these shares in person at the special meeting unless you obtain a legal proxy from your bank, brokerage firm or other nominee, as applicable, that holds your shares, giving you the right to vote the shares at the special meeting.

If you are a Heartland stockholder and you do not instruct your broker, bank or nominee, as applicable, to vote, your broker, bank or nominee, as applicable, may not vote those shares, and it will have the same effect as a vote **AGAINST** the merger proposal.

## **Solicitation of Proxies**

Heartland is paying the costs of printing, mailing and distributing this proxy statement/prospectus to its stockholders, as well as the costs of the proxy solicitation on behalf of the Heartland board of directors.



## **Table of Contents**

Heartland will provide copies of this proxy statement/prospectus to banks, brokerage houses, fiduciaries and custodians holding, in their names, shares of Heartland common stock beneficially owned by others so that they may forward this proxy statement/prospectus to the beneficial owners. After this proxy statement/prospectus becomes available to stockholders, proxies may be solicited by directors, officers and employees of Heartland and its subsidiaries personally, by telephone, facsimile, email or otherwise. Such persons will not receive any fees or other compensation for such solicitation. Heartland has retained Innisfree M&A Incorporated, for a fee not expected to exceed \$25,000, plus expense reimbursement to assist in proxy solicitation activities associated with the Heartland special meeting. In addition, Heartland will reimburse brokers, custodians, nominees and other persons holding shares for others for their reasonable expenses in sending proxy materials to the beneficial owners of such shares and in obtaining their proxies.

## **Revocability of Proxies**

If you are a holder of record of Heartland common stock on the record date for the Heartland special meeting, you have the power to revoke your proxy at any time before your proxy is voted at the Heartland special meeting. You can revoke your proxy in one of three ways:

you can send a signed notice of revocation;

you can submit a new, valid proxy card bearing a later date; or

you can attend the Heartland special meeting and vote in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

If you choose the first method, your notice of revocation must be received by the Secretary of Heartland at Attn: Corporate Secretary, Heartland Payment Systems, Inc., 90 Nassau Street, Princeton, New Jersey 08542 no later than the beginning of the Heartland special meeting. If you have voted your shares by telephone or through the Internet, you may revoke your prior telephone or Internet vote by recording a different vote using the telephone or Internet, or by signing and returning a proxy card dated as of a date that is later than your last telephone or Internet vote.

If your Heartland shares are held in street name, you should follow the instructions of your broker regarding the revocation of proxies.

Once voting on a particular matter is completed at the Heartland special meeting, a Heartland stockholder will not be able to revoke its proxy or change its vote as to that matter.

## **Adjournments**

If less than a quorum shall be in attendance at the time for which the Heartland special meeting shall have been called, the meeting may be adjourned from time to time by the chairman of the Heartland board of directors or by vote of the stockholders holding a majority of the issued and outstanding shares of the capital stock of Heartland entitled to vote who are present in person or by proxy at such meeting. Any meeting or adjournment thereof at which a quorum is present may also be adjourned in a like manner, for such time without notice or call, or upon such notice or call as may be determined by such majority vote. At any adjourned meeting at which a quorum shall be present, any business

may be transacted which might have been transacted if the Heartland special meeting had been held as originally called.

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**Table of Contents**

**PROPOSAL 1: THE MERGERS**

*The following is a discussion of the proposed mergers and the merger agreement. This is a summary only and may not contain all of the information that is important to you. A copy of the merger agreement is attached to this proxy statement/prospectus as **Annex A** and is incorporated by reference herein. Heartland stockholders are urged to read this entire proxy statement/prospectus, including the merger agreement, for a more complete understanding of the mergers.*

**The Mergers; Merger Consideration**

Pursuant to the terms and subject to the conditions set forth in the merger agreement, Global Payments will acquire Heartland by way of two mergers. First, Merger Sub One will merge with and into Heartland, with Heartland continuing as a wholly owned subsidiary of Global Payments. Second, Heartland will merge with and into Merger Sub Two immediately following the initial merger, with Merger Sub Two surviving the second merger as a wholly owned subsidiary of Global Payments.

Upon completion of the initial merger, subject to the terms and conditions of the merger agreement, each share of Heartland common stock issued and outstanding, other than shares owned by (1) Global Payments, the Merger Subs or Heartland (which will be cancelled), (2) stockholders who have properly exercised and perfected appraisal rights under Delaware law (as described below in the section entitled **Appraisal Rights** beginning on page 88 of this proxy statement/prospectus), or (3) any direct or indirect wholly owned subsidiary of Heartland (which will remain outstanding), will be converted into the right to receive, subject to adjustment under limited circumstances described in the paragraph below, \$53.28 in cash, without interest, and 0.6687 of a share of Global Payments common stock. Other than the possible adjustment described in the paragraph below, the exchange ratio of 0.6687 of a share of Global Payments common stock is fixed, which means that it will not change between now and the effective time, including as a result of a change in the trading price of Global Payments common stock or Heartland common stock. Therefore, the value of the shares of Global Payments common stock received by Heartland stockholders in the mergers will depend on the market price of Global Payments common stock at the time the mergers are completed.

The per share merger consideration will be equitably adjusted if between the signing of the merger agreement and the effective time of the mergers, the outstanding Global Payments common stock or Heartland common stock is changed into a different number of shares or different class of shares by reasons of any stock dividend, subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination or exchange of shares or any similar event, such that the holders of Heartland common stock will be provided with the same economic effect as contemplated by the merger agreement. In addition, the exchange ratio will be adjusted if the exchange ratio would otherwise result in Global Payments issuing in excess of 19.9% of its common stock outstanding immediately prior to the effective time as a result of the mergers. In such circumstance, the exchange ratio will be reduced to the minimum extent necessary so that the number of shares of Global Payments common stock issued or issuable as a result of the mergers will equal 19.9% of its common stock outstanding immediately prior to the effective time and the cash consideration will be increased by an equivalent value (based on the volume weighted average trading price of Global Payments common stock on the NYSE for the five consecutive trading days ending on the trading day immediately preceding the closing date of the mergers).

As of the signing of the merger agreement, the number of shares of Global Payments common stock expected to be issued in the mergers constituted less than 19.9% of the outstanding shares of Global Payments common stock, and Global Payments and Heartland currently do not anticipate that any adjustment to the exchange ratio will be required. A vote by Heartland stockholders for the adoption of the merger agreement constitutes approval of the mergers whether or not the exchange ratio is adjusted as described above.

**Background of the Mergers**

The Heartland board of directors has regularly reviewed and discussed Heartland's business strategy, performance and prospects in the context of developments in the payments industry and the competitive

**Table of Contents**

landscape. Among other things, these discussions have included possible strategic alternatives which might be available to Heartland, such as potential acquisitions or business combinations involving potential strategic partners. These strategic discussions have in the past led to acquisitions by Heartland to diversify its business and enhance its product offerings, including Heartland's acquisition of TouchNet Information Systems, Inc. in 2014. In addition, Heartland has periodically discussed with other industry participants possible business combinations, none of which resulted in an actionable proposal. Heartland management and the Heartland board of directors decided to proceed with a potential transaction with Global Payments for various reasons, as discussed in the section entitled "Heartland's Reasons for the Mergers" beginning on page 44 of this proxy statement/prospectus.

The management and board of directors of Global Payments continually review Global Payments' results of operations as well as strategic alternatives to create and maximize value for Global Payments' shareholders. Part of this regular evaluation includes the exploration of potential strategic acquisitions. Over the past several years, Global Payments has, organically and through acquisition, focused on expanding direct distribution of its services, both domestically and internationally, as well as enabling technology related services for its customers. Global Payments' recent acquisitions of Accelerated Payment Technologies, Payment Processing, Ezidebit, and Realex, among others, have evidenced this focus. In 2015, management continued its exploration of potential acquisitions, including Heartland. As a sizeable company in the payment services industry whose payment services are almost exclusively distributed on a direct basis, including significant technology-led distribution capabilities, the potential acquisition of Heartland was consistent with Global Payments' focused approach.

In October 2015, after discussion with William I Jacobs, chairman of the Global Payments board of directors, Jeffrey S. Sloan, chief executive officer of Global Payments, reached out to Heartland's chairman and chief executive officer, Robert O. Carr, to request a meeting for the purposes of discussing among other matters, a potential combination of Global Payments and Heartland. Mr. Carr and Mr. Sloan agreed to meet at a future date to have preliminary discussions concerning such a strategic combination and its possible merits.

In early November 2015, Mr. Sloan and Mr. Carr met in person to discuss their respective views on the current trends in the payment technology services industry and the merits of a strategic combination of Heartland and Global Payments. Mr. Carr and Mr. Sloan spoke shortly thereafter by telephone, during which conversation each agreed they would discuss the possibility of a combination of Global Payments and Heartland with their respective boards of directors.

On November 10, 2015, the Heartland board of directors held a regularly scheduled in person meeting, which was also attended by Heartland management, Heartland's financial advisors, FT Partners, which we refer to as FT, and Greenhill, and Heartland's outside legal counsel, which we refer to as Wachtell Lipton. At this meeting, Mr. Carr informed the Heartland board of directors of the discussions which had taken place regarding a potential combination of Global Payments and Heartland, and received authorization to continue such discussions.

On November 18, 2015, the members of the Global Payments board of directors attended a dinner with members of the Global Payments management team, including David E. Mangum, president and chief operating officer, Cameron M. Bready, executive vice president and chief financial officer, and David L. Green, executive vice president, general counsel and corporate secretary. At the dinner, the members of the Global Payments board and management team discussed the potential combination with Heartland and determined that Mr. Sloan should communicate to Mr. Carr that Global Payments wished to continue discussions to determine whether the parties could agree on the terms of a potential transaction. Mr. Sloan and Mr. Carr spoke the next day and confirmed their respective interest in the continuation of discussions between the parties.

On November 19, 2015, Global Payments and Heartland entered into a mutual confidentiality and standstill agreement. Over the next several weeks, the parties conducted mutual due diligence investigations, including meetings between members of Heartland's and Global Payments' respective management teams and the parties' external advisors.

## **Table of Contents**

On November 20, 2015, Messrs. Sloan, Mangum and Bready met in person with Mr. Carr and other members of Heartland's senior management team so that the Global Payments management team could conduct preliminary high level business due diligence on Heartland. Mr. Carr, Samir Zabaneh, Heartland's chief financial officer, and other members of the Heartland senior management team delivered a management presentation to Messrs. Sloan, Mangum and Bready.

On November 24, 2015, the Global Payments board of directors held a telephonic meeting at which they authorized Mr. Sloan to submit a proposal for Global Payments to acquire Heartland. The Global Payments board of directors authorized management to proceed with an offer to acquire Heartland for \$97.50 per share, consisting of a mixture of cash and stock. The Global Payments board believed that such a mixture of consideration would be beneficial to Global Payments shareholders who would benefit from the accretion from the acquisition while providing the combined entity with an acceptable level of leverage. The Global Payments board also believed that such mixture of consideration would allow Heartland stockholders to participate in the future growth and opportunities of the combined company. Later that day, Mr. Sloan sent a letter to Mr. Carr proposing, on a preliminary, non-binding basis, the acquisition of Heartland for \$97.50 per share, with the consideration to consist of a mix of Global Payments common stock (valued at a fixed exchange ratio) and cash. After sending the letter, Mr. Sloan called Mr. Carr to confirm receipt of the letter, during which call Mr. Carr reported to Mr. Sloan that Mr. Carr would discuss the proposal with the Heartland board of directors.

After receiving the letter, Mr. Carr contacted members of the Heartland board to discuss Heartland's response to Global Payments. Following discussion, it was agreed that Heartland should inform Global Payments that Heartland was willing to continue to evaluate and negotiate the potential transaction and proceed with consideration consisting of a mixture of cash and Global Payments common stock (as proposed in Mr. Sloan's letter), but that the Heartland board believed that it would only support a transaction at a value of at least \$100 per share of Heartland common stock.

Mr. Carr subsequently called Mr. Sloan to discuss the terms of the November 24<sup>th</sup> proposal. Mr. Carr informed Mr. Sloan that the Heartland board of directors had authorized him to proceed with discussions based on the terms proposed by Global Payments, subject to negotiation and agreement on key terms including price and contract provisions, and that members of the Heartland board were interested in a \$100 per share price. Mr. Sloan indicated that Global Payments would potentially reconsider its proposed price following the completion of Global Payments due diligence investigation of Heartland.

During this time, Heartland and Global Payments each provided the other party and its advisors with access to due diligence materials. Also in late November, Global Payments engaged Simpson Thacher & Bartlett LLP, which we refer to as Simpson Thacher, to act as its legal advisor in connection with Global Payments' discussions with Heartland concerning the potential acquisition.

In late November and early December, senior management of Heartland and Global Payments continued to negotiate the parameters of a transaction. In addition, in early December Simpson Thacher delivered a draft merger agreement to Wachtell Lipton, which included, among other things, the payment of a termination fee to Global Payments equal to \$170 million if, among other things, Global Payments were to terminate the merger agreement in response to Heartland's board of directors changing its recommendation or if Heartland entered into an alternative acquisition proposal after a termination of the merger agreement in certain circumstances, and the reimbursement of up to \$25 million of Global Payment's expenses in the event the merger agreement were to be terminated as a result of the failure of Heartland to obtain stockholder approval, which we refer to as a no vote expense reimbursement fee. The draft agreement also included a marketing period for the proposed debt financing. The parties and their counsel subsequently had regular discussions on the terms of the draft merger agreement.

On December 3, 2015, the Heartland board of directors held a telephonic special meeting, which was also attended by Heartland management and representatives of Greenhill, FT and Wachtell Lipton. At this meeting, Mr. Carr and Mr. Zabaneh provided the board an update on the status of discussions with Global Payments, including the progress of mutual due diligence. The Heartland board of directors authorized Heartland management to continue their discussions with Global Payments regarding a potential transaction.



## **Table of Contents**

Throughout the period of discussions, Global Payments continued its due diligence investigation of Heartland, including in person meetings and presentations by subject matter experts, including on information technology, operations, finance, sales and product matters. Also during this time Heartland conducted reverse due diligence investigations on Global Payments, including in person meetings and review of materials. Global Payments and Heartland also discussed financing plans for the potential transaction.

On December 10, 2015, multiple news organizations publicly reported that Global Payments and Heartland were engaged in discussions regarding the potential acquisition of Heartland by Global Payments. No specific price or other terms were reported. The reports included speculation that a deal was targeted for announcement as early as during the month of December. Following the news reports on December 10<sup>th</sup>, the parties determined to accelerate discussions, subject to approval by each of their respective boards of directors.

On December 13, 2015, the Heartland board of directors held a telephonic special meeting, which was also attended by Heartland management, representatives of Greenhill, FT and Wachtell Lipton. Mr. Carr, Mr. Zabaneh and other members of the Heartland senior management team updated the Heartland board of directors on the status of the proposed mergers, and reviewed the strategic rationale and the anticipated benefits of the proposed mergers. Representatives of Heartland's management and advisors discussed the results of the due diligence conducted on Global Payments and of the reaction to the news reports of a potential transaction, including equity analyst commentary and stock market price reaction. Each of Greenhill and FT reviewed financial aspects of the proposed mergers, including a preliminary discussion of various financial methodologies expected to be utilized in its analysis. Representatives of Wachtell Lipton discussed the terms of the merger agreement with the board and further advised the board of directors on its fiduciary duties. Following these discussions, the board authorized management to continue discussions and negotiations with Global Payments.

Also on December 13, 2015, the Global Payments board held a telephonic meeting with members of management present. At the meeting, management updated the board on the current status of negotiations between Global Payments and Heartland, including the progress of the third party debt financing for the contemplated acquisition, an update on the public rumors of the potential transaction and a summary of the results of Global Payments' due diligence review of Heartland. With respect to the third party debt financing, Mr. Bready described to the Global Payments board that it was contemplated that the financing would be comprised of a new term loan and draws on Global Payments' existing revolving credit facility, which would be amended to accommodate the transaction. Mr. Bready also summarized for the Global Payments board the anticipated leverage profile of the combined entity as well as its ability to de-lever over time after the closing. Mr. Green reviewed with the board a summary of the terms of the draft merger agreement, which included the parties' agreement on a break-up fee equal to \$153 million. The Global Payments board then authorized management to continue negotiations and discussions with Heartland with respect to a potential transaction.

On December 14, 2015 Global Payments and Heartland continued to negotiate the terms of the merger agreement, including with respect to price, the circumstances upon which a break-up fee would be payable by Heartland and the terms of the marketing period and covenants relating to financing. Global Payments agreed that it would not receive a no vote expense reimbursement fee.

On December 15, 2015, Global Payments and Heartland negotiated the final terms of the merger agreement and Global Payments agreed to increase its offer price to \$100 per share, comprised of 0.6687 of a share of Global Payments common stock and \$53.28 in cash. Global Payments also finalized the negotiations concerning its committed financing for the transaction.

Also on December 15, 2015, the Heartland board of directors held a meeting to consider the terms of the proposed transaction with Global Payments. Members of Heartland's management team and representatives from Greenhill, FT and Wachtell Lipton were also in attendance. At the meeting, members of Heartland's management updated the Heartland board of directors on the status of the proposed mergers, and reviewed the strategic rationale and the anticipated benefits of the proposed mergers. Representatives of Heartland's management and

## **Table of Contents**

advisors updated the Heartland board on the results of the due diligence conducted on Global Payments. Greenhill reviewed its analysis of the per share merger consideration and rendered an oral opinion, confirmed by delivery of a written opinion dated December 15, 2015, to the Heartland board to the effect that, as of that date and subject to the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by Greenhill as set forth in such opinion, the per share merger consideration to be received in the initial merger pursuant to the merger agreement by the holders of Heartland common stock (other than excluded holders) was fair, from a financial point of view, to such holders of Heartland common stock, as more fully described under the section entitled **Opinion of Greenhill & Co., LLC** beginning on page 49 of this proxy statement/prospectus. Representatives of Wachtell Lipton discussed the terms of the merger agreement with the board and further advised the board of directors on its fiduciary duties. After considering the proposed terms of the mergers with Heartland's management and advisors, and taking into consideration the matters discussed during that meeting and prior meetings of the Heartland board, including the strategic alternatives discussed at those meetings and the factors described under the sections entitled **Heartland's Reasons for the Mergers** and **Recommendation of the Heartland Board** beginning on pages 44 and 46, respectively, of this proxy statement/prospectus, the Heartland board of directors unanimously determined the mergers, the merger agreement and the other transactions contemplated by the proposed merger agreement, to be in the best interests of Heartland and its stockholders, and the directors unanimously approved and adopted the proposed merger agreement and the transactions contemplated by it, including the mergers, and determined to recommend that Heartland stockholders approve and adopt the merger agreement.

Also on December 15, 2015, the Global Payments board held a telephonic meeting with members of management and representatives of its financial advisor and Simpson Thacher present. The Global Payments board reviewed and discussed the final terms of the merger agreement and proposed acquisition of Heartland together with management and their outside legal and financial advisors. Mr. Bready also reviewed with the Global Payments board the status of the proposed debt financing. After discussion, the board approved the execution, delivery and performance of the merger agreement and related documents, including the financing for the transaction, and the consummation of the mergers and the other transactions contemplated by the merger agreement, and declared advisable the entry into the merger agreement.

Shortly after the close of market on December 15, 2015, Global Payments and Heartland issued a joint press release announcing the transaction, which press release also announced Global Payments' third quarter 2015 financial results.

### **Heartland's Reasons for the Mergers**

In reaching its decision to adopt and approve the merger agreement, the mergers and the other transactions contemplated by the merger agreement, and to recommend that its stockholders approve the merger agreement, the Heartland board evaluated the mergers in consultation with Heartland management, as well as Heartland's financial and legal advisors, and considered a number of factors, including the following material factors:

the implied value of the per share merger consideration and the fact that it represented a 21% premium to the closing price of Heartland common stock on December 14, 2015, the last trading day prior to the meeting of the Heartland board to approve the merger agreement, and a 29% premium to the closing price of Heartland common stock on December 9, 2015, the last full trading day before the publication of news reports relating to a potential acquisition of Heartland by Global Payments, in each case based on the closing price of Global Payments common stock on December 14, 2015;

the fact that the cash consideration offers Heartland stockholders the opportunity to realize cash for the value of their shares with immediate certainty of value;

the fact that the stock consideration offers Heartland stockholders the opportunity to participate in the future growth and opportunities of the combined company, and the intended tax treatment of the mergers as a reorganization for U.S. federal income tax purposes, as further described under the

**Table of Contents**

section entitled "Material United States Federal Income Tax Consequences of the Mergers" beginning on page 119 of this proxy statement/prospectus (although the treatment as a reorganization is not a condition to the closing of the mergers);

the financial presentation and opinion, dated December 15, 2015, of Greenhill to the Heartland board as to the fairness, from a financial point of view and as of such date, of the per share merger consideration to be received in the initial merger pursuant to the merger agreement by the holders of Heartland common stock (other than excluded holders), which opinion was based on and subject to the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken, as more fully described under the section entitled "Opinion of Greenhill & Co., LLC" beginning on page 49 of this proxy statement/prospectus;

the strategic benefits of the mergers and the synergies expected to be achieved by the combined company upon completion of the mergers, and the potential for Heartland stockholders, as future shareholders of Global Payments, to benefit through their interest in the combined company from the synergies of the mergers and the anticipated pro forma impact of the mergers, and the expectation that the mergers will be accretive to Global Payments' financial results in fiscal year 2017;

the expectation that the mergers will result in a combined company, with an enhanced merchant base and vertical reach, that is a leading global provider of integrated payments technology solutions with the ability to cross-sell Heartland's integrated point of sale, payroll, loyalty and gift solutions into Global Payments' core markets;

the Heartland board's familiarity with and understanding of Heartland's business, results of operations, financial and market position and expectations concerning Heartland's future earnings and prospects;

information and discussions regarding Global Payments' business, results of operations, financial and market position and future earnings and prospects and its due diligence investigation;

the historical performance of each of Heartland common stock and Global Payments common stock;

the Heartland board's evaluation, with the assistance of Heartland's management and advisors, of strategic alternatives which might be available to Heartland for enhancing long-term value and the potential risks, rewards and uncertainties associated with such alternatives, and the Heartland board's belief that the mergers are the best option available to Heartland and its stockholders;

the expectation that the regulatory approvals required to consummate the mergers are reasonably likely to be obtained without the imposition of unacceptable conditions;

the course of negotiations of the merger agreement, the fiduciary duties of the Heartland board in negotiating and entering into the merger agreement, and the terms and conditions of the merger agreement, all of which it reviewed with its outside legal advisor, including, among other things, Heartland's ability to take certain actions in response to an unsolicited bona fide written acquisition proposal under specific circumstances, the conditions to closing of the mergers, the possibility that Heartland would be required to pay a termination fee to Global Payments under certain circumstances, the fact that Heartland stockholders will have an opportunity to vote on the mergers and that their approval is a condition to completion of the mergers, and the terms of the merger agreement that restrict Heartland's ability to solicit alternative transactions, and the provisions of the merger agreement generally requiring Heartland to conduct its business in the ordinary course and the other restrictions on the conduct of Heartland's business prior to completion of the mergers;

the risk that the mergers may not be consummated or that the closing may be unduly delayed, including as a result of factors outside the control of Heartland and Global Payments;

the risk that the value of the stock consideration could decrease prior to the consummation of the mergers, due to the fact that the exchange ratio is fixed;

## Table of Contents

the risk that Heartland management attention and resources will be diverted from the operation of Heartland's business during the pendency of the mergers, and the possibility of employee losses or adverse effects on Heartland's business relationships as a result of the announcement and pendency of the mergers;

the potential risks and costs associated with successfully integrating Heartland's business, operations and employees with those of Global Payments, including the risk of not realizing all of the anticipated benefits of the mergers or not realizing them in the expected timeframe; and

the other risks described under the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" beginning on pages 29 and 28, respectively, of this proxy statement/prospectus.

In considering the recommendation of the Heartland board, you should be aware that certain directors and executive officers of Heartland may have interests in the mergers that are different from, or in addition to, interests of Heartland stockholders generally and may create potential conflicts of interest. The Heartland board was aware of these interests and considered them when evaluating and negotiating the merger agreement, the mergers and the other transactions contemplated by the merger agreement, and in recommending to Heartland stockholders that they vote in favor of the merger proposal. For additional information, see the section entitled "Interests of Certain Persons in the Mergers" beginning on page 58 of this proxy statement/prospectus.

This discussion of the information and factors considered by the Heartland board includes the material factors considered by the Heartland board, but is not intended to be exhaustive and may not include all the factors considered by the Heartland board. In view of the wide variety of factors considered, and the complexity of these matters, the Heartland board did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to adopt and approve the merger agreement, the mergers and the other transactions contemplated by the merger agreement. Rather, the Heartland board viewed its position and recommendation as being based on the totality of the information presented to and factors considered by it, including discussions with Heartland's management and financial and legal advisors. In addition, individual members of the Heartland board may have given differing weights to different factors. It should be noted that this explanation of the reasoning of the Heartland board and certain information presented in this section is forward-looking in nature and, therefore, that information should be read in light of the factors discussed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 28 of this proxy statement/prospectus.

**For the reasons set forth above, the Heartland board of directors unanimously recommends that Heartland stockholders vote FOR the merger proposal.**

### **Recommendation of the Heartland Board**

**Heartland's board of directors has unanimously approved the merger agreement and the transactions contemplated thereby, including the mergers, has determined that the merger agreement and the transactions contemplated thereby, including the mergers, are fair to and in the best interests of Heartland's stockholders, and unanimously recommends that Heartland stockholders vote FOR the merger proposal, FOR the compensation proposal, and FOR the adjournment proposal.**

### **Heartland Projections**

Heartland does not as a matter of course make public long-term projections as to future sales, revenues, earnings, or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, the management of Heartland has prepared and is including in this proxy statement/prospectus the prospective financial information set forth below to provide its stockholders access to previously non-public unaudited prospective financial information that was made available to Global Payments. Unaudited



**Table of Contents**

prospective financial information was also made available to the Heartland board of directors and Heartland's financial advisors in connection with the mergers. The accompanying unaudited prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the published rules or guidelines of the SEC, or the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. In the view of Heartland's management, the accompanying unaudited prospective financial information (at the time it was prepared) was prepared on a reasonable basis, reflected the best currently available estimates and judgments at the time it was prepared, and presented, to the best of Heartland's management's knowledge and belief, the expected course of action and the expected future financial performance of Heartland on a standalone basis and not considering the impact of the mergers. However, this information is not fact and should not be relied upon as being indicative of future results, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the unaudited prospective financial information. The unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared. The inclusion of the unaudited prospective financial information should not be regarded as an indication that any of Heartland, its financial advisors, Global Payments or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. None of Global Payments, Heartland, or their respective affiliates, advisors, or other representatives assumes any responsibility for the ultimate performance of Heartland relative to this information.

Neither Heartland's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the unaudited prospective financial information.

The unaudited prospective financial information was, in general, prepared solely for internal use and is subjective in many respects. As a result, there can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated. Since the unaudited prospective financial information covers multiple years, such information by its nature becomes less predictive with each successive year. Stockholders are urged to review Heartland's SEC filings for a description of risk factors with respect to Heartland's business. For additional information, see the sections entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 28 of this proxy statement/prospectus and "Where You Can Find More Information" beginning on page 127 of this proxy statement/prospectus.

The following table presents selected unaudited prospective financial information for the fiscal years ending 2015 through 2021 as prepared by Heartland management in connection with the proposed transaction.

**Summary of the Projections**

*(dollars in millions, except per share data)*

	2015 <sup>(1)</sup>	2016	2017	2018	2019	2020	2021
Net Revenue <sup>(2)</sup>	\$ 821	\$ 911	\$ 1,002	\$ 1,098	\$ 1,199	\$ 1,311	\$ 1,432
Operating Income	\$ 153	\$ 173	\$ 218	\$ 264	\$ 312	\$ 365	\$ 423
Earnings Per Share	\$ 2.31	\$ 2.58	\$ 3.28	\$ 3.98	\$ 4.65	\$ 5.40	\$ 6.20

(1)

Prospective financial information for 2015 was calculated prior to the end of fiscal year 2015 based upon actual results through October 31, 2015 and projections for November and December, 2015. Prospective financial information for 2015 is not reflective of actual results.

- (2) For purposes of the prospective financial information, net revenue, which is not a GAAP measure, is defined as total revenue less interchange fees and card network dues, assessments and fees.

**Table of Contents****Global Payments Projections**

Global Payments does not as a matter of course make public long-term projections as to future revenues, earnings, or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, the management of Global Payments has prepared and is including in this proxy statement/prospectus the prospective financial information set forth below to provide Heartland stockholders access to previously non-public unaudited prospective financial information that was made available to Heartland and its financial advisors. Unaudited prospective financial information was also made available to the Global Payments board of directors and Global Payments financial advisor in connection with the mergers. The accompanying unaudited prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the published rules or guidelines of the SEC, or the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. In the view of Global Payments management, the accompanying unaudited prospective financial information (at the time it was prepared) was prepared on a reasonable basis, reflected the best currently available estimates and judgments at the time it was prepared, and presented, to the best of Global Payments management's knowledge and belief, the expected course of action and the expected future financial performance of Global Payments on a standalone basis and not considering the impact of the mergers. However, this information is not fact and should not be relied upon as being indicative of future results, and readers of this proxy statement/prospectus are cautioned not to place undue reliance on the unaudited prospective financial information. The unaudited prospective financial information does not take into account any circumstances or events occurring after the date it was prepared. The inclusion of the unaudited prospective financial information should not be regarded as an indication that any of Global Payments, Heartland, their respective financial advisors or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. None of Heartland, Global Payments, or their respective affiliates, advisors, or other representatives assumes any responsibility for the ultimate performance of Global Payments relative to this information.

Neither Global Payments independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the unaudited prospective financial information.

The unaudited prospective financial information was, in general, prepared solely for internal use and is subjective in many respects. As a result, there can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated. Since the unaudited prospective financial information covers multiple years, such information by its nature becomes less predictive with each successive year. Stockholders are urged to review Global Payments SEC filings for a description of risk factors with respect to Global Payments business. For additional information, see the sections entitled Cautionary Statement Regarding Forward-Looking Statements beginning on page 28 of this proxy statement/prospectus and Where You Can Find More Information beginning on page 127 of this proxy statement/prospectus.

The following table presents selected unaudited prospective financial information for the fiscal years ending May 31, 2016 through 2020 as prepared by Global Payments management in connection with the proposed transaction.

**Summary of the Projections<sup>(1)</sup>**

*(dollars in millions, except per share data)*

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	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Net Revenue <sup>(2)</sup>	\$ 2,063	\$ 2,246	\$ 2,411	\$ 2,611	\$ 2,833
Cash Operating Income <sup>(2)</sup>	\$ 600	\$ 680	\$ 739	\$ 810	\$ 891
Cash Earnings Per Share <sup>(2)</sup>	\$ 2.95	\$ 3.32	\$ 3.74	\$ 4.21	\$ 4.80

-48-

Table of Contents

- (1) Prospective financial information for fiscal year 2016 was prepared based on actual results through October 31, 2015 and projections for the period November 2015 through May 2016. Projections for fiscal year 2016 reflect foreign currency assumptions as of October 2015. Prospective financial information for fiscal years 2017 through 2020 assume foreign currency exchange rates consistent with those reflected in the fiscal year 2016 projections.
- (2) Net revenue, cash operating income and cash earnings per share are not GAAP measures. For purposes of the prospective financial information, (i) net revenue is defined as total revenue excluding gross-up related payments associated with certain wholesale lines of business; and (ii) cash operating income and cash earnings per share are defined as operating income and earnings per share, respectively, excluding acquisition-related amortization expense, share-based compensation expense and, for cash earnings per share, the related income tax effects.

**Opinion of Greenhill & Co., LLC**

Heartland has retained Greenhill as its financial advisor in connection with the mergers. Greenhill is an internationally recognized investment banking firm regularly engaged in providing financial advisory services in connection with mergers and acquisitions. Heartland selected Greenhill as its financial advisor in connection with the mergers on the basis of Greenhill's experience in similar transactions, its reputation in the investment community and its familiarity with Heartland and its business.

As part of Greenhill's engagement, the Heartland board requested that Greenhill evaluate the fairness, from a financial point of view, of the per share merger consideration to be received in the initial merger pursuant to the merger agreement by the holders of Heartland common stock (other than excluded holders). At the December 15, 2015 meeting of the Heartland board held to evaluate the mergers, Greenhill rendered an oral opinion, confirmed by delivery of a written opinion dated December 15, 2015, to the Heartland board to the effect that, as of such date and based on and subject to various assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by Greenhill in rendering its opinion, the per share merger consideration to be received in the initial merger pursuant to the merger agreement by the holders of Heartland common stock (other than excluded holders) was fair, from a financial point of view, to such holders.

The full text of Greenhill's written opinion, dated December 15, 2015, is attached as Annex B to this proxy statement/prospectus and is incorporated in this document by reference. The written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by Greenhill in rendering its opinion. The following summary of Greenhill's opinion is qualified in its entirety by reference to the full text of the opinion. **Greenhill delivered its opinion to the Heartland board for the information of the Heartland board (in its capacity as such) in connection with and for purposes of its evaluation of the per share merger consideration from a financial point of view and did not express any opinion as to any other term, aspect or implication of the mergers (other than the fairness, from a financial point of view, of the per share merger consideration to be received in the initial merger pursuant to the merger agreement by the holders of Heartland common stock (other than excluded holders)). Greenhill was not requested to opine as to, and its opinion did not in any manner address, the underlying business decision to proceed with or effect the mergers. Greenhill's opinion is not and did not constitute a recommendation to the members of the Heartland board as to whether to approve the mergers or the merger agreement, or as to how any stockholder should vote or act in connection with the mergers.**

In connection with its opinion, Greenhill, among other things:

reviewed an execution copy of the merger agreement as provided to Greenhill on December 15, 2015;

reviewed certain publicly available financial statements of each of Heartland and Global Payments that Greenhill deemed relevant;

reviewed certain other publicly available business, operating and financial information relating to each of Heartland and Global Payments that Greenhill deemed relevant;

reviewed certain information prepared by the management of Heartland, including financial projections and other financial and operating data concerning Heartland (which such projections and other data we

**Table of Contents**

refer to as the Heartland Forecasts), and reviewed certain information prepared by the management of Global Payments, including financial projections and other financial and operating data concerning Global Payments (which such projections and other data we refer to as the Global Payments Forecasts);

discussed the past and present operations and financial condition and the prospects of Heartland and Global Payments with the respective senior executives of Heartland and Global Payments;

reviewed the historical market prices and trading activity for Heartland common stock and Global Payments common stock and analyzed their respective implied valuation multiples;

compared the purchase prices and implied premiums paid in certain publicly available transactions that Greenhill deemed relevant;

analyzed the trading valuations of certain publicly traded companies that Greenhill deemed relevant to Heartland and Global Payments;

analyzed the valuation derived by discounting future cash flows and a terminal value of each of Heartland and Global Payments at discount rates Greenhill deemed appropriate;

participated in discussions and negotiations among representatives of Heartland and its legal advisors and representatives of Global Payments and its legal and financial advisors; and

performed such other analyses and considered such other factors as Greenhill deemed appropriate. Greenhill assumed and relied upon, without independent verification, the accuracy and completeness of the information publicly available, supplied or otherwise made available to Greenhill by representatives and managements of Heartland and Global Payments for the purposes of its opinion and further relied upon the assurances of the representatives and managements of Heartland and Global Payments that they were not aware of any facts or circumstances that would make such information inaccurate, incomplete or misleading. With respect to the Heartland Forecasts that were furnished or otherwise provided to Greenhill and that Greenhill was directed to utilize in its analyses, Greenhill assumed that the Heartland Forecasts were reasonably prepared on a basis reflecting the best currently available estimates and good faith judgments of Heartland's management as to the matters reflected therein, and Greenhill relied upon the Heartland Forecasts in arriving at its opinion. With respect to the Global Payments Forecasts that were furnished or otherwise provided to Greenhill and that Greenhill was directed to utilize in its analyses, Greenhill assumed that the Global Payments Forecasts were reasonably prepared on a basis reflecting the best currently available estimates and good faith judgments of the management of Global Payments as to the matters reflected therein, and Greenhill relied upon the Global Payments Forecasts in arriving at its opinion. Greenhill expressed no opinion with respect to the Heartland Forecasts, the Global Payments Forecasts or the assumptions upon which they were based. Greenhill relied upon the assessments of the managements of Heartland and Global Payments as to, among other things, (1) the potential impact on Heartland and Global Payments of market, cyclical and other trends in and prospects for, and governmental, regulatory and legislative matters relating to or otherwise affecting, the payment processing industry, (2) the products, technology and intellectual property of Heartland and Global Payments

and associated risks, (3) existing and future contracts and relationships, agreements and arrangements with, and the ability of Heartland and Global Payments to attract, retain and/or replace, key employees, bank sponsors, clearing services providers and other commercial relationships of Heartland and Global Payments and (4) the ability to integrate the businesses and operations of Heartland and Global Payments. Greenhill assumed that there would be no developments with respect to any such matters that would have an adverse effect on Heartland, Global Payments, the mergers or the contemplated benefits of the mergers that would be meaningful in any respect to Greenhill's analyses or opinion.

Greenhill did not make any independent evaluation or appraisal of the assets or liabilities (contingent, accrued, off-balance sheet or otherwise) of Heartland, Global Payments or any other entity, nor was Greenhill furnished with any such appraisals. Greenhill assumed that the mergers would be consummated in accordance with the terms set forth in the final, executed merger agreement, which Greenhill further assumed would be



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**Table of Contents**

identical in all material respects to the execution copy thereof that Greenhill reviewed, without waiver, modification or amendment of any material terms or conditions set forth in the merger agreement, and that the mergers would be consummated in accordance with all applicable laws. Greenhill also assumed that all material governmental, regulatory and other consents and approvals necessary for the consummation of the mergers would be obtained without any effect on Heartland, Global Payments, the mergers or the contemplated benefits of the mergers in any respect meaningful to its analyses or opinion. Greenhill did not express any opinion as to the prices at which shares of Heartland common stock, Global Payments common stock or any other securities of Heartland or Global Payments would trade or otherwise be transferable at any time. Greenhill's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Greenhill as of, the date of its opinion. It should be understood that subsequent developments may affect Greenhill's opinion, and that Greenhill does not have any obligation to update, revise, or reaffirm its opinion.

In connection with its engagement, Greenhill was not requested to, and it did not, solicit expressions of interest from any third parties with respect to the sale of Heartland or any other alternative transaction; however, Greenhill in the past had discussions with Heartland and, at Heartland's direction, with selected third parties regarding certain potential strategic transactions involving Heartland.

Greenhill did not express any opinion as to any terms, aspects or implications of the mergers (other than the fairness, from a financial point of view, of the per share merger consideration to be received in the initial merger pursuant to the merger agreement by the holders of Heartland common stock (other than excluded holders)), including the form or structure of the mergers, any tax consequences of the mergers or any agreement, arrangement or understanding to be entered into in connection with the mergers or otherwise. Greenhill expressed no opinion with respect to the amount or nature of any compensation or other consideration to any officers, directors or employees of Heartland, or any class of such persons, relative to the per share merger consideration or otherwise or with respect to the fairness of any such compensation. Greenhill also expressed no opinion regarding matters that require legal, regulatory, accounting, tax or other similar professional advice and Greenhill assumed that opinions, counsel and interpretations regarding such matters were or would be obtained from appropriate professional sources. The issuance of Greenhill's opinion was approved by Greenhill's fairness opinion committee. Except as described in this summary, the Heartland board imposed no other instructions or limitations on the investigations made or procedures followed by Greenhill in rendering its opinion.

The following is a summary of the material financial analyses provided by Greenhill in connection with its opinion, dated December 15, 2015, to the Heartland board. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by Greenhill, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by Greenhill. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Greenhill.** For purposes of the analyses described below, the term (1) implied per share merger consideration means \$100.31 per share calculated as (a) the cash consideration of \$53.28 per share and (b) the implied value of the stock consideration of \$47.03 per share based on the 0.6687 per share exchange ratio and the closing price of Global Payments common stock of \$70.33 per share on December 14, 2015 (the last trading day prior to the meeting of the Heartland board to approve the merger agreement), and (2) (a) EBITDA means earnings before interest, taxes, depreciation and amortization, (b) adjusted EBITDA means EBITDA, plus stock-based compensation, less one-time non-recurring items, as applicable, and, in the case of Heartland, less payout of ordinary course sales force bonuses and accrued buyout liabilities and (c) cash EPS means earnings per share derived from generally accepted accounting principles in the United States plus amortization of acquisition-related intangible assets, stock-based compensation expense and other non-recurring items, as applicable.



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**Table of Contents****Heartland Financial Analyses**

*Selected Public Companies Analysis.* Greenhill reviewed publicly available financial and stock market information of Heartland and the following four selected publicly traded companies with operations in the merchant acquiring industry, which we collectively refer to as the Heartland selected companies:

First Data Corporation

Global Payments

Total System Services, Inc.

Vantiv, Inc.

Greenhill reviewed, among other things, enterprise values of the Heartland selected companies, calculated as fully-diluted equity values based on closing stock prices on December 14, 2015 plus debt and less cash and cash equivalents and minority interests, as a multiple of calendar year 2016 and calendar year 2017 estimated adjusted EBITDA. Greenhill also reviewed equity values, based on closing stock prices on December 14, 2015, as a multiple of calendar year 2016 and calendar year 2017 estimated cash EPS. Financial data of the Heartland selected companies were based on publicly available research analysts' estimates, public filings and other publicly available information and calendarized to December 31 year-end for comparative purposes and, in the case of Global Payments, the Global Payments Forecasts. Financial data of Heartland was based on the Heartland Forecasts. Mean and median multiples were calculated excluding First Data Corporation given its limited trading history and leverage level.

The overall low to high calendar year 2016 and calendar year 2017 estimated adjusted EBITDA multiples observed for the Heartland selected companies were 12.5x to 15.0x (with a mean of 13.9x and a median of 14.3x) and 11.8x to 13.7x (with a mean of 12.8x and a median of 12.9x), respectively. The overall low to high calendar year 2016 and calendar year 2017 estimated cash EPS multiples observed for the Heartland selected companies were 11.6x to 22.2x (with a mean of 20.7x and a median of 20.5x) and 9.8x to 19.7x (with a mean of 18.8x and a median of 19.5x), respectively. Greenhill noted that the calendar year 2016 and calendar year 2017 estimated adjusted EBITDA multiples observed for Heartland, based on the Heartland Forecasts, were 13.4x and 11.4x, respectively, as of December 14, 2015 and 12.7x and 10.8x, respectively, as of December 9, 2015 (which was the last trading day prior to market rumors regarding a potential transaction involving Heartland and Global Payments). Greenhill also noted that the calendar year 2016 and calendar year 2017 estimated cash EPS multiples observed for Heartland, based on the Heartland Forecasts, were 25.4x and 21.2x, respectively, as of December 14, 2015 and 23.9x and 19.9x, respectively, as of December 9, 2015.

Greenhill then applied a selected range of calendar year 2016 and calendar year 2017 estimated adjusted EBITDA multiples of 12.5x to 15.0x and 11.9x to 13.7x, respectively, and a selected range of calendar year 2016 and calendar year 2017 estimated cash EPS multiples of 19.4x to 22.2x and 17.3x to 19.7x, respectively, derived from the Heartland selected companies to corresponding data of Heartland based on the Heartland Forecasts. This analysis indicated the following approximate implied per share equity value reference ranges for Heartland, as compared to the implied per share merger consideration:

Implied Per Share

2016E Adjusted		Equity Value Reference Ranges Based on:				2017E		Implied Per Share
		2017E Adjusted		2016E				
EBITDA		EBITDA		Cash EPS		Cash EPS		Merger Consideration
\$76.54	\$94.03	\$86.88	\$101.27	\$63.14	\$72.45	\$67.37	\$76.98	\$100.31

No company used in this analysis is identical or directly comparable to Heartland. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Heartland was compared.

**Table of Contents**

*Selected Precedent Transactions Analysis.* Using publicly available information, Greenhill reviewed financial data relating to the following nine selected transactions involving target companies with operations in the merchant acquiring industry, collectively referred to as the selected transactions:

Announcement Date	Acquirer	Target
October 13, 2014	Vista Equity Partners	TransFirst Inc.
July 17, 2014	Ontario Teachers Pension Plan	First American Payment Systems, L.P.
May 12, 2014	Vantiv, Inc.	Mercury Payment Systems, LLC
January 24, 2014	Global Payments Inc.	Payment Processing, Inc. (d/b/a PayPros)
August 15, 2012	Global Payments Inc.	Accelerated Payment Technologies, Inc.
July 2, 2012	Cielo S.A.	Merchant e-Solutions, Inc.
September 15, 2010	Fifth Third Processing Solutions, LLC	National Processing Company
August 6, 2010	Advent International Corporation and Bain Capital, LP	RBS Global Merchant Services (d/b/a RBS WorldPay) (80%)
March 1, 2010	Total System Services, Inc. (TSYS)	First National Merchant Solutions, LLC (51%)

Greenhill reviewed, among other things, transaction values of the selected transactions, calculated as the purchase prices paid for the target companies (adjusted, as applicable, to reflect the acquisition of 100% of the outstanding equity securities of the target companies), as a multiple of such target companies' latest 12 months EBITDA or adjusted EBITDA, as applicable. Financial data of the selected transactions were based on publicly available information. Financial data of Heartland was based on public filings and the Heartland Forecasts.

The overall low to high latest 12 months adjusted EBITDA (or EBITDA when adjusted EBITDA was not available) multiples observed for the selected transactions for which information was publicly available were 7.7x to 17.8x (with a mean of 11.0x and a median of 10.0x). Greenhill then applied a selected range of latest 12 months EBITDA or adjusted EBITDA multiples of 12.0x to 17.8x derived from the selected transactions to Heartland's calendar year 2015 estimated adjusted EBITDA. This analysis indicated the following approximate implied per share equity value reference range for Heartland, as compared to the implied per share merger consideration:

Implied Per Share	Implied Per Share
Equity Value Reference Range	Merger Consideration
\$60.93 - \$96.11	\$100.31

No company or transaction used in this analysis is identical or directly comparable to Heartland or the mergers. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values for the companies or the transactions to which Heartland or the mergers were compared.

**Table of Contents**

*Discounted Cash Flow Analysis.* Greenhill performed a discounted cash flow analysis of Heartland by calculating the estimated present value of the standalone unlevered, after-tax free cash flows that Heartland was forecasted to generate during the fiscal years ending December 31, 2015 through December 31, 2020 based on the Heartland Forecasts. For purposes of this analysis, stock-based compensation was treated as a cash expense given its recurring nature. Greenhill calculated terminal values for Heartland by applying to Heartland's estimated adjusted EBITDA for the fiscal year ending December 31, 2020 a selected range of EBITDA multiples of 12.0x to 13.0x. The present values (as of December 31, 2015) of Heartland's cash flows and terminal values were then calculated using a selected discount rate range of 8.5% to 10.5%. This analysis indicated the following approximate implied per share equity value reference range for Heartland, as compared to the implied per share merger consideration:

Implied Per Share		Implied Per Share
Equity Value Reference Range		Merger Consideration
\$96.38	\$114.12	\$100.31

*Premiums Paid Analysis.* Greenhill performed an analysis of the premiums paid in (i) 65 selected mergers and acquisition transactions involving acquisitions of U.S. publicly-traded target companies, (ii) 56 selected mergers and acquisition transactions involving acquisitions of U.S. publicly-traded target companies by strategic buyers, (iii) 40 selected mergers and acquisition transactions involving acquisitions of U.S. publicly-traded target companies for all-cash consideration and (iv) 17 selected mergers and acquisition transactions involving acquisitions of U.S. publicly-traded target companies for cash and stock consideration, in each case announced between December 14, 2011 and December 14, 2015 involving target companies with approximate enterprise values of \$3 billion to \$5 billion based on closing stock prices of the target companies involved in such transactions one trading day, five trading days and 30 trading days prior to public announcement of the relevant transactions.

The overall low to high one trading day, five trading days and 30 trading days implied premiums derived from these transactions (excluding target companies with negative 30 trading day premiums) were approximately 23.6% to 28.8%, 27.1% to 29.9% and 27.2% to 38.1%, respectively. Greenhill then applied a selected range of premiums of 23.6% to 38.1% to the closing stock price of Heartland common stock of \$77.84 per share on December 9, 2015, the last trading day prior to market rumors regarding a potential transaction involving Heartland and Global Payments. This analysis indicated the following approximate implied per share equity value reference range for Heartland, as compared to the implied per share merger consideration:

Implied Per Share		Implied Per Share
Equity Value Reference Range		Merger Consideration
\$96.23	\$107.50	\$100.31

**Global Payments Financial Analyses**

*Selected Public Companies Analysis.* Greenhill reviewed publicly available financial and stock market information of Global Payments and the following four selected publicly traded companies with operations in the merchant acquiring industry, which we collectively refer to as the Global Payments selected companies:

First Data Corporation

Heartland

Total System Services, Inc.

Vantiv, Inc.

Greenhill reviewed, among other things, enterprise values of the Global Payments selected companies, calculated as fully-diluted equity values based on closing stock prices on December 14, 2015 (or, in the case of Heartland, both as of December 14, 2015 and December 9, 2015), plus debt and minority interests less cash and

**Table of Contents**

cash equivalents, as a multiple of calendar year 2016 and calendar year 2017 estimated adjusted EBITDA. Greenhill also reviewed equity values, based on closing stock prices on December 14, 2015, as a multiple of calendar year 2016 and calendar year 2017 estimated cash EPS. Financial data of the Global Payments selected companies were based on publicly available research analysts' estimates, public filings and other publicly available information and calendarized to December 31 year-end for comparative purposes and, in the case of Heartland, the Heartland Forecasts. Financial data of Global Payments was based on the Global Payments Forecasts. Mean and median multiples were calculated excluding First Data Corporation given its limited trading history and leverage level and Heartland as of December 14, 2015.

The overall low to high calendar year 2016 and calendar year 2017 estimated adjusted EBITDA multiples observed for the Global Payments selected companies were 12.5x to 14.3x (with a mean of 13.2x and a median of 12.7x) and 10.8x to 12.9x (with a mean of 11.9x and a median of 11.9x), respectively. The overall low to high calendar year 2016 and calendar year 2017 estimated cash EPS multiples observed for the Global Payments selected companies were 11.6x to 25.4x (with a mean of 21.3x and a median of 20.5x) and 9.8x to 21.2x (with a mean of 18.9x and a median of 19.5x), respectively. Greenhill noted that the calendar year 2016 and calendar year 2017 estimated adjusted EBITDA multiples observed for Global Payments, based on the Global Payments Forecasts, were 15.0x and 13.7x, respectively. Greenhill also noted that the calendar year 2016 and calendar year 2017 estimated cash EPS multiples observed for Global Payments, based on the Global Payments Forecasts, were 22.2x and 19.7x, respectively.

No company used in this analysis is identical or directly comparable to Global Payments. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Global Payments was compared.

*Discounted Cash Flow Analysis.* Greenhill performed a discounted cash flow analysis of Global Payments by calculating the estimated present value of the standalone unlevered, after-tax free cash flows that Global Payments was forecasted to generate during the fiscal years ending May 31, 2016 through May 31, 2020 based on public filings, publicly available information and the Global Payments Forecasts. For purposes of this analysis, stock-based compensation was treated as a cash expense given its recurring nature. Greenhill calculated terminal values for Global Payments by applying to Global Payments' estimated adjusted EBITDA for the fiscal year ending May 31, 2020 a selected range of EBITDA multiples of 13.5x to 14.5x. The present values (as of May 31, 2015) of Global Payments cash flows and terminal values were then calculated using a selected discount rate range of 7.5% to 9.5%. This analysis indicated the following approximate implied per share equity value reference range for Global Payments, as compared to the closing stock price of Global Payments common stock on December 14, 2015:

Implied Per Share	Closing Stock Price of
Equity Value Reference Range	Global Payments Common Stock
\$71.46 \$82.93	\$70.33

*Other Information.* Greenhill noted certain additional information that was not considered part of Greenhill's financial analyses with respect to its opinion but was referenced for informational purposes, including, among other things, the following:



publicly available one-year forward Wall Street research analysts' stock price targets for Heartland common stock and Global Payments common stock, which indicated target stock price ranges for Heartland common stock of \$70.00 to \$90.00 per share (with a median of \$74.00 per share) and for Global Payments common stock of \$68.00 to \$84.00 per share (with a median of \$70.00 per share);

historical exchange ratios of Heartland common stock and Global Payments common stock over the latest 12 months (as of December 14, 2015), which indicated an average implied exchange ratio during such 12-month period of 1.09x; and

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**Table of Contents**

the potential pro forma financial impact of the mergers on Global Payments' estimated cash EPS for the fiscal years ending May 31, 2017 and May 31, 2018, utilizing the Heartland Forecasts (as calendarized to May 31 year-end for comparative purposes), the Global Payments Forecasts and publicly available information, which indicated, based on the implied per share merger consideration, that the mergers could be dilutive to Global Payments' estimated cash EPS in the fiscal years ending May 31, 2017 and May 31, 2018 by approximately (4.6%) and (1.5%), respectively, excluding potential synergies resulting from the mergers, and that pre-tax synergies of approximately \$33 million and \$12 million would need to be realized in Global Payments' fiscal years ending May 31, 2017 and May 31, 2018, respectively, in order for Global Payments to achieve breakeven cash EPS.

***Miscellaneous***

As noted above, the discussion set forth above is a summary of the material financial analyses provided by Greenhill to the Heartland board in connection with its opinion and is not a comprehensive description of all analyses undertaken or factors considered by Greenhill in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. Greenhill believes that the analyses summarized above must be considered as a whole. Greenhill further believes that selecting portions of its analyses or factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of such analyses or factors, could create a misleading or incomplete view of the processes underlying Greenhill's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, Greenhill considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Heartland and Global Payments. The estimates of the future performance of Heartland and Global Payments in or underlying Greenhill's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by Greenhill's analyses. These analyses were prepared solely as part of Greenhill's analysis of the fairness, from a financial point of view, of the per share merger consideration and were provided to the Heartland board in connection with the delivery of Greenhill's opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or acquired or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be Greenhill's view of the actual value of Heartland or Global Payments.

The type and amount of consideration payable in the initial merger were determined through negotiations between Heartland and Global Payments, and was approved by the Heartland board. The decision to recommend and to enter into the merger agreement was solely that of the Heartland board. As described above, Greenhill's opinion and analyses were only one of many factors considered by the Heartland board in its evaluation of the mergers and should not be viewed as determinative of the views of the Heartland board, management or any other party with respect to the mergers or the per share merger consideration.

In connection with Greenhill's engagement, Heartland has agreed to pay Greenhill for its financial advisory services in connection with the mergers an aggregate fee currently estimated to be approximately \$16 million, of which a portion was payable upon the rendering of Greenhill's opinion (regardless of the conclusion reached) and approximately \$14 million is payable contingent upon consummation of the initial merger. Heartland also has agreed to indemnify Greenhill for certain liabilities, including liabilities under the federal securities laws, and to reimburse Greenhill for its

reasonable expenses arising from its engagement.

## **Table of Contents**

During the two-year period preceding the date of its opinion, Greenhill was not engaged to perform investment banking services for Heartland unrelated to the mergers or to Global Payments for which services Greenhill received compensation, other than certain financial advisory services performed for Heartland in connection with potential merger and acquisition transactions. Greenhill and its affiliates in the future may provide investment banking services to Heartland, Global Payments and/or their respective affiliates, for which services Greenhill and its affiliates would expect to receive compensation. As the Heartland board was aware, in 2001, certain private equity funds previously affiliated with Greenhill acquired an equity interest in Heartland, which was converted into shares of Heartland common stock at the time of Heartland's initial public offering in 2005, and, in connection with such private investment in 2001, a senior member of the Greenhill transaction advisory team joined the Heartland board on which he served until 2005. In 2008, such private equity funds distributed the shares of Heartland common stock held by such funds to their general and limited partners, including the senior member of the Greenhill transaction advisory team, 47,045 shares of which such senior member continued to beneficially own as of the date of Greenhill's opinion.

### **Global Payments Reasons for the Mergers**

In reaching its decision to authorize management to enter into the merger agreement and approve the mergers and the other transactions contemplated by the merger agreement, the Global Payments board evaluated the mergers in consultation with Global Payments management, as well as Global Payments' financial and legal advisors, and considered a number of factors, including the following material factors:

The proposed Heartland acquisition enables Global Payments to increase the scale of its U.S. business, in line with its strategic goals;

The acquisition continues Global Payments' shift towards direct distribution of its payment technology services;

The acquisition significantly expands Global Payments' U.S. direct small and medium-sized enterprise distribution, merchant base and vertical reach;

Heartland's strengths in direct sales and technology-led distribution are highly complementary to Global Payments' existing expertise;

There is little overlap between the verticals served by Heartland and those served by Global Payments;

The growth profiles of the two companies are highly complementary;

The acquisition provides for opportunities to cross-sell Heartland's educational, point of sale, payroll, loyalty and gift solutions into Global Payments' existing core U.S. and international markets;

The acquisition strengthens Global Payments' position and increases its scale in the United States, its largest market and one of the most dynamic payments markets worldwide;

Global Payments' belief that the acquisition of Heartland will allow for the opportunity to derive significant operational and technological synergies;

Global Payments expects to realize at least \$50 million in synergies in fiscal 2017 and approximately \$125 million of annual run-rate synergies thereafter;

The possibility that the acquisition will create enhanced shareholder value and Global Payments' belief that the acquisition will be additive to the rate of revenue growth and margin expansion and be mid-single digit accretive to its shareholders on a percentage basis to cash earnings per share in its 2017 fiscal year and double-digit accretive thereafter;

The terms and conditions of the merger agreement, including the conditions to the completion of the mergers, the circumstances under which the merger agreement could be terminated and the impact of such termination (including the potential payment by Heartland of a termination fee of \$153 million);

**Table of Contents**

Availability for financing of the cash consideration to be paid to Heartland stockholders, including the committed financing Global Payments obtained as of the signing of the merger agreement;

The positive results of the due diligence review of Heartland;

The risk that, because the stock consideration under the merger agreement would not be adjusted due to changes in the market price of Global Payments common stock, the value of the per share merger consideration to be paid to Heartland stockholders upon the consummation of the mergers could be more than the value of the per share merger consideration immediately prior to the announcement of the proposed acquisition;

The risk that the anticipated synergies would be more difficult to achieve than anticipated, or that it would take longer to realize the anticipated synergies than expected;

The risk that integrating Heartland and its platform would be more challenging than anticipated, or that it would take longer than anticipated; and

The risk that the proposed financing for the acquisition, which will increase Global Payments' leverage, will decrease its ability to engage in future strategic transactions or react to changes in the market generally. This discussion of the information and factors considered by the Global Payments board includes the material factors considered by the Global Payments board, but is not intended to be exhaustive and may not include all the factors considered by the Global Payments board. In view of the wide variety of factors considered, and the complexity of these matters, the Global Payments board did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to adopt and approve the merger agreement, the mergers and the other transactions contemplated by the merger agreement. Rather, the Global Payments board viewed its position and recommendation as being based on the totality of the information presented to and factors considered by it, including discussions with Global Payments' management and its financial and legal advisors. In addition, individual members of the Global Payments board may have given differing weights to different factors. It should be noted that this explanation of the reasoning of the Global Payments board and certain information presented in this section is forward-looking in nature and, therefore, that information should be read in light of the factors discussed in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 28 of this proxy statement/prospectus.

**Interests of Certain Persons in the Mergers**

In considering the recommendations of the Heartland board of directors with respect to the mergers, Heartland's stockholders should be aware that Heartland's directors and executive officers have agreements or arrangements that provide them with interests in the mergers, including financial interests, that may be different from, or in addition to, the interests of the other stockholders of Heartland. The Heartland board of directors was aware of these interests during its deliberations of the merits of the mergers and in determining to recommend to Heartland's stockholders that they vote for the merger proposal and thereby approve the transactions contemplated by the merger agreement, including the mergers. For additional information, see the sections entitled "Background of the Mergers" and "Recommendation of the Heartland Board" beginning on pages 40 and 46, respectively, of this proxy

statement/prospectus. These interests are described in more detail below, and certain of them are quantified in the narrative and table below.

***Treatment of Heartland Equity Awards***

*Stock Options.* At the effective time, each outstanding stock option to purchase shares of Heartland common stock will be cancelled and converted into the right to receive the per share merger consideration with respect to each share of Heartland common stock relating to such stock option, net of the applicable exercise price. Any stock option with an exercise price that equals or exceeds the value of the per share merger consideration as of the effective time (using the volume weighted average trading price of Global Payments common stock on the

**Table of Contents**

NYSE for the five consecutive trading days ending on the trading day immediately preceding the closing date of the mergers to calculate the value of the stock consideration) will be cancelled for no consideration. No stock options are held by Heartland's executive officers.

*Restricted Stock Units.* At the effective time, each restricted stock unit award (other than a performance share unit award) in respect of Heartland common stock will fully vest and be cancelled and converted into the right to receive the per share merger consideration in respect of each share of Heartland common stock underlying the restricted stock unit award. Any accrued but unpaid dividend equivalents corresponding to each such restricted stock unit award will become fully vested and be paid in cash at the time the corresponding restricted stock unit award is settled.

*Performance Share Units.* At the effective time, each performance share unit award in respect of Heartland common stock will fully vest (with any performance-based vesting condition deemed to have been satisfied at either maximum or target levels, depending on whether the award was granted prior to or on or after December 1, 2015, respectively) and be cancelled and converted into the right to receive the per share merger consideration in respect of each share of Heartland common stock underlying the performance share unit award. Any accrued but unpaid dividend equivalents corresponding to each such performance share unit award shall become fully vested (assuming achievement of maximum performance) and paid in cash at the time the corresponding performance share unit award is settled.

*Quantification of Payments.* For an estimate of the amounts that would be payable to each of Heartland's named executive officers due to the vesting of their unvested Heartland equity awards, see the section entitled

Merger-Related Compensation for Heartland's Named Executive Officers beginning on page 61 of this proxy statement/prospectus. We estimate that the aggregate amount that would be payable to Heartland's six non-employee directors due to the vesting of their unvested Heartland equity awards upon consummation of the mergers if the effective time occurred on March 31, 2016 is \$815,023. We estimate that the amount that would be payable to Tony Capucille, Heartland's Chief Sales Officer, who is an executive officer but is not a named executive officer, due to the vesting of his unvested Heartland equity awards upon consummation of the mergers if the effective time occurred on March 31, 2016 is \$2,863,181. The amounts specified in this paragraph are determined using a price per share of Heartland common stock of \$94.66, the average closing price per share over the first five business days following the announcement of the merger agreement. The estimated amount for non-employee directors does not include any equity awards that may be granted in 2016 in respect of Heartland's ordinary course annual equity grants to non-employee directors as permitted by the merger agreement, anticipated to be made as of May 2016, which awards will be treated in the same manner as described above in this section. The estimated amount for Mr. Capucille does not include the value of equity awards accelerated on December 22, 2015 pursuant to the terms of the merger agreement, as described below (i.e., \$592,260 based on the closing price of Heartland common stock on December 22, 2015 on the NYSE of \$95.02).

***Employment Agreements with Executive Officers***

Heartland has entered into employee confidential information and noncompetition agreements with each of its executive officers, including Heartland's named executive officers, other than Mr. Capucille, which provide for severance benefits in the event of, among other things, a termination of employment by Heartland without cause or, (i) in the case of Samir M. Zabaneh, Heartland's Chief Financial Officer, a resignation by the executive officer for good reason (as defined in Mr. Zabaneh's employee confidential information and noncompetition agreement) at any time, or (ii) in the case of Robert H. B. Baldwin, Jr., Heartland's Vice Chairman, a resignation by the executive officer upon a constructive termination (as defined in, and subject to the restricted periods set forth in, Mr. Baldwin's employee confidential information and non-competition agreement), in each case, which termination or resignation we refer to as a qualifying termination. Note that, with the exception of Heartland's employee confidential information and noncompetition agreement with Robert O. Carr, Heartland's Chairman and Chief Executive Officer (which provides



for a decrease in severance payments and benefits in the event a termination at any time following a change in control), none of Heartland's executive officers are entitled to enhancements or any other changes in their severance payments or benefits as the result of a change in control.

## **Table of Contents**

Upon a Heartland's executive officer's qualifying termination following the effective time, such executive officers would generally be entitled to receive:

an amount equal to the executive officer's current annual base salary, payable in installments over a 12-month period following termination of employment;

a prorated portion of any annual bonus the executive officer would have received for the fiscal year of termination, based on the number of days the executive officer was employed during the applicable fiscal year, payable when such bonuses would otherwise be paid; and

continued medical benefits for 12 months following termination of employment.

Payments under the employee confidential information and noncompetition agreement are subject to the executive officer's compliance with a covenant of noncompetition for the duration of employment and 12 months thereafter, covenants of nonsolicitation (for suppliers and customers, during employment and for 12 months thereafter, and for employees, during employment and 24 months thereafter), and other restrictive covenants, including a perpetual confidentiality covenant, as set forth in the agreement. In addition, in the case of Mr. Zabaneh, all such payments are subject to the execution and non-revocation of a release of claims.

For an estimate of the value of the payments and benefits described above that would be payable to each of the named executive officers under their employee confidential information and noncompetition agreements in connection with a qualifying termination following the effective time, see the section entitled "Merger-Related Compensation for Heartland's Named Executive Officers" beginning on page 61 of this proxy statement/prospectus.

### ***Other Compensation Matters***

Under the terms of the merger agreement, Heartland was permitted to determine and pay annual bonuses in respect of the 2015 fiscal year based on actual performance, taking into account the expenses and costs related to the mergers, and in December 2015, Heartland made such determinations and paid the 2015 annual bonuses to its executive officers. In addition, Heartland accelerated the vesting of certain equity awards held by six of its seven executive officers (each of Messrs. Carr, Zabaneh, Capucille, Michael A. Lawler, Heartland's President, Strategic Markets, David Gilbert, Heartland's President, Hospitality Group, Charles H. N. Kallenbach, Heartland's Chief Legal Officer and General Counsel), such that they vested on December 22, 2015.

The merger agreement also permits Heartland to enter into an arrangement with certain Heartland employees, including each of the named executive officers, that provides that, if any payments or benefits to be received by the employee in connection with the mergers would be subject to an excise tax under Sections 280G and 4999 of the Code, then such payments and benefits will be reduced to the extent the employee would be better off on an after-tax basis not receiving such payments or benefits.

Global Payments has agreed that the employment of Messrs. Carr, Gilbert, Baldwin and Kallenbach, will terminate without cause as of immediately following the effective time. Global Payments has also agreed to provide an offer of employment to each of Messrs. Zabaneh, Lawler, and Capucille, which will provide for total annualized compensation (including annual base salary, annual target cash bonus, and annual target equity opportunity measured at fair value) that is equal to or greater than 105% of the executive officer's total annualized compensation as of immediately prior to

the effective time (which we refer to as a qualifying offer) and for the performance of duties that are substantially comparable to the type of duties conducted by the executive officer immediately prior to the effective time (subject to limited exceptions). If the offer by Global Payments to such an executive is not a qualifying offer and the executive rejects such offer within a specified time following the effective time, the executive's termination of employment will be treated as a termination by Heartland without cause.

**Table of Contents**

***Indemnification; Directors and Officers Insurance***

For six years from the closing date, the surviving company must (i) indemnify and hold harmless, and advance expenses to (subject to limited exceptions), any individual who, on or prior to the effective time of the mergers, was an officer or director of Heartland or any of its subsidiaries with respect to all acts or omissions by them in their capacities as such at any time prior to the effective time of the mergers, to the fullest extent permitted by law as required by Heartland's organizational documents and certain written indemnification agreements between Heartland or any of its subsidiaries and any such indemnitee, (ii) not amend, repeal or otherwise modify any such provisions in any manner that would adversely affect the indemnification rights thereunder of any such indemnitee, (iii) indemnify and hold harmless each such indemnitee to the extent any litigation arises out of or pertains to the fact such indemnitee is or was an officer or director of Heartland or any of its subsidiaries, or an officer, director or trustee of any other person at the request of Heartland or any of its subsidiaries prior to the effective time of the mergers, and (iv) pay in advance of the final disposition of any such litigation the expenses (including reasonable attorneys' fees) of any such indemnitee upon receipt of an undertaking by or on behalf of such indemnitee to repay such amount if it is ultimately determined that such indemnitee is not entitled to be indemnified.

Additionally, for at least six years from the closing date, the surviving company must maintain directors' and officers' liability insurance covering all individuals who are currently covered by Heartland's directors' and officers' liability insurance, for events occurring at or prior to the closing and on terms no less favorable than such existing insurance, subject to a premium cap of 250% of Heartland's current annual premium.

For additional information, see the section entitled "The Merger Agreement - Indemnification of Directors and Officers" of this proxy statement/prospectus.

***Merger-Related Compensation for Heartland's Named Executive Officers***

This section sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for each of Heartland's named executive officers that is based on or otherwise relates to the mergers. The merger-related compensation payable to these individuals is subject to a non-binding advisory vote of Heartland's stockholders, as described in the section entitled "Proposal 2: Non-Binding, Advisory Vote on Compensation of Named Executive Officers" beginning on page 123 of this proxy statement/prospectus.

The table below sets forth the amount of payments and benefits that each of Heartland's named executive officers would receive in connection with the mergers, assuming that the mergers were consummated and each such named executive officer experienced a qualifying termination on March 31, 2016. The amounts below are determined using a price per share of Heartland common stock of \$94.66, the average closing price per share over the first five business days following the announcement of the merger agreement, and are based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including the assumptions

**Table of Contents**

described in the footnotes to the table. The amounts below do not reflect certain compensation actions that may occur before the effective time. As a result of the foregoing assumptions, the actual amounts, if any, to be received by a Heartland named executive officer may materially differ from the amounts set forth below.

<b>Name</b>	<b>Cash (\$)<sup>(1)</sup></b>	<b>Equity (\$)<sup>(2)</sup></b>	<b>Benefits (\$)<sup>(3)</sup></b>	<b>Total (\$)<sup>(4)</sup></b>
Robert O. Carr	1,036,250	48,550,262	10,280	49,596,792
Samir M. Zabaneh	546,250	5,314,970	5,907	5,867,127
Michael A. Lawler	611,563	9,390,745	15,457	10,017,765
David Gilbert	450,000	5,292,062	15,457	5,757,519
Robert H. B. Baldwin, Jr.	545,625	4,662,573	15,457	5,223,655
Charles H. N. Kallenbach	476,625	5,041,118	15,457	5,533,200

- (1) The cash payments payable to each of the Heartland named executive officers consist of (a) an amount equal to the named executive officer's annual base salary, payable in installments over a 12-month period following termination of employment; and (b) a lump sum payment equal to the named executive officer's prorated annual bonus for the fiscal year of termination, prorated through March 31, 2016 (which, for this purpose, is computed assuming the achievement of target performance levels), payable when such bonus would otherwise have been payable. All such payments are "double-trigger" in nature. (Note, however, that such payments would be payable upon a qualifying termination regardless of when such qualifying termination occurs, with the exception of Mr. Carr, whose payment is lower, as described above.) Set forth below are the separate values of each of the payments described in clauses (a) (b) above.

<b>Name</b>	<b>Salary Payment (\$)</b>	<b>Prorated Annual Bonus Payment (\$)</b>
Robert O. Carr	829,000	207,250
Samir M. Zabaneh	460,000	86,250
Michael A. Lawler	515,000	96,563
David Gilbert	400,000	50,000
Robert H. B. Baldwin, Jr.	485,000	60,625
Charles H. N. Kallenbach	410,000	66,625

- (2) As described above, all unvested equity-based awards held by Heartland's named executive officers will become vested and be settled at the effective time (i.e., "single-trigger" vesting). Set forth below are the values of each type of equity-based award that would become vested and be settled upon the effective time, based on a price per share of Heartland common stock of \$94.66, the average closing price per share over the first five business days following the announcement of the merger agreement. Any performance-based vesting condition will be deemed to have been satisfied at maximum or target levels, depending on whether the award was granted prior to or on or after December 1, 2015, respectively. The actual value of the acceleration of equity-based awards will depend on the per share price of Global Payments common stock at the closing date (which is not determinable at this time), and therefore, the actual value of the acceleration of equity-based awards may be different than estimated. The

amounts shown also do not attempt to forecast any grants, dividends, deferrals, or forfeitures, and depending upon when the closing date occurs, certain of the equity-based awards in the table may vest in accordance with their terms. In addition, in December 2015, Heartland accelerated the vesting of certain equity awards held by five of the named executive officers, so that such equity awards vested on December 22, 2015. The value of these awards, based on the closing price of Heartland common stock on the NYSE on December 22, 2015 of \$95.02, was as follows: Mr. Carr, \$2,524,016; Mr. Zabaneh, \$830,095; Mr. Lawler, \$1,352,610; Mr. Gilbert, \$1,494,760; and Mr. Kallenbach, \$395,948. (Note that some portion of the awards that were accelerated on December 22, 2015 would have otherwise vested in the ordinary course prior to March 31, 2016.) The vesting of Mr. Baldwin's equity awards was not accelerated in December 2015. The value of the equity awards accelerated in December 2015 are not included in the table below or above. In addition to the values set

**Table of Contents**

forth in the above table and this footnote thereto, the following amounts represent the value, based on the price per share of Heartland common stock of \$94.66, the average closing price per share over the first five business days following the announcement of the merger agreement, of the number of shares subject to performance share units that will vest with respect to certain named executive officers in accordance with their terms between January 1, 2016 and March 31, 2016. Material amounts include \$412,338.96 with respect to Mr. Carr; and \$115,958.50 with respect to Mr. Baldwin. For additional information, see the section entitled Other Compensation Matters beginning on page 60 of this proxy statement/prospectus.

Name	Stock Options (\$)	Restricted	Performance
		Stock Units (\$)	Share Units (\$)
Robert O. Carr		3,119,615	45,430,647
Samir M. Zabaneh		1,796,363	3,518,607
Michael A. Lawler		734,467	8,656,278
David Gilbert		440,642	4,851,420
Robert H. B. Baldwin, Jr.		622,863	4,039,710
Charles H. N. Kallenbach		424,739	4,616,379

- (3) The amounts in the table include the estimated value of continued medical benefits for 12 months based on the COBRA rates in effect at Heartland for 2016. All such amounts are payable upon a qualifying termination and double-trigger in nature.
- (4) This amount includes the aggregate dollar value of the sum of all amounts reported in the preceding columns. Double-trigger payments include those identified as such in the Cash column and the Benefits column. Single-trigger payments include those identified as such in the Equity column.

**Global Payments Board of Directors Following the Mergers**

The parties have agreed to select two Heartland nominees for appointment to the Global Payments board of directors. In connection with such appointment, Global Payments has agreed to take all appropriate action to submit to the Global Payments board of directors such nominees for appointment in accordance with the Global Payments bylaws. Currently, the Global Payments board of directors consists of eight directors. Following the appointment of the Heartland nominees, the Global Payments board of directors would consist of ten directors.

Information about Global Payments directors and executive officers, including biographical information, executive compensation and the relationships and related transactions between management and Global Payments, can be found in Global Payments proxy statement for the 2015 annual meeting of shareholders and Annual Report on Form 10-K for the year ended May 31, 2015, both of which are filed with the SEC and incorporated by reference herein. For additional information on how you can obtain copies of Global Payments proxy statement and Form 10-K, see the section entitled Where You Can Find More Information beginning on page 127 of this proxy statement/prospectus.

**Regulatory Approvals**

Under the HSR Act and the related rules and regulations issued by the FTC, certain transactions, including the mergers, may not be consummated until notifications have been given and specified information and documentary material have been furnished to the FTC and the DOJ and the applicable waiting periods have expired or been terminated.

On December 30, 2015, Global Payments and Heartland filed their respective notification and report forms under the HSR Act with the DOJ and the FTC, which triggered the start of the HSR Act waiting period. The completion of the mergers is conditioned upon the expiration or early termination of the applicable waiting period under the HSR Act. The waiting period expired at 11:59 p.m. on January 29, 2016.



## **Table of Contents**

Notwithstanding the expiration of the statutory waiting period, at any time before or after the effective time of the mergers, the DOJ, the FTC, and/or U.S. state attorneys general could take action under applicable antitrust laws, including seeking to enjoin the completion of the mergers, conditioning approval of the mergers upon the divestiture of Global Payments or Heartland assets, subjecting the consummation of the mergers to regulatory conditions or seeking other remedies. Private parties may also seek to take legal action under the antitrust laws under certain circumstances.

For additional information on Global Payments' and Heartland's respective obligations under the merger agreement with respect to regulatory approvals, see the section entitled "The Merger Agreement Covenants Efforts" beginning on page 81 of this proxy statement/prospectus.

## **Financing**

Global Payments anticipates that the funds needed to complete the transactions will be derived from a combination of (i) available cash on hand of Global Payments, and (ii) the debt financing described below.

In connection with the proposed mergers, on January 8, 2016, Global Payments entered into an amended and restated debt commitment letter with Bank of America, N.A. and certain additional financial institutions, which we refer to as the amended and restated debt commitment letter. On February 26, 2016, as contemplated by the amended and restated debt commitment letter, Global Payments and certain of its wholly owned subsidiaries, as borrowers or as guarantors, as applicable, entered into the First Amendment to (i) the Second Amended and Restated Term Loan Agreement, which we refer to as the term loan agreement, and (ii) the Second Amended and Restated Credit Agreement, which we refer to as the revolving credit facility agreement and which we refer to, together with the term loan agreement, as the existing credit agreements, each with Bank of America, N.A., as administrative agent, and a syndicate of financial institutions, as lenders and other agents, which we refer to as the amended credit facility agreement. The amended credit facility agreement amended, restated and combined the existing credit agreements, each dated July 31, 2015 and the corresponding guarantees thereof.

The amended credit facility agreement provides for (i) a \$1.75 billion term loan facility, which we refer to as the term loan facility, (ii) a \$1.25 billion revolving credit facility, which we refer to as the revolving credit facility, and (iii) a new \$685 million delayed draw term loan facility, which we refer to as the delayed draw term loan facility and which we refer to, together with the term loan facility and the revolving credit facility, as the credit facilities. The available borrowings under the revolving credit facility may be increased, at Global Payments' option, by up to an additional \$250 million, subject to Global Payments' receipt of increased or new commitments from lenders and the satisfaction of certain conditions. The term loan facility and the delayed draw term loan facility mature in July 2020, and the revolving credit facility agreement also expires in July 2020. The amended credit facility agreement allows for the addition of approximately \$1.095 billion of term B loans, which we refer to as the Heartland incremental term B loan facility, in connection with the proposed mergers, resulting in total financing of approximately \$4.78 billion as contemplated in the amended and restated debt commitment letter. Pricing and certain other terms with respect to the term loans under the Heartland incremental term B loan facility will be set forth in the applicable joinder agreement. The amended credit facility further provides that, in addition to the proceeds from the Heartland incremental term loan B facility and the delayed draw term loan facility, up to \$950 million of the revolving credit facility may be used to finance the consideration and other costs related to the mergers, including the repayment of certain of Heartland's existing third-party indebtedness.

Upon consummation of the mergers pursuant to the merger agreement, certain Heartland subsidiaries and Global Payments subsidiaries will enter into customary joinder and security documents to grant a security interest in certain assets in favor of Bank of America, N.A., as administrative agent, for the benefit of the lenders under the amended

credit facility agreement and certain other secured parties.

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**Table of Contents**

Pursuant to the amended credit facility agreement, 37.5% of the term loan facility must be repaid in equal quarterly installments commencing in November 2016 and ending in May 2020, with the remaining principal balance due upon maturity in July 2020. The delayed draw term loans must be repaid in quarterly installments in the amounts set forth in the amended credit facility agreement commencing in August 2016 and ending in May 2020, with the remaining principal balance due upon maturity in July 2020. Each credit facility may be prepaid without penalty. Prior to the closing date of the mergers, the amended credit facility agreement provides for an interest rate with respect to borrowings under each of the credit facilities, at the election of the borrowers, of either (i) LIBOR plus a margin ranging from 1.0% to 1.75% or (ii) a base rate plus a margin ranging from 0.0% to 0.75%, in each case depending on Global Payments' leverage ratio. After the closing date of the mergers, the amended credit facility agreement provides for an interest rate with respect to borrowings under each of the credit facilities, at the election of the borrowers, of either (i) LIBOR plus a margin ranging from 1.75% to 2.50% or (ii) a base rate plus a margin ranging from 0.75% to 1.50%, in each case depending on the Global Payments' leverage ratio. The base rate is the highest of (a) the Federal Funds Effective Rate (as defined in the amended credit facility agreement) plus 0.50%, (b) the Bank of America, N.A. prime rate and (c) LIBOR plus 1.0%. The amended credit facility agreement also provides for a commitment fee that (i) with respect to undrawn commitments under the revolving credit facility is due and payable quarterly in arrears at an applicable rate per annum ranging from (x) 0.10% to 0.25% prior to the closing date of the mergers or (y) 0.25% to 0.35% on and after the closing date of the mergers, in each case based on Global Payments' leverage ratio, and (ii) with respect to commitments under the delayed draw term loan facility (x) is due and payable on the earlier of the closing date of the mergers and the last day of the availability period (as defined in the amended credit facility agreement) at a rate per annum equal to 0.50% and (y) shall accrue commencing on March 31, 2016 through the earlier of the closing date of the mergers and the end of the availability period.

The amended credit facility agreement contains customary affirmative and restrictive covenants, including, among others, financial covenants based on the Global Payments' leverage and fixed charge coverage ratios. The amended 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.

**Closing and Effective Time**

Unless the parties otherwise mutually agree, the closing of the mergers will occur on the third business day after the date on which all of the conditions to the closing of the mergers are satisfied or waived (other than those conditions that by their terms are to be satisfied at the closing, but subject to the satisfaction or waiver of those conditions). However, if the marketing period (as described below) has not ended at the time of the satisfaction or waiver of the conditions to the closing of the mergers, the closing will occur on the earlier of (1) the date during the marketing period specified by Global Payments on no less than three business days' notice to Heartland and (2) the business day immediately following the final day of the marketing period (subject in each case to the satisfaction or waiver of all conditions to closing). The term 'marketing period' is defined in the merger agreement to mean the first period of twenty-two consecutive days (or, in certain cases, twenty consecutive days), subject to certain excluded dates, (1) throughout which Global Payments has received from Heartland all financial information of Heartland that meets specified requirements more fully described in the merger agreement and (2) at the end of which all of the conditions to Global Payments' obligation to complete the mergers have been satisfied (other than those conditions that by their terms are to be satisfied at the closing of the mergers). However, the marketing period will end on any earlier date that the debt financing has been consummated and the proceeds anticipated by the debt financing commitments have been received by Global Payments or funded into escrow.

Subject to the satisfaction or waiver of the closing conditions described under the section entitled 'The Merger Agreement' Conditions to the Consummation of the Mergers' beginning on page 83 of this proxy statement/prospectus,

including the adoption of the merger agreement by Heartland stockholders, Global Payments and Heartland expect that the mergers will close in the second quarter of the 2016 calendar year.

## **Table of Contents**

However, it is possible that factors outside the control of both companies could result in the mergers being completed at a different time or not at all.

For purposes of the merger agreement, the effective time means the time when the certificate of merger for the initial merger is duly filed with the Secretary of State of the State of Delaware or at such later time as the parties may mutually agree and specify in the certificate of merger for the initial merger.

## **Global Payments Dividend Policy**

Global Payments has historically paid a quarterly dividend on its common stock and last paid a dividend on February 26, 2016 of \$0.01 per share. Future cash dividends paid by Global Payments, if any, are subject to the sole discretion of the Global Payments board. Notwithstanding the foregoing, under the terms of the merger agreement, during the period before the closing of the mergers, Global Payments is prohibited from paying any dividends other than its ordinary course quarterly dividends in accordance with past practice.

## **Stock Exchange Listing of Global Payments Common Stock and Delisting and Deregistration of Heartland Common Stock**

Application will be made to have the shares of Global Payments common stock to be issued in connection with the mergers approved for listing on the NYSE, where Global Payments common stock is currently traded. It is a condition to the closing of the mergers that the shares of Global Payments common stock to be issued in the mergers be approved for listing on the NYSE, subject to notice of issuance, prior to the effective time.

If the mergers are consummated, Heartland common stock will no longer be listed on the NYSE, and will be deregistered under the Exchange Act. Prior to the closing of the mergers, Heartland will cooperate with Global Payments and will use reasonable best efforts to take all reasonably necessary actions to enable the delisting of Heartland common stock from the NYSE and the deregistration of Heartland common stock under the Exchange Act as promptly as practicable after the effective time.

## **Accounting Treatment**

Global Payments and Heartland prepare their financial statements in accordance with GAAP. The mergers will be accounted for using the acquisition method of accounting. Global Payments will be treated as the acquirer for accounting purposes.

## **Material United States Federal Income Tax Consequences**

The mergers are intended to qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the mergers do qualify as a reorganization for U.S. federal income tax purposes, a U.S. holder of shares of Heartland common stock generally will recognize gain (but not loss) on the exchange in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the fair market value of the shares (including any fractional shares) of Global Payments common stock and cash received pursuant to the mergers (excluding any cash received in lieu of fractional shares) over the holder's adjusted tax basis in its shares of Heartland common stock surrendered pursuant to the mergers) and (2) the amount of cash (excluding any cash received in lieu of fractional shares) received pursuant to the mergers, and such holder will recognize gain or loss with respect to any cash received in lieu of fractional shares of Global Payments common stock. Heartland stockholders should consult their tax advisors for a full understanding of all of the tax consequences of the mergers to them. For additional information, see the section entitled "Material United States Federal Income Tax Consequences of the Mergers" beginning on page 119

of this proxy statement/prospectus.

## **Table of Contents**

### **Appraisal Rights**

The merger agreement provides that shares of Heartland common stock which are held by stockholders who do not vote for the adoption of the merger agreement or consent thereto in writing and who properly demand appraisal of such shares pursuant to Section 262 of the DGCL shall not be converted into the right to receive the per share merger consideration and instead shall be entitled to the right provided under Section 262. Section 262 provides holders of Heartland common stock with the ability to seek the appraised value of their shares. A holder of Heartland common stock who properly seeks appraisal and complies with the applicable requirements under Delaware law, who is referred to as a dissenting stockholder, will forego the per share merger consideration and instead be entitled to receive a cash payment equal to the fair value of his, her or its shares of Heartland common stock as determined by the Delaware Court of Chancery. Following an appraisal proceeding, the court will determine the fair value of the shares of Heartland common stock held by such holder, exclusive of any element of value arising from the accomplishment or expectation of the mergers. Dissenting stockholders will not know the appraised fair value at the time such holders must elect whether to seek appraisal. The ultimate amount dissenting stockholders receive in an appraisal proceeding may be more or less than, or the same as, the amount such holders would have received under the merger agreement. Failure to follow exactly the procedures specified under Delaware law will result in the loss of appraisal rights. For additional information on the appraisal rights available to holders of Heartland common stock and procedures required to exercise statutory appraisal rights, see the section entitled **Appraisal Rights** beginning on page 88 of this proxy statement/prospectus.

### **Litigation Relating to the Mergers**

Heartland, the Heartland Board, Global Payments, Merger Sub One, and Merger Sub Two have been named as defendants in a putative class action lawsuit challenging the proposed mergers. The suit was filed in the New Jersey Superior Court, Mercer County, Civil Division, and is captioned *Kevin Merchant v. Heartland Payment Systems, et al.*, L-45-16 (filed January 8, 2016). 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, and failing to properly value Heartland. 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. Plaintiff seeks, among other things, an injunction barring the mergers, rescission of the mergers or rescissory damages to the extent they have already been implemented, and an award of damages and attorney's fees. On February 29, 2016, Plaintiff Kevin Merchant filed an amended complaint that further alleges that the February 5, 2016 preliminary proxy statement contains allegedly materially misleading statements and omissions. The defendants believe the lawsuit is without merit.

## **Table of Contents**

### **THE MERGER AGREEMENT**

*The following is a summary of the material terms and provisions of the merger agreement. This summary does not purport to describe all of the terms and provisions of the merger agreement and is qualified in its entirety by the complete text of the merger agreement, which is included as **Annex A** to this proxy statement/prospectus and which is incorporated by reference herein. All stockholders of Heartland are urged to read the merger agreement carefully and in its entirety, as well as this proxy statement/prospectus, before making any decisions regarding the mergers and the merger agreement, as the merger agreement is the principal legal document governing the mergers and its express terms and conditions govern the rights and obligations of the parties to the mergers.*

The merger agreement contains representations and warranties made by each of the parties to the merger agreement. These representations and warranties have been made for the benefit of the other parties to the merger agreement. Accordingly, in reviewing the representations and warranties in the merger agreement and the descriptions of them included or incorporated by reference in this proxy statement/prospectus, it is important to bear in mind that such representations and warranties should not be treated as categorical statements of fact, but rather as a way of allocating risk between the parties. Such representations and warranties have been qualified by disclosures that were made to the other party in connection with the negotiation of the merger agreement, which disclosures are not reflected in the merger agreement, and may apply standards of materiality in a way that is different from what may be material to you or other investors.

Moreover, information concerning the subject matter of the representations and warranties may change after the date of the merger agreement. In any event, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference herein. For additional information, see the section entitled **Where You Can Find More Information** beginning on page 127 of this proxy statement/prospectus.

#### **The Mergers**

The boards of directors of each of Global Payments and Heartland have unanimously approved the merger agreement, which provides for the acquisition of Heartland by Global Payments through the mergers. The mergers will take place in two steps. First, Merger Sub One will merge with and into Heartland in the initial merger, with Heartland continuing as a wholly owned subsidiary of Global Payments. Immediately thereafter, Heartland will merge with and into Merger Sub Two in the second merger, with Merger Sub Two continuing as the surviving company and a wholly owned subsidiary of Global Payments.

#### **Effective Time of the Mergers**

The merger agreement provides that at the closing of the mergers, Heartland will file a certificate of merger with the Secretary of State of the State of Delaware in respect of the initial merger. The initial merger will become effective when the certificate of merger for the initial merger is filed with the Secretary of State of the State of Delaware or at a later time as agreed by the parties and set forth in the certificate of merger for the initial merger. We refer to the time the initial merger becomes effective as the effective time.

#### **Merger Consideration; Conversion of Shares**

Each share of Heartland common stock converted into the right to receive the per share merger consideration as described below will cease to exist as of the effective time. At the effective time, each share of Heartland common



stock issued and outstanding, other than shares of Heartland common stock held by Heartland

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**Table of Contents**

as treasury stock or Global Payments, or a merger sub (which will be canceled as a result of the mergers and no payment or distribution shall be made with respect thereto), shares of Heartland common stock held by any direct or indirect wholly owned subsidiary of Heartland (which shall remain outstanding), or shares of Heartland common stock with respect to which appraisal rights are validly exercised (for additional information, see the section entitled *Appraisal Rights* beginning on page 88 of this proxy statement/prospectus), shall be converted into the right to receive (subject to adjustment under limited circumstances described in the next paragraph below) (i) \$53.28 in cash, without interest, and (ii) 0.6687 of a share of Global Payments common stock. Other than a possible adjustment under limited circumstances described in the next paragraph below, the exchange ratio of 0.6687 of a share of Global Payments common stock is fixed, and it will not change between now and the date of the mergers, including as a result of a change in the trading price of Global Payments common stock or Heartland common stock. Therefore, the value of the shares of Global Payments common stock received by Heartland stockholders in the mergers will depend on the market price of Global Payments common stock at the time the mergers are completed.

In the event that the total number of shares of common stock of Global Payments issuable as a result of the mergers (including the shares of Global Payments common stock issuable in respect of the Heartland stock options and other Heartland equity-based awards pursuant to the separate terms of the merger agreement (as described in the section entitled *Treatment of Heartland Equity-Based Awards* beginning on page 69 of this proxy statement/prospectus) would exceed 19.9% of the outstanding shares of Global Payments common stock immediately prior to the effective time of the mergers, the exchange ratio will be reduced to the minimum extent necessary so that the number of shares of Global Payments common stock issued or issuable as a result of the mergers will equal no more than 19.9% of outstanding Global Payments common stock immediately prior to the effective time of the mergers and the cash consideration will be increased by an equivalent value (based on the volume weighted average trading price of Global Payments common stock on the NYSE for the five consecutive trading days ending on the trading day immediately preceding the closing date of the mergers). If the number of outstanding shares of common stock of Global Payments or Heartland shall have been changed into a different number of shares or a different class of shares by reason of any stock dividend, subdivision, reorganization, reclassification, recapitalization, stock split, reverse stock split, combination or exchange of shares, or any similar event has occurred, then the per share merger consideration and the consideration payable to holders of Heartland stock options and other equity-based awards (as described in the section entitled *Treatment of Heartland Equity-Based Awards* beginning on page 69 of this proxy statement/prospectus) will be equitably adjusted, without duplication, to proportionally reflect such change. At the time of the execution of the merger agreement, the number of shares of Global Payments common stock expected to be issued in the mergers constituted less than 19.9% of the outstanding shares of Global Payments common stock, and Global Payments and Heartland currently do not anticipate that any adjustment to the exchange ratio will be required. A vote by Heartland stockholders for the adoption of the merger agreement constitutes approval of the mergers whether or not the exchange ratio and cash consideration are adjusted as described above.

**Treatment of Heartland Equity-Based Awards**

*Stock Options.* At the effective time, each outstanding stock option to purchase shares of Heartland common stock will be cancelled and converted into the right to receive the per share merger consideration with respect to each share of Heartland common stock relating to such stock option, net of the applicable exercise price. Any stock option with an exercise price that equals or exceeds the value of the per share merger consideration as of the effective time (using the volume weighted average trading price of Global Payments common stock on the NYSE for the five consecutive trading days ending on the trading day immediately preceding the closing date of the mergers to calculate the value of stock consideration) will be cancelled for no consideration.

*Restricted Stock Units.* At the effective time, each restricted stock unit award (other than a performance share unit award) in respect of Heartland common stock will fully vest and be cancelled and converted into the right to receive

the per share merger consideration in respect of each share of Heartland common stock

## **Table of Contents**

underlying the restricted stock unit award. Any accrued but unpaid dividend equivalents corresponding to each such restricted stock unit award will become fully vested and paid in cash at the time the corresponding restricted stock unit award is settled.

*Performance Share Units.* At the effective time, each performance share unit award in respect of Heartland common stock will fully vest (with any performance-based vesting condition deemed to have been satisfied either at maximum or target levels, depending on whether the award was granted prior to, or on or after, December 1, 2015, respectively) and be cancelled and converted into the right to receive the per share merger consideration in respect of each share of Heartland common stock underlying the performance share unit award. Any accrued but unpaid dividend equivalents corresponding to each such performance share unit award will become fully vested (assuming achievement of maximum performance) and paid in cash at the time the corresponding performance share unit award is settled.

## **Appraisal Rights**

The merger agreement provides that shares of Heartland common stock which are held by Heartland stockholders who have not voted for the adoption of the merger agreement or consented thereto in writing and who have properly demanded and are entitled to appraisal of such shares in accordance with Section 262 of the DGCL will not be converted into or represent the right to receive the per share merger consideration and instead will be entitled to receive only the payment of the appraised value of such shares of Heartland common stock held by them in accordance with the provisions of Section 262 of the DGCL. We refer to Heartland stockholders who follow this procedure as dissenting stockholders. Following an appraisal proceeding, the Delaware Court of Chancery will determine the fair value of the shares of Heartland common stock held by such holder, exclusive of any element of value arising from the accomplishment or expectation of the mergers. Dissenting stockholders will not know the appraised fair value at the time such holders must elect whether to seek appraisal. The ultimate amount dissenting stockholders receive in an appraisal proceeding may be more or less than, or the same as, the amount such holders would have received under the merger agreement. Failure to follow exactly the procedures specified under Delaware law will result in the loss of appraisal rights. All shares held by Heartland stockholders who have failed to perfect or who effectively have waived, withdrawn, or otherwise are not entitled to, the right to appraisal of such shares of Heartland common stock under Section 262 of the DGCL shall thereupon be deemed to have been canceled and converted into and to have become exchangeable for the right to receive, without any interest thereon, the per share merger consideration upon surrender in the manner provided in the merger agreement. For additional information on the appraisal rights available to holders of Heartland common stock and procedures required to exercise statutory appraisal rights, see the section entitled *Appraisal Rights* beginning on page 88 of this proxy statement/prospectus.

## **Exchange Agent and Payment Procedures**

Prior to the closing of the mergers, Global Payments will appoint a bank or trust company reasonably acceptable to Heartland to act as the exchange agent for the payment of the per share merger consideration. At or prior to the effective time, Global Payments will deposit with the exchange agent (1) certificates or evidence of book-entry shares representing a number of shares of Global Payments common stock equal to 19.9% of the shares of Global Payments common stock outstanding immediately prior to the effective time of the mergers, or such lesser number of shares of Global Payments common stock payable as the aggregate stock consideration and (2) cash representing the sum of the aggregate cash consideration payable plus cash necessary to pay cash in lieu of fractional shares. We refer to such cash and certificates/book-entry shares, along with any dividends or distributions that become due to the holders of converted Heartland common stock, as the exchange fund.

Following the effective time, the share transfer books of Heartland will be closed and there will be no further registration of transfers of shares of Heartland common stock.

If you hold your Heartland common stock in certificated form, promptly following the effective time and not later than five business days after the effective time, the exchange agent will mail to you (if you are the

## **Table of Contents**

record holder of shares) a form of letter of transmittal along with instructions for how to surrender your shares of Heartland common stock in exchange for the per share merger consideration. You should not submit your Heartland stock certificates for exchange until you receive the transmittal materials from the exchange agent. If you hold your shares of Heartland common stock in book-entry form you will receive instructions that indicate you do not have to take any action to receive your per share merger consideration.

In the event of a transfer of ownership of Heartland common stock which is not registered in the transfer records of Heartland, payment of the per share merger consideration may be made to a person other than the person in whose name the shares so surrendered is registered if such shares shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such payment will pay any transfer or other taxes required by reason of the transfer or establish to the reasonable satisfaction of Global Payments that such taxes have been paid or are not applicable.

Until surrendered, each share of Heartland common stock will be deemed at any time after the effective time of the mergers to represent only the right to receive, upon such surrender, (1) the per share merger consideration, (2) any dividends or other distributions theretofore paid to any whole shares of Global Payments common stock with respect thereto but prior to the surrender of such shares of Heartland common stock and (3) cash in lieu of any fractional shares. No interest will be paid or will accrue on any payment to holders of shares pursuant to the provisions of the merger agreement. The aggregate per share merger consideration paid to any Heartland stockholder will be reduced by any applicable tax withholding.

Twelve months after the effective time, any remaining portion of the exchange fund that was not delivered to holders of Heartland common stock will be delivered to Global Payments. Thereafter, Heartland stockholders must look only to Global Payments for, and Global Payments will remain liable for, the payment of the per share merger consideration for shares of Heartland common stock. Any portion of the exchange fund remaining unclaimed by holders of Heartland common stock which would otherwise escheat to or become property of any governmental entity will, to the extent permitted by applicable law, become the property of Global Payments.

## **Dividends and Distributions**

Global Payments will pay to former Heartland stockholders any unpaid dividends or other distributions, without interest. However, until you have surrendered your shares of Heartland common stock in accordance with the instructions provided to you by the exchange agent, any dividends or other distributions declared after the effective time of the mergers with respect to Global Payments common stock into which your shares of Heartland common stock may have been converted will accrue but will not be paid with respect to your shares. There can be no assurance that any regular quarterly dividends will be declared or paid by Global Payments following the effective time of the mergers, or as to the amount or timing of such dividends, if any. Any future dividends will be made at the discretion of the Global Payments board of directors.

## **Fractional Shares**

No fractional shares of Global Payments common stock will be issued, no dividends or other distributions with respect to Global Payments common stock will relate to such fractional share interests and such fractional share interests will not entitle the owner thereof to vote or to any rights of a stockholder of Global Payments. In lieu of the issuance of any such fractional share, Global Payments will pay to each former Heartland stockholder who otherwise would be entitled to receive a fractional share of Global Payments common stock an amount in cash, without interest, determined by multiplying the fractional share interest to which such holder of Heartland common stock would otherwise be entitled by the volume weighted average trading price of Global Payments common stock on the NYSE

for the five consecutive trading days ending on the trading day immediately preceding the closing date of the mergers.

**Table of Contents**

**Representations and Warranties**

The merger agreement includes customary representations and warranties of Heartland to Global Payments with respect to, among other things:

due incorporation and corporate organization;

capitalization;

due authorization to enter into the merger agreement and perform Heartland's obligations thereunder;

the inapplicability of certain anti-takeover laws;

absence of any conflict with or violation of organizational documents or applicable laws, and the absence of any violation or breach of, or default or consent requirements under, certain agreements as a result of Heartland entering into and performing under the merger agreement;

absence of undisclosed liabilities;

accuracy of Heartland's financial statements;

SEC filings and compliance with the Sarbanes-Oxley Act of 2002;

accuracy of information supplied for purposes of this proxy statement/prospectus;

ownership of Heartland's assets;

intellectual property;

material contracts;

insurance;



certain employee benefits matters, including benefits plans;

tax matters;

absence of certain pending or threatened legal proceedings and orders;

compliance with applicable law and other regulatory matters;

environmental matters;

absence of certain changes, events or developments since December 31, 2014, not in the ordinary course of business;

absence of any changes, events or developments that have had or would reasonably be expected to have, either individually or in the aggregate, a material adverse effect on Heartland;

certain labor and employee relations matters;

ownership of, and leases for, real property;

certain related party transactions;

broker's and finder's fees;

opinion of Heartland's financial advisor; and

qualification of the initial merger and the second merger, taken together, as a reorganization within the meaning of Section 368(a) of the Code.

The merger agreement also includes representations and warranties by Global Payments and the Merger Subs to Heartland with respect to, among other things:

due incorporation and corporate organization;

**Table of Contents**

capitalization;

due authorization to enter into the merger agreement and perform the obligations of Global Payments and the Merger Subs thereunder;

absence of any conflict with or violation of organizational documents or applicable laws, and the absence of any violation or breach of, or default or consent requirements under, certain agreements as a result of Global Payments and the Merger Subs entering into and performing under the merger agreement;

operations of the Merger Subs;

absence of undisclosed liabilities;

accuracy of Global Payments' financial statements;

SEC filings and compliance with the Sarbanes-Oxley Act of 2002;

accuracy of information supplied for purposes of this proxy statement/prospectus;

absence of certain litigation;

regulatory matters;

absence of certain changes, events or developments since May 31, 2015, including the absence of any changes, events or developments that have had or would reasonably be expected to have, either individually or in the aggregate, a material adverse effect on Global Payments;

financial ability to fund the cash amount of the aggregate per share merger consideration;

operations of the Merger Subs;

broker's and finder's fees; and

qualification of the initial merger and the second merger, taken together, as a reorganization within the meaning of Section 368(a) of the Code.

These representations and warranties are generally subject to materiality and/or material adverse effect (as described below) qualifiers, as well as by specific disclosures in the applicable party's disclosure letter.

### **Definition of Material Adverse Effect**

For purposes of the merger agreement, material adverse effect means, with respect to Heartland or Global Payments, as appropriate, any change, event, fact, effect, condition, development or occurrence that individually or in the aggregate with all other changes, events, facts, effects, conditions, developments or occurrences (A) prevents or materially delays or materially impairs the ability of Heartland or Global Payments, as appropriate, to consummate the mergers and the other transactions contemplated by the merger agreement or (B) has, or would reasonably be expected to have, a material adverse effect on the financial condition, business, assets or results of operations of Heartland or Global Payments, as appropriate, and their respective subsidiaries, taken as a whole.

In determining whether there has been a Heartland material adverse effect or a Global Payments material adverse effect, or whether such material adverse effect would occur, any change, event, fact, effect, condition, development or occurrence to the extent attributable to, arising out of, or resulting from any of the following are disregarded with respect to clause (B) above:

general political, economic, business, industry, credit, financial or capital market conditions in the United States or internationally, including conditions affecting generally the principal industries in which the applicable party and its subsidiaries operate;

**Table of Contents**

pandemics, earthquakes, tornados, hurricanes, floods and acts of God;

acts of war (whether declared or not declared), sabotage, terrorism, military actions or the escalation thereof;

any change in applicable law or GAAP (or authoritative interpretation or enforcement thereof) which is proposed, approved or enacted on or after the date of the merger agreement;

the announcement of the merger agreement or the pendency or consummation of the mergers (subject to certain exceptions);

the failure, in and of itself, of the applicable party to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics, or any change, in and of itself, in the price or trading volume of shares of the applicable party's common stock (it being understood that the underlying facts giving rise or contributing to such failure or change may be taken into account in determining whether there has been a material adverse effect, to the extent otherwise permitted by this definition); and

the taking of any action expressly required by the merger agreement (other than pursuant to the obligation of each party to continue to operate its business in the ordinary course).

However, changes, events, facts, effects or occurrences set forth in the first four bullets may be taken into account in determining whether there has been or would be a material adverse effect to the extent such changes, events, facts, effects or occurrences disproportionately adversely affect the applicable party and its subsidiaries, taken as whole, in relation to other persons in the industries in which the applicable party and its subsidiaries operate.

**Covenants**

***Covenants Relating to the Preservation of Heartland's Business***

Heartland has agreed that from the date of the merger agreement until the effective time, subject to certain exceptions or unless Global Payments provides its prior written consent (not to be unreasonably withheld, delayed or conditioned), Heartland will, and will cause each of its subsidiaries, to operate in the ordinary course of business consistent with past practice in all material respects, use commercially reasonable efforts to preserve intact in all material respects their businesses and assets, keep available the services of directors, officers and employees and preserve intact their relationships with bank sponsors, certain systems or networks whose cards are processed by Heartland and its subsidiaries, customers and others having business dealings with them.

Heartland has also agreed that, subject to certain exceptions or unless Global Payments provides its prior written consent (not to be unreasonably withheld, delayed or conditioned), it will not, and will not cause its subsidiaries not to, do any of the following:

amend their respective organizational documents;

sell, lease, transfer, license, assign or otherwise dispose of any asset having a value in excess of \$1 million individually or \$5 million in the aggregate, other than transactions among Heartland and its subsidiaries or solely among Heartland's subsidiaries or licenses with respect to trademarks and software in the ordinary course of business consistent with past practice;

except as required by applicable law or as required under the terms of any collective bargaining agreement or benefit plan as in effect on December 15, 2015, (1) increase compensation or benefits, other than certain customary and ordinary course of business, consistent with past practice, (A) adjustments to base salaries or base wages of employees or officers whose annualized compensation for the current calendar year is scheduled to be less than \$175,000 and (B) annual increases in annual base salary or base wages of employees or officers to be effective for the 2016

**Table of Contents**

calendar year; (2) grant, accelerate, or modify the period of exercisability or vesting of, any stock option, restricted stock unit, performance share unit or other equity-based awards; (3) establish, adopt or amend any collective bargaining agreement or recognize any union, works council or other labor organization as a representative of any employee of Heartland or its subsidiaries; (4) hire (other than to fill an open position in the customary and ordinary course of business) or terminate (other than for cause) any employee or individual independent contractor whose annualized compensation is greater than \$225,000; (5) establish, materially amend or terminate any benefit plan; (6) grant any severance or termination pay to, or enter into any severance agreement; (7) adjust any commission plans, other than any adjustments in the ordinary course of business, consistent with past practice; (8) pay bonuses other than with respect to customary and ordinary course year-end bonuses that have been previously accrued; or (9) fund (or agree to fund) any rabbi trust;

issue, deliver, sell, pledge, dispose of, grant, award or encumber any shares of capital stock, ownership interests or voting securities, or any options, warrants, convertible securities or other rights of any kind to acquire or receive any shares of capital stock, any other ownership interests or any voting securities (including restricted stock, stock appreciation rights, phantom stock or similar instruments), of Heartland or any of its subsidiaries (except (a) for the issuance of shares of Heartland common stock upon the exercise, vesting or settlement of certain equity-based awards outstanding as of December 15, 2015 in accordance with the terms of the applicable benefit plan and award agreement, (b) for any issuance, sale or disposition to Heartland or a wholly owned subsidiary of Heartland by any subsidiary of Heartland or (c) liens securing obligations under Heartland's existing credit facility) or enter into any agreement, understanding or arrangement with respect to the sale of capital stock or any other ownership interest or any voting securities;

reclassify, combine, split, subdivide, redeem, purchase or otherwise acquire any shares of its capital stock (except (a) for the acquisition of shares of Heartland common stock tendered in connection with a cashless exercise of its stock options outstanding as of December 15, 2015 or in order to pay taxes in connection with the exercise of its stock options outstanding as of December 15, 2015 pursuant to the terms of the applicable equity plan and award agreement or (b) shares of Heartland common stock withheld in order to pay taxes in connection with the vesting or settlement of any restricted stock units or performance share units outstanding as of December 15, 2015 pursuant to the terms of the applicable equity plan and award agreement), or reclassify, combine, split or subdivide any capital stock or other ownership interests of any of Heartland's subsidiaries;

incur, guarantee or become liable for any debt, other than under (1) Heartland's existing credit facility in an amount not to exceed \$25 million, (2) intercompany loans between Heartland and a wholly owned subsidiary of Heartland or among Heartland's wholly owned subsidiaries, (3) short-term revolving lines of credit with sponsor banks in the ordinary course of business consistent with past practice, the proceeds of which are used to fund settlement and merchant advance, in an aggregate amount not to exceed the amount needed for Heartland to provide services to its customers in the ordinary course of business or (4) guarantees by Heartland or any of its subsidiaries of debt of Heartland or any of its wholly owned subsidiaries;

create or incur any lien on any material asset, other than permitted liens or liens that can be discharged at the closing of the mergers in connection with the repayment of any indebtedness incurred in compliance with the merger agreement;

merge or consolidate with any other person or acquire stock or assets of any other person (other than transactions between Heartland and any wholly owned subsidiary or among wholly owned subsidiaries, which will not result in adverse tax consequences to Heartland and its subsidiaries; provided that Heartland provides Global Payments with notice of any such transaction) or effect any business combination, recapitalization or similar transaction (other than the mergers);

except to the extent expressly permitted by any other covenant relating to the preservation of Heartland's business, (1) enter into any contract to provide services which Heartland expects would

**Table of Contents**

result in revenue to Heartland or any of its subsidiaries of \$1 million or more in the twelve (12) month period following the merger agreement (except in the ordinary course of business, including with respect to matters that are natural extensions of Heartland's business consistent with similar existing business relationships), (2) enter into, terminate (other than at the end of a term in the ordinary course of business) or materially amend in a manner adverse to Heartland or any of its subsidiaries any material contract, (3) waive any material right under or release, settle or compromise any material claim against Heartland or any liability or obligation owing to Heartland under any material contract or (4) enter into any leases for real property;

(1) acquire or license any material intellectual property from any third party, except in the ordinary course of business consistent with past practice or (2) subject to a lien, assign, license, transfer, fail to maintain, cancel or permit to lapse any right, title or interest of Heartland or any of its subsidiaries in any material intellectual property other than in the ordinary course of business consistent with past practice;

make any material loan, advance or capital contribution to or investment in any person, other than loans, advances or capital contributions to or investments in its wholly owned subsidiaries or by its wholly owned subsidiaries to Heartland or to other of Heartland's wholly owned subsidiaries;

make any material change to its accounting methods, policies or practices with respect to the maintenance of books of account and records, or materially change its cash management or working capital practices, in each case except as required by GAAP or applicable law;

make, change or revoke any tax election, change any tax accounting period or any method of tax accounting, amend any material tax return or file any claim for a material tax refund, enter into any closing agreement within the meaning of Section 7121(a) of the Code (or any similar provision of state, local or foreign law) or other material agreement with any taxing authority or request any ruling from any taxing authority, settle or compromise any material tax claim or tax proceeding or surrender any right to claim a material tax refund, offset or other reduction in tax liability, enter into any material tax sharing, allocation, indemnity or similar agreement or arrangement (other than customary provisions in commercial arrangements entered into in the ordinary course of its business and the primary purpose of which is not related to taxes) or, except in the ordinary course of business consistent with past practice, consent to any extension or waiver of any statute of limitations or period for assessment or collection of any material tax;

make any capital expenditures or commitments for capital expenditures, in each case other than in the ordinary course of business consistent with the budget previously provided by Heartland to Global Payments;

enter into any contract or series of related contracts relating to currency hedges, interest rate hedges, commodity hedges, swaps, options or derivatives, in each case other than in the ordinary course of business and not for speculative purposes;

enter into any new line of business;



other than in the ordinary course of business consistent with past practice, materially reduce the amount of insurance coverage or fail to renew or maintain existing insurance policies or comparable replacement policies;

forgive, cancel or compromise any material debt or claim, or waive, release or assign any right or claim of material value, other than in the ordinary course of business consistent with past practice;

subject to certain provisions in the merger agreement, (1) pay, discharge, settle or satisfy any pending or threatened litigation, other than any settlement or compromise which does not (x) contemplate or include any admission of wrongdoing or misconduct on the part of Heartland or any of its subsidiaries or (y) provide for any relief or settlement other than payment solely of money not in excess of

**Table of Contents**

\$100,000 individually or \$500,000 in the aggregate or (2) commence any litigation except in respect of the customary enforcement of rights of Heartland or any subsidiary under commercial agreements (provided Heartland provides Global Payments with notice of any such litigation);

adopt or enter into a plan or agreement of complete or partial liquidation or dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of Heartland or any of its subsidiaries (other than the mergers);

adopt or otherwise implement any shareholder rights plan, poison-pill or other comparable agreement designed to have the effect of delaying, deferring or discouraging Global Payments or a Merger Sub from acquiring control of Heartland pursuant to the merger agreement;

declare or pay any dividend on shares of Heartland common stock, other than ordinary course quarterly dividends in accordance with past practice (including with respect to amount and declaration, record and payment dates); or

authorize any of, or agree or commit to do any of, the foregoing.

***Covenants Relating to the Conduct of Global Payments Business***

Global Payments has agreed that from the date of the merger agreement until the effective time, subject to certain exceptions or unless Heartland provides its prior written consent (not to be unreasonably withheld, delayed or conditioned), Global Payments will not, and will cause each of its subsidiaries not to, do any of the following:

amend its organizational documents or otherwise take any action to exempt any person from any provision of its organizational documents, in either case in any manner that would be materially adverse to the holders of Heartland common stock;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, other than the mergers and other than any mergers, consolidations, restructurings or reorganizations solely among Global Payments and its subsidiaries or among Global Payments subsidiaries;

declare or pay any dividend on shares of Global Payments common stock, other than ordinary course quarterly dividends in accordance with past practice (including with respect to amount and declaration, record and payment dates);

redeem, purchase or otherwise acquire any shares of its capital stock, or any other securities or obligations convertible into or exchangeable for any shares of its capital stock (except the acceptance of shares of its common stock as payment for the exercise price of options to purchase shares of its common stock granted

pursuant to its benefit plans or equity-based awards or for withholding taxes incurred in connection with the exercise of options to purchase shares of its common stock or settlement of other equity-based awards, including restricted stock units and performance share units, related to its common stock, or the repurchase or cancelation of equity from an employee in connection with a termination, in each case pursuant to the terms of the applicable plan or award document);

reclassify, combine, split or subdivide any shares of its capital stock; or

authorize any of, or agree or commit to do any of, the foregoing.

***No Solicitation***

As of the date of the merger agreement, Heartland agreed to immediately cease all solicitations, activities, discussions or negotiations with any parties that may have been ongoing prior to December 15, 2015 with respect to an acquisition proposal (as described below), to request that such parties promptly return or destroy all confidential information relating to Heartland or its subsidiaries previously furnished to such persons prior to

**Table of Contents**

December 15, 2015 in connection with the consideration of alternative proposals and to immediately terminate access to data rooms previously granted to such parties. Heartland also agreed to terminate any waiver under any confidentiality and standstill provisions of any confidentiality agreement entered into with respect to an acquisition proposal or other proposal that would reasonably be expected to lead to an acquisition proposal.

Under the merger agreement, Heartland is generally not permitted to solicit or discuss acquisition proposals with third parties, subject to certain exceptions.

Except as otherwise provided in the merger agreement, Heartland may not, and has agreed to cause its subsidiaries and its and its subsidiaries' directors, officers and employees not to, and has agreed to direct and use reasonable best efforts to cause its and its subsidiaries' representatives not to, directly or indirectly:

initiate, solicit, or knowingly induce or encourage or otherwise knowingly facilitate (including by providing non-public information relating to Heartland and its subsidiaries) any inquiries with respect to, or the making of, any acquisition proposal or any inquiry, offer or proposal that would reasonably be expected to lead to an acquisition proposal;

engage, continue or otherwise participate in any negotiations or discussions concerning, or provide access to its properties, books and records or any confidential or non-public information or data to any person in connection with, relating to or for the purpose of encouraging or facilitating an acquisition proposal or any inquiry, offer or proposal that would reasonably be expected to lead to an acquisition proposal;

approve, endorse or recommend, or propose publicly to approve, endorse or recommend, any acquisition proposal; or

execute or enter into any letter of intent, agreement in principle, merger agreement, acquisition agreement or other similar written or oral agreement relating to any acquisition proposal.

Heartland also agreed not to terminate or waive any provision of any existing standstill agreement, unless, prior to obtaining the approval of Heartland stockholders of the merger proposal, the Heartland board of directors determines that failure to take such action would be reasonably likely to be a violation of its fiduciary duties under applicable law. Furthermore, Heartland has agreed to promptly (and in any event within 24 hours) notify Global Payments of the receipt by Heartland of any inquiries, proposals or offers, any requests for information, or any requests for discussions or negotiations, in each case with respect to an acquisition proposal or any offer, inquiry or proposal that would reasonably be expected to lead to an acquisition proposal.

Notwithstanding the foregoing, prior to, but not after, obtaining the approval of Heartland stockholders of the merger proposal, Heartland is permitted to (1) provide access to its properties, books and records and provide information or data or (2) engage in negotiations or discussions in response to the receipt of a *bona fide* written acquisition proposal made after December 15, 2015 in circumstances not arising from a violation of the merger agreement by Heartland, if the Heartland board of directors determines in good faith, after consultation with Heartland's outside legal counsel and financial advisor, that such acquisition proposal is reasonably expected to constitute, result in or lead to a superior proposal (as described below) and determines in good faith, after consultation with and taking into account the advice of outside legal counsel, that failure to take such action would be reasonably likely to be a violation of its fiduciary

duties under applicable law and has received from the person requesting such information or to engage in such discussions a confidentiality agreement on terms substantially no less restrictive to Heartland's counterparty thereto than those contained in the confidentiality agreement entered into by Heartland and Global Payments. The merger agreement also requires Heartland to notify Global Payments if it provides any such access, information or data and/or enters into any such discussions or negotiations and to provide Global Payments with any information, data or access provided to a third party in connection therewith.

## Table of Contents

For purposes of the merger agreement, acquisition proposal means any inquiry, proposal or offer (including a tender offer) from any person or group of persons (other than Global Payments or the Merger Subs) relating to:

any merger, consolidation, dissolution, liquidation, recapitalization, reorganization, spin off, share exchange, business combination, purchase, joint venture or similar transaction with respect to Heartland or any of its significant subsidiaries;

any direct or indirect acquisition or purchase, in one transaction or a series of related transactions, of assets (including equity securities of any Heartland subsidiary) or businesses that constitute 20% or more of the revenues, net income or assets of Heartland and its subsidiaries, taken as a whole, or 20% or more of the total voting power of the equity securities of Heartland; or

any tender offer or exchange offer that if consummated would result in any person or group of persons beneficially owning 20% or more of the total voting power of the equity securities of Heartland.

For purposes of the merger agreement, superior proposal means any bona fide unsolicited written acquisition proposal (with all references to 20% in the definition of acquisition proposal being treated as references to 50% for these purposes) that the Heartland board of directors in good faith, after consultation with Heartland's financial advisors and outside legal counsel, determines is more favorable from a financial point of view to the stockholders of Heartland than the mergers, taking into account all financial, legal, financing (including availability thereof), regulatory and other aspects of such proposal, including all conditions contained therein, and risks, likelihood and timing of consummation of such proposal, such other matters that the Heartland board of directors deems relevant and any changes to the terms of the merger agreement proposed by Global Payments in response to such superior proposal pursuant to, and in accordance with, the merger agreement (as described below under *Change of Recommendation; Match Rights* ).

### *Change of Recommendation; Match Rights*

As described in the section entitled *Proposal 1: The Mergers Recommendation of the Heartland Board* beginning on page 46 of this proxy statement/prospectus and subject to the provisions of the merger agreement, as described below, the Heartland board of directors has made the recommendation that the holders of shares of Heartland common stock vote **FOR** the merger proposal, which we refer to as the recommendation. The merger agreement provides that, subject to the exceptions described below, the Heartland board of directors may not approve, endorse or recommend, or propose to publicly approve, endorse or recommend, any acquisition proposal and may not execute or enter into any letter of intent, agreement in principle, merger agreement, acquisition agreement or other similar written or oral agreement relating to any acquisition proposal.

Notwithstanding these restrictions, the merger agreement provides that at any time prior to, but not after, obtaining the approval of Heartland stockholders of the merger proposal, the Heartland board of directors may, in response to the receipt of a *bona fide* written acquisition proposal made after December 15, 2015 in circumstances not arising from a violation of the merger agreement by Heartland, effect a change of recommendation (as described below) if:

The Heartland board of directors determines in good faith, after consultation with Heartland's financial advisor and outside legal counsel, that such acquisition proposal constitutes a superior proposal and, after consultation with Heartland's outside legal counsel, the failure to effect the change of recommendation would be reasonably likely to be a violation of the Heartland board's fiduciary duties under applicable law;

The Heartland board of directors provides Global Payments four business days' prior written notice of its intention to make a change of recommendation, which notice must include certain information and copies of certain documentation with respect to the acquisition proposal;

**Table of Contents**

During the four business days following such written notice (as extended, if applicable, as described below), if requested by Global Payments, Heartland and its representatives negotiate in good faith with Global Payments to make such adjustments to the terms and conditions of the merger agreement in response to the superior proposal such that it is no longer a superior proposal; and

After the four business day period described above (as extended, if applicable, as described below), the Heartland board of directors reaffirms in good faith, after consultation with Heartland's outside legal counsel and financial advisor (and taking into account any adjustment to the terms and conditions of the merger agreement proposed in writing by Global Payments during such four business day period), that the acquisition proposal continues to constitute a superior proposal and, after consultation with outside legal counsel, that the failure to effect the change of recommendation would be reasonably likely to be a violation of the Heartland board's fiduciary duties under applicable law.

We refer to the required notice period and period during which Heartland shall, if requested by Global Payments, negotiate regarding adjustments to the terms of the merger agreement described above as match rights. Under the merger agreement, any amendment to the financial terms or any other material amendment to the terms and conditions of any superior proposal will be deemed to be a new superior proposal entitling Global Payments to match rights, as described above, provided that the four business day period will be deemed to refer to the later of (x) two business days after Heartland provides notice of the new superior proposal to Global Payments and (y) the end of the original four business day period described above.

In addition to the foregoing, at any time prior to, but not after, obtaining the approval of Heartland stockholders of the merger proposal, the Heartland board of directors may effect a change of recommendation if there exists, with respect to Heartland or its subsidiaries, any event, development, change, effect or occurrence that was not known by the Heartland board of directors or, if known, the consequences of which were not known or reasonably foreseeable, as of December 15, 2015 (other than in either case in response to the receipt or making of an acquisition proposal), if:

The Heartland board of directors determines in good faith, after consultation with, and taking into account the advice of, Heartland's outside legal counsel, that the failure to effect such a change of recommendation would be reasonably likely to be a violation of its fiduciary duties under applicable law;

The Heartland board of directors provides Global Payments with four business days prior written notice of its intention to take such action, specifying, in reasonable detail, the reasons therefor;

During the four business days following such written notice, if requested by Global Payments, Heartland and its representatives negotiate in good faith with Global Payments to make such adjustments to the terms and conditions of the merger agreement so that such event, development, change, effect, or occurrence would cease to warrant a change of recommendation; and

After the four business day period described above, the Heartland board of directors reaffirms in good faith (after consultation with its outside legal counsel and financial advisors and taking into account any adjustment to the terms and conditions of the merger agreement proposed in writing by Global Payments) that, taking into account the advice of outside legal counsel, the failure to effect such a change of



recommendation would be reasonably likely to be a violation of the Heartland board's fiduciary duties under applicable law.

Notwithstanding the right of the Heartland board of directors to effect a change of recommendation under the merger agreement, Heartland is not entitled to terminate the merger agreement based on a change of recommendation alone (other than to enter into an agreement with respect to a superior proposal). If the Heartland board of directors effects a change of recommendation under the merger agreement, Global Payments may either (1) terminate the merger agreement and receive the termination fee (as described in the section entitled Termination of the Merger Agreement and Termination Fee beginning on page 84 of this proxy statement/prospectus) or (2) continue to require that Heartland stockholders be given the opportunity to vote on the merger proposal.

## **Table of Contents**

For the purposes of the merger agreement, the term change of recommendation means the Heartland board's (1) withdrawal, modification, qualification in any manner adverse to Global Payments or change of the recommendation, or formal resolution to effect or public announcement of an intention to effect any of the foregoing (including in each case in connection with taking and disclosing to Heartland stockholders a position in connection with the making or amendment of a tender offer or exchange offer) or (2) approval, endorsement or recommendation or public proposal to approve, endorse or recommend, an acquisition proposal.

### ***Efforts***

Under the merger agreement, Global Payments and Heartland agreed to use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable law to consummate and make effective the transactions contemplated by the merger agreement, including the mergers, as promptly as practicable, including using reasonable best efforts to obtain or make all necessary or appropriate filings required under applicable law and to lift any injunction or other legal bar to the consummation of the transactions contemplated by the merger agreement, including the mergers, as promptly as practicable. Additionally, Global Payments and Heartland agreed in the merger agreement, among other things, that:

Heartland and Global Payments will make required filings pursuant to the HSR Act, provide supplemental information requested in connection therewith and consult and cooperate with one another in connection with proceedings under or relating to the HSR Act or any other competition law;

Heartland and Global Payments will use their respective reasonable best efforts to resolve any objections, if any, to the transactions contemplated by the merger agreement, including the mergers, by government authorities pursuant to competition laws and to cause the waiting periods, approvals or other requirements under the HSR Act and any other competition laws to terminate or expire or be obtained; and

in connection with the efforts required by the merger agreement to obtain clearances pursuant to competition laws, in no event will Global Payments, Heartland or any of their respective subsidiaries be required to (and in no event will Heartland, and Heartland will cause its subsidiaries not to, without the prior written consent of Global Payments) (x) commit, agree, or submit (or offer to commit, agree, or submit) to any consent decree, hold separate order, sale, divestiture, lease, license, transfer, disposal, lien, other change or restructuring of, or operating restriction with respect to the businesses, properties, product lines, assets, permits, operations, rights, or interest therein of Global Payments, Heartland or any of their respective subsidiaries that would have, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the applicable party and its subsidiaries, taken as a whole, in each case measured on a scale relative to Heartland and its subsidiaries, taken as a whole, or (y) commit, agree, or submit (or offer to commit, agree, or submit) to any action or agree to any remedies, terms or conditions not conditioned on the consummation of the mergers.

As described in the section entitled "Proposal 1: The Mergers - Regulatory Approvals," the HSR Act waiting period expired at 11:59 p.m. on January 29, 2016.

### ***Employment Matters***

For the one year period immediately following the closing date of the mergers, Global Payments has agreed to provide each employee of Heartland or any of its subsidiaries, to the extent each such employee remains employed with Global Payments or any of its affiliates, including the surviving company, as of and following the closing of the mergers, with the following compensation and benefits:

at least the same annual base salary or wage rate as in effect immediately prior to the closing date;

at least the same cash bonus or other short-term cash incentive opportunities (excluding any equity-based incentive opportunities) provided to such employee by Heartland in respect of the fiscal year of Heartland in which the closing date occurs;

**Table of Contents**

equity-based incentive compensation opportunities that are substantially comparable to those provided to similarly situated employees of Global Payments (other than with respect to sales employees); and

other employee benefits (including paid time off and perquisites) that are substantially similar in the aggregate to those employee benefits provided to such employee immediately prior to the closing date under Heartland's employee benefit plans.

Notwithstanding the foregoing, Global Payments will not be required to make any specific bonus payment to an employee who remains employed with Global Payments or any of its affiliates, including the surviving company, as of and following the closing date.

Global Payments has also agreed to provide each employee of Heartland or any of its subsidiaries with the following:

in the case of an employee (other than any employee who is party to an individual employment or severance agreement) whose employment is terminated by Global Payments or its subsidiaries during the one year period immediately following the closing date, with severance benefits on the same terms and conditions and at a level at least equal to the level of severance benefits provided by Heartland immediately prior to the effective time of the mergers in accordance with Heartland's severance policy, determined (1) without taking into account any reduction after the closing of the mergers in compensation paid to such employee and (2) by taking into account each employee's service with Heartland and its subsidiaries (and any predecessor entities) and, after the closing of the mergers, Global Payments and its subsidiaries, and subject to such employee's execution and non-revocation of a release of claims in the form used by Heartland immediately prior to the closing date; and

in the case of an employee who remains employed with Global Payments or any of its affiliates, including the surviving company, as of and following the closing date, recognition of service credit to the same extent as recognized under any comparable Heartland benefit plan in which such employee participated or was eligible to participate (and if no such comparable benefit plan exists, as such service would generally be recognized by Heartland prior to the closing date) immediately prior to closing, other than for purposes of benefit accrual under any defined benefit plan, for benefit plans that are frozen to new participants or to the extent such credit would result in a duplication of benefits; in addition, Global Payments will use commercially reasonable efforts to waive any pre-existing condition limitations to the extent such condition was satisfied or waived under a comparable Heartland benefit plan prior to the closing date and credit any payments made under a comparable Heartland benefit plan prior to the closing date (or if later, the plan year in which such person becomes eligible to participate in a plan of Global Payments or an affiliate of Global Payments) against out-of-pocket maximums and deductibles.

Global Payments has also agreed that a change in control will occur at the closing for purposes of Heartland's benefit plans.

***Indemnification of Directors and Officers***

For six years from the closing date, the surviving company must (1) indemnify and hold harmless, and advance expenses to (subject to limited exceptions), any individual who, on or prior to the effective time of the mergers, was an officer or director of Heartland or any of its subsidiaries with respect to all acts or omissions by them in their capacities as such at any time prior to the effective time of the mergers, to the fullest extent permitted by law as

required by Heartland's organizational documents and certain written indemnification agreements between Heartland or any of its subsidiaries and any such indemnitee, (2) not amend, repeal or otherwise modify any such provisions in any manner that would adversely affect the indemnification rights thereunder of any such indemnitee, (3) indemnify and hold harmless each such indemnitee to the extent any litigation arises out of or pertains to the fact such indemnitee is or was an officer or director of Heartland or any

## **Table of Contents**

of its subsidiaries, or an officer, director or trustee of any other person at the request of Heartland or any of its subsidiaries prior to the effective time of the mergers and (4) pay in advance of the final disposition of any such litigation the expenses (including reasonable attorneys' fees) of any such indemnitee upon receipt of an undertaking by or on behalf of such indemnitee to repay such amount if it shall ultimately be determined that such indemnitee is not entitled to be indemnified. Additionally, for at least six years from the closing date, the surviving company must maintain directors' and officers' liability insurance covering all individuals who are currently covered by Heartland's directors' and officers' liability insurance, for events occurring at or prior to the closing and on terms no less favorable than such existing insurance, subject to a premium cap of 250% of Heartland's current annual premium.

### ***Financing Covenants***

In connection with the debt financing (described in the section entitled "Proposal 1: The Mergers Financing" beginning on page 64 of this proxy statement/prospectus), Global Payments has agreed to use its reasonable best efforts to obtain the debt financing on the terms and conditions described in the debt commitment letter. Heartland has agreed in the merger agreement to, and to cause its subsidiaries and representatives to, provide all cooperation reasonably requested by Global Payments in connection with Global Payments' arrangement of debt financing for the purpose of funding the aggregate cash consideration and to repay certain outstanding indebtedness of Heartland and Global Payments. Heartland has also agreed to take certain actions with respect to its existing credit facilities and other debt instruments in connection with the mergers.

### ***Transaction Litigation***

The parties have agreed to keep each other reasonably informed with respect to the status of any stockholder litigation related to the merger agreement, the mergers or the other transactions contemplated by the merger agreement. Heartland has agreed to give Global Payments the opportunity to participate in the defense of any such transaction litigation and Heartland has agreed not to settle or agree to settle any such transaction litigation without Global Payments' prior written consent.

### **Conditions to the Consummation of the Mergers**

The obligations of each party to complete the mergers are conditioned upon (or subject to the waiver by each party of):

the expiration or early termination of the applicable waiting period under the HSR Act (which waiting period has expired);

the adoption of the merger agreement by the holders of a majority of the outstanding shares of Heartland common stock entitled to vote thereon;

the listing of the shares of Global Payments common stock issuable pursuant to the merger agreement on the NYSE;

the effectiveness under the Securities Act of the registration statement of which this proxy statement/prospectus forms a part, which shall not be the subject of any stop order or proceedings seeking a stop order to suspend the effectiveness of this filing on Form S-4; and

the absence of any applicable law which restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated by the merger agreement, including the mergers.

The obligations of Global Payments and the Merger Subs to complete the mergers are additionally conditioned upon (or subject to the waiver by Global Payments of):

the accuracy in all respects of certain portions of Heartland's representations and concerning capitalization as of the date of the merger agreement and as of the date of the closing (except to the extent any such representation and warranty was made as of an earlier date, in which case it shall be accurate as of such earlier date), except for any such inaccuracy that is *de minimis*;

**Table of Contents**

the accuracy in all respects of certain portions of Heartland's representations and warranties concerning due incorporation, due authorization, no material adverse effect and brokers and finders as of the date of the merger agreement and as of the date of the closing (except to the extent any such representation and warranty was made as of an earlier date, in which case it shall be accurate as of such earlier date);

the accuracy in all material respects of Heartland's representations and warranties concerning indebtedness as of the date of the merger agreement;

the accuracy in all respects (without giving effect to any materiality, material adverse effect or like qualifications therein) of the rest of Heartland's representations and warranties (not referenced in the three bullets above) as of the date of the merger agreement and as of the date of the closing (except to the extent any such representation and warranty was made as of an earlier date, in which case it shall be accurate as of such earlier date), except for any such inaccuracy as would not have or reasonably be expected to have a Heartland material adverse effect;

the performance and compliance, in all material respects, by Heartland of all of its covenants, obligations and agreements contained in the merger agreement to be performed and complied with by it at or prior to the effective time;

the absence of any material adverse effect of Heartland; and

receipt by Global Payments of a certificate of a senior executive officer of Heartland certifying that the conditions set forth in the first five bullets above have been satisfied.

The obligation of Heartland to complete the mergers is additionally conditioned upon (or subject to the waiver by Heartland of):

the accuracy in all respects of certain portions of Global Payments' representations and warranties concerning due incorporation, capitalization, due authorization, no material adverse effect and brokers and finders (provided that immaterial inaccuracy shall be excepted from certain portions of Global Payments' capitalization representations) as of the date of the merger agreement and as of the date of the closing (except to the extent any such representation and warranty was made as of an earlier date, in which case it shall be accurate as of such earlier date);

the accuracy in all respects (without giving effect to any materiality, material adverse effect or like qualifications therein) of the rest of Global Payments' representations and warranties (not referenced in the first bullet above) as of the date of the merger agreement and as of the date of the closing (except to the extent any such representation and warranty was made as of an earlier date, in which case it shall be accurate as of such earlier date), except for any such inaccuracy as would not have or reasonably be expected to have a Global Payments material adverse effect;



the performance and compliance, in all material respects, by Global Payments and the Merger Subs of all of their covenants, obligations and agreements contained in the merger agreement to be performed and complied with by them at or prior to the effective time; and

receipt by Heartland of a certificate of a senior executive officer of Global Payments certifying that the conditions set forth in the preceding three bullets have been satisfied.

**Termination of the Merger Agreement and Termination Fee**

*Termination*

The merger agreement may be terminated at any time on or prior to the closing date, before or after the approval of Heartland stockholders of the merger proposal has been received:

by mutual written consent of each of Heartland and Global Payments;

**Table of Contents**

by either Heartland or Global Payments:

if the closing does not occur on or before June 15, 2016, provided that if all conditions to closing have been satisfied or waived (other than those conditions that by their terms are to be satisfied at the closing, provided that such conditions would be satisfied if the closing occurred on such date) and the marketing period has commenced and not ended, such date will automatically be extended until twenty-one business days from the first day of the marketing period, provided that the party seeking to terminate the merger agreement under this bullet did not breach in any material respect any provision of the merger agreement in any manner that primarily contributed to the failure of the closing to occur on or before the applicable date (which we refer to as the termination date termination right);

if there is a law that makes consummation of the mergers illegal or if any government authority issues an order or takes any other action permanently restraining, enjoining or otherwise prohibiting the mergers, provided that the party seeking to terminate the merger agreement under this bullet did not breach in any material respect any provision of the merger agreement which breach was the primary cause of, or primarily resulted in, the issuance of such order or the taking of any such other final action (which we refer to as the legal restraint termination right);

if the other party breaches or fails to perform its representations, warranties, covenants or other agreements contained in the merger agreement, which breach or failure to perform would give rise to a failure of a condition to closing relating to the accuracy of such breaching party's representations and warranties or compliance with the terms of the merger agreement, and such breach or failure to perform is not cured, or is incapable of being cured, prior to the earlier of the termination date determined pursuant to the first bullet above and 30 days after receipt of written notice from the non-breaching party seeking to terminate the merger agreement under this bullet, provided that the party seeking to so terminate is not in material breach of any of its representations, warranties, covenants or other agreements contained in the merger agreement (which we refer to as the breach termination right); or

if the approval of Heartland stockholders of the merger proposal is not obtained at the special meeting or at the final adjournment or postponement thereof (which we refer to as the stockholder vote termination right);

by Heartland prior to obtaining the approval of Heartland stockholders of the merger proposal, if the Heartland board of directors, after compliance with the terms and conditions of the merger agreement (including its non-solicitation obligations and Global Payments' match rights) determines to terminate the merger agreement to enter into a definitive agreement with respect to a superior proposal and concurrently with or prior to such termination Heartland pays Global Payments the termination fee under the merger agreement of \$153 million (which we refer to as the Heartland superior proposal termination right); or

by Global Payments, if the Heartland board of directors does any of the following (which we refer to as the change of recommendation termination rights):

makes a change of recommendation;

fails to include the recommendation in this proxy statement/prospectus;

recommends, approves or otherwise declares advisable to Heartland stockholders an acquisition proposal other than the mergers;

fails to have published, sent or given to its stockholders, within ten business days following the commencement of a tender offer or exchange offer that constitutes an acquisition proposal (or subsequent material amendment thereof), a statement recommending that its stockholders reject such tender offer or exchange offer and affirming the recommendation;

**Table of Contents**

fails to publicly reaffirm the recommendation within ten business days of Global Payments' request to do so following the public announcement or public disclosure by any person of an acquisition proposal or an intention to make an acquisition proposal; or

formally resolves to effect or publicly announces an intention to effect any of the foregoing, prior to obtaining the approval of Heartland stockholders of the merger proposal.

***Effect of Termination***

If the merger agreement is terminated (as described in the section entitled "Termination" beginning on page 84 of this proxy statement/prospectus), the merger agreement will be void and have no further force or effect without any liability on the part of any party thereto or any of their respective subsidiaries, except that:

certain provisions of the merger agreement, including provisions with respect to (1) the effect of termination and the termination fee, (2) certain covenants concerning confidentiality, public announcements regarding the mergers, and expense allocation including the reimbursement of certain Heartland expenses incurred in connection with the debt financing, and (3) certain miscellaneous items, will survive such termination; and

no termination will relieve or release any party from any liabilities or damages arising out of fraud or willful breach (as described below).

For purposes of the merger agreement, willful breach means, with respect to any breaches or failures to perform any of the covenants or other agreements contained in the merger agreement, a material breach that is a consequence of an act or failure to act undertaken by the breaching party with actual knowledge, or knowledge that a person acting reasonably under the circumstances should have, that such party's act or failure to act would, or would reasonably be expected to, result in or constitute a breach of the merger agreement.

***Termination Fee***

Under the merger agreement, Heartland will be required to pay to Global Payments a termination fee of \$153 million in connection with a termination of the merger agreement under the following circumstances:

in the event that the merger agreement is terminated by Heartland pursuant to the Heartland superior proposal termination right;

in the event that the merger agreement is terminated by Global Payments pursuant to any of the change of recommendation termination rights;

in the event that the merger agreement is terminated by either party pursuant to the stockholder vote termination right at a time when the merger agreement was terminable by Global Payments pursuant to any of the change of recommendation termination rights; or

in the event that (1) the merger agreement is terminated by (x) either party pursuant to the stockholder vote termination right, (y) by Global Payments pursuant to its breach termination right, or (z) by either party pursuant to the termination date termination right (provided that such termination date termination right is exercised prior to the approval of Heartland stockholders of the merger proposal or at a time when Global Payments is permitted to exercise its breach termination right), (2) prior to the special meeting (in the case of a termination pursuant to the stockholder vote termination right), prior to the breach giving rise to termination (in the case of a termination pursuant to Global Payments' breach termination right) or prior to the special meeting, or if not held, the termination date (in the case of a termination pursuant to the termination date termination right) any person has publicly announced an intention to make an acquisition proposal, or an acquisition proposal has otherwise become publicly known, and (3) within twelve months of such termination, (A) Heartland or any of its subsidiaries enters into a definitive agreement with respect to any acquisition proposal or (B) any acquisition proposal is consummated involving Heartland or any of its subsidiaries.

**Table of Contents**

**Specific Performance**

Each party is entitled to an injunction or injunctions, specific performance and other equitable remedies to prevent and restrain breaches or threatened breaches of the merger agreement or to enforce specifically the performance of the terms and provisions of the merger agreement in the Court of Chancery of the State of Delaware or, if such court declines to accept jurisdiction over a particular matter, in any state or federal court located in the State of Delaware. This remedy is in addition to any other remedy to which the parties are entitled at law or in equity.

**Expenses**

Each party will bear all its own expenses in connection with the merger agreement and the transactions contemplated thereby, whether or not such transactions are consummated, except, subject to certain exceptions, Global Payments will bear the cost of the filings under the HSR Act and will reimburse Heartland and its subsidiaries for their costs incurred in connection with their cooperation in obtaining the debt financing.

Table of Contents

**APPRAISAL RIGHTS**

Holders of Heartland common stock who do not vote for the adoption of the mergers and who otherwise comply with the applicable statutory procedures of Section 262 of the DGCL will have the right to obtain an appraisal of the value of their shares of Heartland common stock in connection with the mergers. This means that stockholders are entitled to obtain the fair value of their shares of Heartland common stock (exclusive of any element of value arising from the accomplishment or expectation of the mergers) as determined by the Delaware Court of Chancery and entitled to receive payment based upon that valuation, together with a fair rate of interest, in lieu of any consideration to be received under the merger agreement.

The following is intended as a brief summary of the material provisions of the Delaware statutory procedures required to be followed by a stockholder in order to perfect appraisal rights. This summary, however, is not a complete statement of law pertaining to appraisal rights under Delaware law and is qualified in its entirety by the full text of Section 262 of the DGCL, which is attached hereto as **Annex C**. The preservation and exercise of appraisal rights requires strict and timely adherence to the applicable provisions of the DGCL. Failure to follow the requirements of Section 262 of the DGCL for perfecting appraisal rights may result in the loss of such rights (and each share of Heartland common stock held by such stockholder will be deemed to have been converted at the effective time into the right to receive the per share merger consideration, without interest thereon, less any withholding taxes). All references in this summary to a stockholder are to the record holder of Heartland common stock on the record date for the special meeting unless otherwise indicated.

If you wish to consider exercising your appraisal rights, you should carefully review the text of Section 262 of the DGCL contained in **Annex C** hereto and should consult your legal advisor since failure to timely and properly comply with the requirements of Section 262 of the DGCL will result in the loss of your appraisal rights under the DGCL. All demands for appraisal must be received prior to the vote on the merger agreement and should be addressed to Heartland Payment Systems, Inc., Attn: Corporate Secretary, 90 Nassau Street, Second Floor, Princeton, NJ 08542, and should be executed by, or on behalf of, the record holder of the shares of Heartland common stock. Holders of Heartland common stock who desire to exercise their appraisal rights must not vote in favor of the merger agreement, must continuously hold their shares of Heartland common stock through the effective time of the mergers and must not submit an election form.

Under Section 262 of the DGCL, where a merger agreement relating to a proposed merger is to be submitted for adoption at a meeting of stockholders, as in the case of the Heartland special meeting, the corporation, not less than 20 days prior to such meeting, must notify each of its stockholders who was a stockholder on the record date for notice of such meeting with respect to shares for which appraisal rights are available, that appraisal rights are so available, and must include in each such notice a copy of Section 262 of the DGCL. This document constitutes such notice to the holders of Heartland common stock and Section 262 of the DGCL is attached to this document as **Annex C**.

If you wish to exercise appraisal rights you must not vote for the adoption of the merger agreement and must deliver to Heartland, before the vote on the merger proposal, a written demand for appraisal of your shares of Heartland common stock. If you sign and return a proxy card that does not contain voting instructions or submit a proxy by telephone or through the internet that does not contain voting instructions, you will effectively waive your appraisal rights because such shares represented by the proxy will, unless the proxy is revoked, be voted for the adoption of the merger agreement. Therefore, a stockholder who submits a proxy and who wishes to exercise appraisal rights must submit a proxy containing instructions to vote against the adoption of the merger agreement or abstain from voting on the adoption of the merger agreement. Neither voting against the merger proposal, nor abstaining from voting or failing to vote on the merger proposal, will in and of itself constitute a written demand for appraisal satisfying the requirements of Section 262 of the DGCL.

A demand for appraisal will be sufficient if it reasonably informs Heartland of the identity of the stockholder and that such stockholder intends thereby to demand appraisal of such stockholder's shares of



**Table of Contents**

common stock. This written demand for appraisal must be separate from any proxy or vote abstaining from or voting against the adoption of the merger agreement. If you wish to exercise appraisal rights, you must be the record holder of such shares of Heartland common stock on the date the written demand for appraisal is made and you must continue to hold such shares of record through the effective time of the mergers. Accordingly, a stockholder who is the record holder of shares of common stock on the date the written demand for appraisal is made, but who thereafter transfers such shares prior to the effective time of the mergers, will lose any right to appraisal in respect of such shares.

Only a holder of record of shares of Heartland common stock on the record date for the Heartland special meeting is entitled to assert appraisal rights for such shares of common stock registered in that holder's name. To be effective, a demand for appraisal by a stockholder must be made by, or on behalf of, such stockholder of record. The demand should set forth, fully and correctly, the stockholder's name as it appears, with respect to shares evidenced by certificates, on his or her stock certificate, or, with respect to book-entry shares, on the stock ledger. Beneficial owners who do not also hold their shares of Heartland common stock of record may not directly make appraisal demands to Heartland. The beneficial holder must, in such cases, have the owner of record, such as a broker, bank or other nominee, submit the required demand in respect of those shares of Heartland common stock. If shares of Heartland common stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of a demand for appraisal should be made by or for the fiduciary. If the shares of Heartland common stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or for all joint owners. An authorized agent, including an authorized agent for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record owner. A record owner, such as a broker, who holds shares of Heartland common stock as a nominee for others, may exercise his or her right of appraisal with respect to the shares of Heartland common stock held for one or more beneficial owners, while not exercising this right for other beneficial owners. In that case, the written demand should state the number of shares of Heartland common stock as to which appraisal is sought. Where no number of shares of Heartland common stock is expressly mentioned, the demand will be presumed to cover all shares of Heartland common stock held in the name of the record owner.

If you hold your shares of Heartland common stock in a brokerage account or in other nominee form and you wish to exercise appraisal rights, you should consult with your broker or the other nominee to determine the appropriate procedures for the making of a demand for appraisal by the nominee.

If a stockholder who demands appraisal under Delaware law fails to perfect, or effectively withdraws or loses his or her rights to appraisal as provided under Delaware law, each share of Heartland common stock held by such stockholder will be deemed to have been converted at the effective time into the right to receive the per share merger consideration, without interest thereon, less any withholding taxes. A stockholder may withdraw his or her demand for appraisal and agree to accept the per share merger consideration by delivering to Heartland a written withdrawal of his or her demand for appraisal and acceptance of the per share merger consideration within 60 days after the effective time of the mergers (or thereafter with the consent of Global Payments). Notwithstanding the foregoing, no appraisal proceeding in the Delaware Court of Chancery will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery, and such approval may be conditioned upon such terms as the Court deems just; provided, however, that any stockholder who has not commenced an appraisal action or joined that proceeding as a named party may withdraw his or her demand for appraisal and agree to accept the per share merger consideration offered within 60 days after the effective time.

Within 10 days after the effective time, Global Payments will notify each stockholder who properly asserted appraisal rights under Section 262 of the DGCL and has not voted for the adoption of the merger agreement of the effective

time of the initial merger. Within 120 days after the effective time, but not thereafter, either Global Payments, or any stockholder who has complied with the requirements of Section 262 of the DGCL and who is otherwise entitled to appraisal rights, may file a petition in the Delaware Court of Chancery demanding a

## **Table of Contents**

determination of the fair value of the shares of Heartland common stock held by all stockholders entitled to appraisal. A person who is the beneficial owner of shares of Heartland common stock held in a voting trust or by a nominee on behalf of such person may, in such person's own name, file the petition described in the previous sentence. Upon the filing of the petition by a stockholder, service of a copy of such petition shall be made upon Global Payments. Global Payments has no obligation to file such a petition in the event there are dissenting stockholders. Accordingly, the failure of a stockholder to file such a petition within the period specified could nullify the stockholder's previously written demand for appraisal. Global Payments has no present intent to file an appraisal petition, and stockholders seeking to exercise appraisal rights should not assume that Global Payments will file such a petition or that it will initiate any negotiations with respect to the fair value of such shares of Heartland common stock. Accordingly, stockholders who desire to have their shares of Heartland common stock appraised should initiate any petitions necessary for the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262 of the DGCL.

The costs of the appraisal action may be determined by the Delaware Court of Chancery and made payable by the parties as the Court deems equitable. The Court also may order that all or a portion of the expenses incurred by any stockholder in connection with an appraisal, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, be charged pro rata against the value of all of the shares entitled to appraisal.

If a petition for appraisal is duly filed by a stockholder and a copy of the petition is delivered to Global Payments, Global Payments will then be obligated, within 20 days after receiving service of a copy of the petition, to provide the Delaware Court of Chancery with a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their shares of Heartland common stock and with whom agreements as to the value of their shares of Heartland common stock have not been reached by Global Payments. After notice to dissenting stockholders who demanded appraisal of their shares of Heartland common stock, the Delaware Court of Chancery is empowered to conduct a hearing upon the petition, and to determine those stockholders who have complied with Section 262 of the DGCL and who have become entitled to the appraisal rights provided thereby. The Delaware Court of Chancery may require the stockholders who have demanded appraisal for their shares of Heartland common stock to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with that direction, the Delaware Court of Chancery may dismiss the proceedings as to that stockholder.

Within 120 days after the effective time, any stockholder (including any beneficial owner of shares entitled to appraisal rights) that has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from Global Payments a statement setting forth the aggregate number of shares of Heartland common stock not voted in favor of the mergers and with respect to which demands for appraisal have been timely received and the aggregate number of holders of those shares. These statements must be mailed to the stockholder within 10 days after a written request by such stockholder for the information has been received by Global Payments, or within 10 days after expiration of the period for delivery of demands for appraisal under Section 262 of the DGCL, whichever is later.

After determination of the stockholders entitled to appraisal of their shares of Heartland common stock, the Delaware Court of Chancery will appraise the shares of Heartland common stock, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the mergers, together with interest, if any. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective time through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time of the mergers and the date of payment of the judgment. When the value is determined, the

Delaware Court of Chancery will direct the payment of such value, with interest thereon accrued during the pendency of the proceeding, if the Delaware Court of Chancery so determines, to the stockholders entitled to receive the same, upon surrender by such stockholders of their certificates and book-entry shares.

**Table of Contents**

In determining the fair value of the shares of Heartland common stock, the Delaware Court of Chancery is required to take into account all relevant factors. Accordingly, such determination could be based upon considerations other than, or in addition to, the market value of the shares of Heartland common stock, including, among other things, asset values and earning capacity. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court stated, among other things, that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered in an appraisal proceeding. Global Payments may argue in an appraisal proceeding that, for purposes of such a proceeding, the fair value of the shares of Heartland common stock is less than the per share merger consideration. Therefore, the value so determined in any appraisal proceeding could be the same as, or more or less than, the per share merger consideration. Stockholders considering appraisal should be aware that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a sale transaction, such as the initial merger, is not an opinion as to, and does not otherwise address, fair value under Section 262 of the DGCL.

Section 262 of the DGCL provides that fair value is to be exclusive of any element of value arising from the accomplishment or expectation of the mergers. In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a narrow exclusion [that] does not encompass known elements of value, but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court construed Section 262 of the DGCL to mean that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the mergers and not the product of speculation, may be considered. In view of the complexity of Section 262 of the DGCL, stockholders who may wish to dissent from the mergers and pursue appraisal rights should consult their legal advisors.

Any Heartland stockholder who has duly demanded and perfected an appraisal in compliance with Section 262 of the DGCL will not, after the effective time of the mergers, be entitled to vote his or her shares for any purpose or be entitled to the payment of dividends or other distributions thereon, except dividends or other distributions payable to holders of record of shares of Heartland common stock as of a date prior to the effective time of the mergers.

If you desire to exercise your appraisal rights, you must not vote for the adoption of the merger agreement and you must strictly comply with the procedures set forth in Section 262 of the DGCL.

Failure to take any required step in connection with the exercise of appraisal rights will result in the termination or waiver of such rights.

**In view of the complexity of Section 262 of the DGCL, Heartland stockholders who may wish to pursue appraisal rights should consult their legal and financial advisors.**

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**Table of Contents****UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

On December 15, 2015, Global Payments entered into the merger agreement with Heartland pursuant to which Global Payments will acquire Heartland in a cash and stock transaction. In connection with the proposed mergers, Global Payments entered into an agreement for secured financing of up to \$4.78 billion, the proceeds of which will be used, among other things, to repay certain portions of Heartland's existing indebtedness and to finance, in part, the cash consideration and other acquisition-related costs, subject in each case to the conditions set forth therein. The transactions contemplated by the merger agreement and the related financing have not yet been consummated. Global Payments expects the mergers to close in its fiscal 2016 fourth quarter, subject to regulatory approval and customary closing conditions, as well as approval by Heartland's shareholders.

The following tables present unaudited pro forma condensed combined financial information about Global Payments consolidated balance sheet and statements of income, which we refer to as the pro forma financial statements, after giving effect to the acquisition of Heartland and the related financing transactions. The unaudited pro forma condensed combined balance sheet as of November 30, 2015, which we refer to as the pro forma balance sheet, combines the historical consolidated balance sheets of Global Payments and Heartland, giving effect to the mergers as if they had been completed on November 30, 2015. The unaudited pro forma condensed combined statements of income for the six months ended November 30, 2015 and the year ended May 31, 2015, which we refer to collectively as the pro forma statements of income, combine the historical consolidated statements of income of Global Payments and Heartland, giving effect to the mergers as if they had been completed on June 1, 2014.

The pro forma financial statements contained herein do not reflect the costs of any integration activities or benefits that may result from realization of future revenue enhancements or cost savings from operating efficiencies, or any other synergies that may result from the mergers. Management anticipates that certain material charges will be incurred subsequent to the mergers for items such as operations and technology integration and severance. However, since the timing and effect are not determinable at this time, no amounts are included in the pro forma financial statements for such items. The accompanying pro forma financial statements and related notes were prepared using the acquisition method of accounting with Global Payments as the acquirer of Heartland. In the pro forma financial statements and related notes, the assets to be acquired and liabilities to be assumed of Heartland have been measured based upon their estimated fair values, unless otherwise noted, as of November 30, 2015. In addition, the historical consolidated financial statement information has been adjusted in the pro forma financial statements to give effect to events that are (1) directly attributable to the mergers and the related financing transactions, (2) factually supportable and (3) with respect to the pro forma statements of income, expected to have a continuing effect on the combined results of Global Payments and Heartland.

The pro forma financial statements and related notes have been prepared utilizing period ends that differ by fewer than 93 days, as permitted by Regulation S-X. Global Payments' fiscal year ends on May 31 of each year, and Heartland's fiscal year ends on December 31 of each year. The pro forma balance sheet as of November 30, 2015 includes (i) the assets and liabilities of Global Payments as of November 30, 2015 and (ii) the assets and liabilities of Heartland as of September 30, 2015. The pro forma statement of income for the six months ended November 30, 2015 includes (i) Global Payments' results of operations for the six months ended November 30, 2015 and (ii) Heartland's results of operations for the six months ended September 30, 2015. The pro forma statement of income for the year ended May 31, 2015 includes (i) Global Payments' results of operations for the fiscal year ended May 31, 2015 and (ii) Heartland's results of operations for the 12 months ended March 31, 2015.

The pro forma financial statements and related notes are being provided for illustrative purposes only and do not purport to represent what the combined company's actual consolidated results of operations or financial position would have been had the mergers and the related financing transactions been completed on the dates



**Table of Contents**

indicated, nor are they necessarily indicative of the combined company's future consolidated results of operations or financial position for any future period. The pro forma financial statements are based upon currently available information and estimates and assumptions that Global Payments' management believes are reasonable as of the date of this proxy statement/prospectus. Any of the factors underlying these estimates and assumptions, including those discussed under the section entitled "Risk Factors" beginning on page 29 of this proxy statement/prospectus, may change and, as a result, the combined company's actual consolidated results of operations and/or financial position could be materially different.

The pro forma financial statements and related notes should be read in conjunction with the historical consolidated financial statements of Global Payments and Heartland, including the related notes, filed with the SEC.



**Table of Contents****Global Payments Inc.****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET****November 30, 2015****(in thousands)**

	Historical		Pro Forma Adjustments	Note 4 References	Pro Forma Condensed Combined
	Global Payments	Heartland			
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 988,457	\$ 223,606	\$ (95,001)	a	\$ 1,117,062
Accounts receivable, net	202,931	258,378	(147,836)	b	313,473
Settlement processing assets	1,403,914		60,173	b	1,464,087
Prepaid expenses and other current assets	60,519	45,071	(12,311)	c	88,336
			(4,943)	k	
Total current assets	2,655,821	527,055	(199,918)		2,982,958
Customer acquisition costs		83,192	(83,192)	d	
Goodwill	1,577,455	475,317	2,451,863	e	4,504,635
Other intangible assets, net	665,667	197,254	1,532,846	f	2,395,767
Property and equipment, net	367,541	168,244	(80,216)	g	455,569
Deferred income taxes	26,252				26,252
Other	35,365	1,677	6,653	k	43,695
Total assets	\$ 5,328,101	\$ 1,452,739	\$ 3,628,036		\$ 10,408,876
<b>LIABILITIES AND EQUITY</b>					
Current liabilities:					
Lines of credit	\$ 685,178	\$	\$		\$ 685,178
Current portion of long-term debt		48,793	(45,697)	k	3,096
Accounts payable and accrued liabilities	309,117	125,097			434,214
Settlement processing obligations	1,256,458	349,608	(87,663)	b	1,518,403
Other current liabilities	16,892	53,150	(33,216)	j	36,826
Total current liabilities	2,267,645	576,648	(166,576)		2,677,717
Long-term debt	1,915,803	450,041	2,051,731	k	4,417,575
Deferred income taxes	202,630	59,057	(12,311)	c	745,315
			(9,815)	i	
			505,754	m	
Other noncurrent liabilities	15,924	49,830	(2,943)	j	62,811

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Total liabilities	4,402,002	1,135,576	2,365,840		7,903,418
Commitments and contingencies					
Equity:					
Total controlling shareholders equity	805,156	317,163	1,304,381	n	2,384,515
			(52,000)	h	
			9,815	i	
Noncontrolling interests	120,943				120,943
Total equity	926,099	317,163	1,262,196		2,505,458
Total liabilities and equity	\$ 5,328,101	\$ 1,452,739	\$ 3,628,036		\$ 10,408,876

*See accompanying notes to unaudited pro forma condensed combined financial information.*

**Table of Contents****Global Payments Inc.****UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME****Six Months Ended November 30, 2015****(in thousands, except per share data)**

	<b>Historical</b>		<b>Pro Forma</b>	<b>Note 4</b>	<b>Pro Forma</b>
	<b>Global Payments</b>	<b>Heartland</b>	<b>Adjustments</b>	<b>References</b>	<b>Condensed</b>
					<b>Combined</b>
Revenues	\$ 1,471,146	\$ 1,381,359	\$ (835,121)	o	\$ 2,016,275
			(1,109)	j	
<b>Operating expenses:</b>					
Cost of service	543,231	1,184,329	(835,121)	o	991,692
			17,220	p	
			(16,567)	d	
			98,600	q	
Selling, general and administrative	666,978	116,088	(17,220)	p	765,846
	1,210,209	1,300,417	(753,088)		1,757,538
Operating income	260,937	80,942	(83,142)		258,737
Interest and other income	2,434	57			2,491
Interest and other expense	(27,369)	(7,866)	(44,470)	r	(79,705)
	(24,935)	(7,809)	(44,470)		(77,214)
Income before income taxes	236,002	73,133	(127,612)		181,523
Provision for income taxes	(59,876)	(28,346)	48,174	l	(40,048)
Net income	176,126	44,787	(79,438)		141,475
Net income attributable to noncontrolling interests	(10,708)				(10,708)
Net income attributable to controlling shareholders	\$ 165,418	\$ 44,787	\$ (79,438)		\$ 130,767
<b>Earnings per share attributable to Global Payments:</b>					
Basic	\$ 1.27				\$ 0.84
Diluted	\$ 1.27				\$ 0.84

Weighted-average number of shares  
outstanding:

Basic	129,919	25,633	s	155,552
Diluted	130,752	25,633	s	156,385

*See accompanying notes to unaudited pro forma condensed combined financial information.*

Table of Contents

## Global Payments Inc.

## UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

Fiscal Year Ended May 31, 2015

(in thousands, except per share data)

	Historical		Pro Forma	Note 4	Pro Forma
	Global Payments	Heartland	Adjustments	References	Condensed
Revenues	\$ 2,773,718	\$ 2,390,557	\$ (1,464,138)	o	\$ 3,666,921
			(33,216)	j	
Operating expenses:					
Cost of service	1,022,107	2,063,480	(1,464,138)	o	1,800,185
			25,887	p	
			(46,296)	d	
			199,145	q	
Selling, general and administrative	1,295,014	204,192	(25,887)	p	1,473,319
Goodwill and other asset impairment charges		37,365			37,365
	2,317,121	2,305,037	(1,311,289)		3,310,869
Operating income	456,597	85,520	(186,065)		356,052
Interest and other income	4,949	118			5,067
Interest and other expense	(44,436)	(10,940)	(96,828)	r	(152,204)
	(39,487)	(10,822)	(96,828)		(147,137)
Income before income taxes	417,110	74,698	(282,893)		208,915
Provision for income taxes	(107,995)	(40,504)	106,792	l	(41,707)
Net income	309,115	34,194	(176,101)		167,208
Net (income) loss attributable to noncontrolling interests	(31,075)	1,183			(29,892)
Net income attributable to controlling shareholders	\$ 278,040	\$ 35,377	\$ (176,101)		\$ 137,316
Earnings per share attributable to Global Payments:					
Basic	\$ 2.07				\$ 0.86

Diluted	\$	2.06		\$	0.86
Weighted-average number of shares outstanding:					
Basic		134,072	25,633	s	159,705
Diluted		134,922	25,633	s	160,555

*See accompanying notes to unaudited pro forma condensed combined financial information.*

**Table of Contents**

**Notes to Unaudited Pro Forma Condensed Combined Financial Statements**

**Note 1 Basis of Presentation**

The pro forma financial statements and related notes present the pro forma condensed combined financial position and results of operations of the companies to be combined. Global Payments Inc. (which we refer to, together with its consolidated subsidiaries, as Global Payments) and Heartland Payment Systems, Inc. (which we refer to, together with its consolidated subsidiaries, as Heartland) have different fiscal year ends, with the most recent annual period of Global Payments ended on May 31, 2015 and the most recent annual period of Heartland ended on December 31, 2015.

The historical financial information of Global Payments as of and for the six months ended November 30, 2015 was derived from the unaudited consolidated financial statements of Global Payments presented in its Quarterly Report on Form 10-Q for the period ended November 30, 2015. The historical financial information of Global Payments for the year ended May 31, 2015 was derived from the audited consolidated financial statements of Global Payments from its Current Report on Form 8-K dated February 5, 2016.

The pro forma balance sheet and the pro forma statements of income as of and for the six months ended November 30, 2015 and the statements of income for the year ended May 31, 2015 have been prepared utilizing period ends for Heartland and Global Payments that differ by fewer than 93 days, as permitted by Regulation S-X.

The historical financial information of Heartland as of November 30, 2015 reflects the financial position of Heartland as of September 30, 2015 and was derived from its Quarterly Report on Form 10-Q for the period ended September 30, 2015. The historical financial information of Heartland for the six months ended November 30, 2015 reflects the results of operations of Heartland for the six months ended September 30, 2015 determined by (i) taking the results of operations of Heartland for the nine months ended September 30, 2015, which were derived from its Quarterly Report on Form 10-Q for the period ended September 30, 2015, and (ii) subtracting the results of operations of Heartland for the three months ended March 31, 2015, which were derived from its Quarterly Report on Form 10-Q for the period ended March 31, 2015. The historical financial information of Heartland for the year ended May 31, 2015 reflects the results of operations of Heartland for the twelve months ended March 31, 2015 determined by taking (i) the results of operations of Heartland for the year ended December 31, 2014, which were derived from its Annual Report on Form 10-K for the year ended December 31, 2015, subtracting (ii) the results of operations of Heartland for the three months ended March 31, 2014, which were derived from its Quarterly Report on Form 10-Q for the period ended March 31, 2014, and (iii) adding the results of operations of Heartland for the three months ended March 31, 2015, which were derived from its Quarterly Report on Form 10-Q for the period ended March 31, 2015.

The pro forma financial statements were prepared using the acquisition method of accounting, with Global Payments as the acquirer of Heartland. In the pro forma balance sheet, the assets to be acquired and liabilities to be assumed of Heartland have been measured based upon their estimated fair values, unless otherwise noted, as of November 30, 2015.

Definitive fair values will be determined and finalized for assets to be acquired and liabilities to be assumed based on certain valuations and other studies that will be performed by Global Payments. Accordingly, the fair value adjustments determined using the acquisition method of accounting reflected in the pro forma financial statements are preliminary and are subject to revision based on a final determination of fair value within the twelve-month measurement period subsequent to the acquisition date.

The pro forma adjustments are based on preliminary estimates and assumptions that are subject to change. The pro forma financial statements are presented solely for informational purposes and are not necessarily indicative of the combined results of operations or financial position that might have been achieved for the periods or dates indicated, nor are they necessarily indicative of the future combined results of the companies to be combined. The pro forma financial statements do not reflect the costs of any integration activities or benefits



**Table of Contents**

that may result from realization of future revenue enhancements or costs savings from operating efficiencies, or any other synergies that may result from the Mergers (as defined below). Management anticipates that certain material charges will be incurred subsequent to the acquisition for items such as operations and technology integration and severance. However, since the timing and effect are not determinable at this time, no amounts are included in the pro forma financial statements for such items.

**Note 2 Consideration and Debt Financing**

Pursuant to the terms and subject to the conditions set forth in the Agreement and Plan of Merger, dated as of December 15, 2015, by and among Global Payments, Heartland, and certain wholly owned subsidiaries of Global Payments (which we refer to as the Merger Agreement), as a result of the two-step merger of Heartland with and into a wholly owned subsidiary of Global Payments contemplated by the Merger Agreement (which we refer to, collectively, as the Mergers), each outstanding share of Heartland common stock will be converted into the right to receive \$53.28 in cash and 0.6687 of a share of Global Payments common stock.

The following table summarizes the components of the estimated consideration to be transferred (in thousands):

Cash consideration to be paid to Heartland's stockholders	\$ 2,042,382
Fair value of Global Payments common stock to be issued to Heartland's stockholders	1,621,544
<b>Total estimated purchase consideration</b>	<b>\$ 3,663,926</b>

The acquisition date fair value of common stock to be issued to Heartland stockholders and equity award holders was estimated based on 38.3 million shares of Heartland common stock, including common stock outstanding and equity awards expected to be accelerated in accordance with the Merger Agreement, multiplied by the exchange ratio of 0.6687 and the closing share price of Global Payments common stock as of March 4, 2016 of \$63.26 per share, as shown in the table below (in thousands, except per share data):

Shares of Heartland common stock	38,333
Exchange ratio	0.6687
Shares of Global Payments common stock to be issued	25,633
Price per share of Global Payments common stock	\$ 63.26
<b>Fair value of common stock to be issued to Heartland's stockholders</b>	<b>\$ 1,621,544</b>

The value of the purchase consideration and resulting goodwill may change based on fluctuations in the share price of Global Payments common stock and the number of shares of Heartland's common stock outstanding on the closing date. The fair value of the equity securities issued as part of the consideration transferred will be measured on the closing date pursuant to the terms of the Merger Agreement. This requirement will likely result in a per share equity component that differs from the \$63.26 assumed in the pro forma financial statements. A 10% fluctuation in the market price of Global Payment's common stock would affect the value of the consideration with a corresponding change to goodwill, as illustrated in the table below (in thousands):

	<b>Estimated Consideration</b>	<b>Estimated Goodwill</b>
As presented in the pro forma adjustments	\$ 3,663,926	\$ 2,927,180
10% increase in common stock price	3,826,183	3,089,437
10% decrease in common stock price	3,501,669	2,764,923

In connection with the proposed Mergers, on January 8, 2016, Global Payments entered into an amended and restated debt commitment letter with Bank of America, N.A. and certain additional financial institutions

**Table of Contents**

(which we refer to as the Amended and Restated Debt Commitment Letter). On February 26, 2016, as contemplated by the Amended and Restated Debt Commitment Letter, Global Payments, as borrower or as guarantor, as applicable, entered into the First Amendment to (i) the Second Amended and Restated Term Loan Agreement (which we refer to as the Term Loan Agreement), and (ii) the Second Amended and Restated Credit Agreement (which we refer to as the Revolving Credit Facility Agreement and which we refer to, together with the Term Loan Agreement, as the Existing Credit Agreements), each with Bank of America, N.A., as administrative agent, and a syndicate of financial institutions, as lenders and other agents (which we refer to as the Amended Credit Facility Agreement).

The Amended Credit Facility Agreement provides for (i) a \$1.75 billion term loan facility (which we refer to as the Term Loan Facility), (ii) a \$1.25 billion revolving credit facility (which we refer to as the Revolving Credit Facility), and (iii) a new \$685 million delayed draw term loan facility (which we refer to as the Delayed Draw Term Loan Facility and which we refer to, together with the Term Loan Facility and the Revolving Credit Facility, as the Credit Facilities). The Amended Credit Facility Agreement allows for the addition of approximately \$1.095 billion of term B loans (which we refer to as the Heartland Incremental Term B Loan Facility), in connection with the proposed Mergers, resulting in total financing of approximately \$4.78 billion as contemplated in the Amended and Restated Debt Commitment Letter.

The sources and uses of funds relating to the Mergers and the related financing transaction are as follows (in thousands):

<b>Sources:</b>	
Available cash	\$ 95,001
Proceeds from available capacity under the Revolving Credit Facility	780,000
Proceeds from the Delayed Draw Term Loan Facility	685,000
Proceeds from the Heartland Incremental Term B Loan Facility	1,095,000
 Total sources	 \$ 2,655,001
<b>Uses:</b>	
Cash consideration to be paid to Heartland's stockholders	\$ 2,042,382
Repayment of Heartland's long-term debt	498,750
Estimated costs associated with the debt refinancing	61,869
Estimated acquisition-related costs	52,000
 Total uses	 \$ 2,655,001

**Table of Contents****Note 3 Preliminary Valuation**

The preliminary estimated amounts of assets to be acquired and liabilities to be assumed as if the Mergers had been consummated on November 30, 2015 and a reconciliation to the total estimated purchase consideration are as follows (in thousands):

Cash and cash equivalents	\$ 223,606
Accounts receivable	110,542
Settlement processing assets	60,173
Prepaid expenses and other current assets	27,817
Identified intangible assets	1,730,100
Property and equipment	88,028
Other noncurrent assets	1,677
Current portion of long-term debt	(48,793)
Accounts payable and accrued liabilities	(125,097)
Settlement processing obligations	(261,945)
Other current liabilities	(19,934)
Long-term debt	(450,041)
Deferred income taxes	(552,500)
Other noncurrent liabilities	(46,887)
<b>Total identifiable net assets</b>	<b>736,746</b>
Goodwill	2,927,180
<b>Total estimated purchase consideration</b>	<b>\$ 3,663,926</b>

The assets to be acquired and the liabilities to be assumed are measured at fair value except for certain exceptions to the recognition principle of acquisition accounting, such as income taxes, employee benefits and contingencies. Assumed debt is assumed to be at fair value, except for the elimination of deferred debt issuance costs, with no embedded derivatives.

**Note 4 Pro Forma Adjustments**

The pro forma balance sheet includes adjustments made assuming the Mergers and related financing transaction were completed as of November 30, 2015. The pro forma statements of income include adjustments made assuming the Mergers and related financing transaction were completed as of June 1, 2014 and do not include any material nonrecurring charges that may arise in subsequent periods as a result of the Mergers.

The following items are reflected as pro forma adjustments:

- a. This pro forma adjustment reflects the effect on cash of the sources and uses of funds relating to the Mergers and the related financing transaction, as described in note 2.

- b. Global Payments applies offsetting to its settlement processing assets and obligations where legal right of offset exists. In the sponsorship model, Global Payments applies offsetting by sponsor banks because the sponsor bank is ultimately responsible for funds settlement. If that net position is an asset, the net amount is reflected in settlement processing assets. If that net position is a liability, the net amount is reflected in settlement processing obligations. In the direct membership model, offsetting is not applied, and the individual components are presented as an asset or obligation based on the nature of that component. The following items, shown as separate lines in the historical consolidated balance sheet of Heartland, were reclassified as follows to conform to Global Payments presentation of settlement assets and obligations (in thousands):

<b>Account Description</b>	<b>Increase (Decrease)</b>
Accounts receivable, net	\$ (147,836)
Settlement processing assets	60,173
Settlement processing obligations	(87,663)

-100-

**Table of Contents**

- c. In November 2015, the Financial Accounting Standards Board issued Accounting Standards Update (which we refer to as ASU) 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes to simplify the balance sheet presentation of deferred income taxes. The amendments in this update require that deferred tax liabilities and assets be classified as noncurrent in a classified balance sheet. Global Payments adopted this ASU during the three months ended November 30, 2015. The adjustment to reduce both prepaid expenses and other current assets and deferred income taxes, noncurrent, by \$12.3 million, reflects the effects of adopting this ASU on the historical balance sheet of Heartland as of November 30, 2015.
- d. This pro forma adjustment represents the elimination of capitalized customer acquisition costs of \$83.2 million as if the Mergers had been consummated on November 30, 2015. Such costs represent incremental, direct customer acquisition costs that are recoverable through gross margins associated with customer contracts and are recognizable as an asset in accordance with accounting principles generally accepted in the United States in the historical financial statements of Heartland. Under the acquisition method of accounting, such deferred costs do not qualify for recognition as an asset. After the acquisition date, this adjustment will have a continuing effect and will reduce cost of service by \$16.6 million for the six months ended November 30, 2015 and \$46.3 million for the year ended May 31, 2015 to reflect the amortization of the asset over the initial term of the related merchant contracts, assuming the Mergers had been consummated on June 1, 2014. The estimated effect on earnings subsequent to the acquisition date will be progressively eliminated over a relatively short period of time. The estimated reduction to cost of service after the acquisition date is estimated to be \$46.3 million in year one, \$28.1 million in year two, \$8.5 million in year three and \$0.3 million thereafter.
- e. This pro forma adjustment reflects goodwill as of November 30, 2015 as if the Mergers had been consummated on that date, as shown in note 3, and elimination of the carrying amount of Heartland's historical goodwill (in thousands):

Goodwill (as determined in note 3)	\$ 2,927,180
Elimination of Heartland's historical goodwill	(475,317)
<b>Pro forma adjustment to goodwill</b>	<b>\$ 2,451,863</b>

- f. As part of the preliminary valuation analysis, Global Payments identified intangible assets, including customer relationships, acquired technology, trademarks and trade names and covenants-not-to-compete. The preliminary estimated fair values of identifiable intangible assets were determined primarily using the income approach, which requires a forecast of all the expected future cash flows, and a relief from royalty approach. Since all the information required to perform a detailed valuation analysis of Heartland's intangible assets could not be obtained as of the date of this filing, for purposes of these pro forma financial statements, Global Payments used certain preliminary assumptions which may be revised. The following reflects a pro forma adjustment of intangible assets acquired by Global Payments to their estimated preliminary fair values as of November 30, 2015 as if the Mergers had been consummated on that date and elimination of the carrying amount of Heartland's historical intangible assets (in thousands):

Customer relationships	\$ 1,208,200
Acquired technology	420,000
Trademarks and trade names	79,000
Covenants-not-to-compete	22,900
<b>Total estimated acquired intangible assets</b>	