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

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**Form 10-Q**

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

For the quarterly period ended June 30, 2019

Or

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

For the transition period from \_\_\_\_\_

to \_\_\_\_\_

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File No. 001-16427

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**Fidelity National Information Services, Inc.**

(Exact name of registrant as specified in its charter)

**Georgia**

(State or other jurisdiction of incorporation or organization)

**37-1490331**

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

**601 Riverside Avenue**

**Jacksonville**

(Address of principal executive offices)

**Florida**

**32204**

(Zip Code)

**(904) 438-6000**

(Registrant's telephone number, including area code)  
(Former Name or Former Address, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, par value \$0.01 per share</b>	<b>FIS</b>	<b>New York Stock Exchange</b>
0.400% Senior Notes due 2021	FIS21A	New York Stock Exchange
<b>Floating Rate Senior Notes due 2021</b>	<b>FIS21B</b>	<b>New York Stock Exchange</b>
0.125% Senior Notes due 2021	FIS21C	New York Stock Exchange
1.700% Senior Notes due 2022	FIS22B	New York Stock Exchange
0.750% Senior Notes due 2023	FIS23A	New York Stock Exchange
1.100% Senior Notes due 2024	FIS24A	New York Stock Exchange
2.602% Senior Notes due 2025	FIS25A	New York Stock Exchange
1.500% Senior Notes due 2027	FIS27	New York Stock Exchange
2.000% Senior Notes due 2030	FIS30	New York Stock Exchange
3.360% Senior Notes due 2031	FIS31	New York Stock Exchange
2.950% Senior Notes due 2039	FIS39	New York Stock Exchange

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) YES  NO

As of August 5, 2019, 613,444,279 shares of the Registrant's Common Stock were outstanding.

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FORM 10-Q  
QUARTERLY REPORT  
Quarter Ended June 30, 2019

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**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
**(In millions, except per share amounts)**  
**(Unaudited)**

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 9,756	\$ 703
Settlement deposits	538	700
Trade receivables, net of allowance for doubtful accounts of \$27 and \$17 as of June 30, 2019 and December 31, 2018, respectively	1,366	1,472
Contract assets	122	123
Settlement receivables	289	281
Other receivables	137	166
Prepaid expenses and other current assets	297	288
Total current assets	12,505	3,733
Property and equipment, net	541	587
Goodwill	13,542	13,545
Intangible assets, net	2,863	3,132
Computer software, net	1,798	1,795
Other noncurrent assets	1,049	503
Deferred contract costs, net	561	475
Total assets	\$ 32,859	\$ 23,770
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable, accrued and other liabilities	\$ 1,030	\$ 1,099
Settlement payables	792	972
Deferred revenue	788	739
Short-term borrowings	1,507	267
Current portion of long-term debt	53	48
Total current liabilities	4,170	3,125
Long-term debt, excluding current portion	16,682	8,670
Deferred income taxes	1,295	1,360
Other long-term liabilities	664	326
Deferred revenue	56	67
Total liabilities	22,867	13,548
Equity:		
FIS stockholders' equity:		
Preferred stock, \$0.01 par value, 200 shares authorized, none issued and outstanding as of June 30, 2019 and December 31, 2018	—	—
Common stock, \$0.01 par value, 600 shares authorized, 433 and 433 shares issued as of June 30, 2019 and December 31, 2018	4	4
Additional paid in capital	10,887	10,800
Retained earnings	4,599	4,528
Accumulated other comprehensive earnings (loss)	(438)	(430)
Treasury stock, \$0.01 par value, 109 and 106 common shares as of June 30, 2019 and December 31, 2018, respectively, at cost	(5,067)	(4,687)
Total FIS stockholders' equity	9,985	10,215
Noncontrolling interest	7	7
Total equity	9,992	10,222
Total liabilities and equity	\$ 32,859	\$ 23,770

See accompanying notes to unaudited condensed consolidated financial statements.

**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Earnings**  
**(In millions, except per share amounts)**  
**(Unaudited)**

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Revenue	\$ 2,112	\$ 2,106	\$ 4,169	\$ 4,172
Cost of revenue	1,404	1,414	2,785	2,828
Gross profit	708	692	1,384	1,344
Selling, general and administrative expenses	317	339	678	697
Operating income	391	353	706	647
Other income (expense):				
Interest expense, net	(72)	(73)	(147)	(144)
Other income (expense), net	(120)	(4)	(172)	(2)
Total other income (expense), net	(192)	(77)	(319)	(146)
Earnings before income taxes and equity method investment earnings (loss)	199	276	387	501
Provision (benefit) for income taxes	40	51	72	85
Equity method investment earnings (loss)	(4)	(7)	(11)	(8)
Net earnings	155	218	304	408
Net (earnings) loss attributable to noncontrolling interest	(1)	(6)	(2)	(14)
Net earnings attributable to FIS common stockholders	\$ 154	\$ 212	\$ 302	\$ 394
Net earnings per share — basic attributable to FIS common stockholders	\$ 0.48	\$ 0.64	\$ 0.93	\$ 1.20
Weighted average shares outstanding — basic	324	329	323	329
Net earnings per share — diluted attributable to FIS common stockholders	\$ 0.47	\$ 0.64	\$ 0.92	\$ 1.18
Weighted average shares outstanding — diluted	327	333	327	334

See accompanying notes to unaudited condensed consolidated financial statements.

**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Comprehensive Earnings**  
**(In millions)**  
**(Unaudited)**

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net earnings	\$ 155	\$ 218	\$ 304	\$ 408
Other comprehensive earnings, before tax:				
Unrealized gain (loss) on derivatives	\$ (16)	\$ —	\$ (16)	\$ —
Reclassification adjustment for (gains) losses included in net earnings	(4)	—	(4)	—
Unrealized gain (loss) on derivatives, net	(20)	—	(20)	—
Foreign currency translation adjustments	11	(102)	17	(88)
Minimum pension liability adjustment	—	—	(4)	—
Other comprehensive earnings (loss), before tax:	(9)	(102)	(7)	(88)
Provision for income tax expense (benefit) related to items of other comprehensive earnings	2	—	1	—
Other comprehensive earnings (loss), net of tax	<u>\$ (11)</u>	<u>\$ (102)</u>	<u>\$ (8)</u>	<u>\$ (88)</u>
Comprehensive earnings:	144	116	296	320
Net (earnings) loss attributable to noncontrolling interest	(1)	(6)	(2)	(14)
Other comprehensive (earnings) loss attributable to noncontrolling interest	—	17	—	17
Comprehensive earnings attributable to FIS common stockholders	<u>\$ 143</u>	<u>\$ 127</u>	<u>\$ 294</u>	<u>\$ 323</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Equity**  
**Three and six months ended June 30, 2019**  
**(In millions, except per share amounts)**  
**(Unaudited)**

	Amount									
	FIS Stockholders									
	Number of shares		Common stock	Additional paid in capital	Retained earnings	Accumulated other		Treasury stock	Noncontrolling interest	Total equity
	Common shares	Treasury shares				comprehensive earnings (loss)	Treasury stock			
Balances, March 31, 2019	433	(110)	\$ 4	\$ 10,844	\$ 4,558	\$ (427)	\$ (5,083)	\$ 7	\$ 9,903	
Exercise of stock options	—	1	—	19	—	—	16	—	35	
Stock-based compensation	—	—	—	24	—	—	—	—	24	
Cash dividends paid (\$0.35 per share per quarter) and other distributions	—	—	—	—	(113)	—	—	(1)	(114)	
Net earnings	—	—	—	—	154	—	—	1	155	
Other comprehensive earnings, net of tax	—	—	—	—	—	(11)	—	—	(11)	
Balances, June 30, 2019	<u>433</u>	<u>(109)</u>	<u>\$ 4</u>	<u>\$ 10,887</u>	<u>\$ 4,599</u>	<u>\$ (438)</u>	<u>\$ (5,067)</u>	<u>\$ 7</u>	<u>\$ 9,992</u>	

	Amount									
	FIS Stockholders									
	Number of shares		Common stock	Additional paid in capital	Retained earnings	Accumulated other		Treasury stock	Noncontrolling interest	Total equity
	Common shares	Treasury shares				comprehensive earnings (loss)	Treasury stock			
Balances, December 31, 2018	433	(106)	\$ 4	\$ 10,800	\$ 4,528	\$ (430)	\$ (4,687)	\$ 7	\$ 10,222	
Exercise of stock options	—	1	—	44	—	—	43	—	87	
Treasury shares held for taxes due upon exercise of stock options	—	—	—	—	—	—	(23)	—	(23)	
Purchases of treasury stock	—	(4)	—	—	—	—	(400)	—	(400)	
Stock-based compensation	—	—	—	43	—	—	—	—	43	
Cash dividends paid (\$0.35 per share per quarter) and other distributions	—	—	—	—	(226)	—	—	(2)	(228)	
Other	—	—	—	—	(5)	—	—	—	(5)	
Net earnings	—	—	—	—	302	—	—	2	304	
Other comprehensive earnings, net of tax	—	—	—	—	—	(8)	—	—	(8)	
Balances, June 30, 2019	<u>433</u>	<u>(109)</u>	<u>\$ 4</u>	<u>\$ 10,887</u>	<u>\$ 4,599</u>	<u>\$ (438)</u>	<u>\$ (5,067)</u>	<u>\$ 7</u>	<u>\$ 9,992</u>	

See accompanying notes to unaudited condensed consolidated financial statements.

**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Equity**  
**Three and six months ended June 30, 2018**  
**(In millions, except per share amounts)**  
**(Unaudited)**

	Amount								
	FIS Stockholders								
	Number of shares		Common stock	Additional paid in capital	Retained earnings	Accumulated other comprehensive earnings (loss)	Treasury stock	Noncontrolling interest	Total equity
	Common shares	Treasury shares							
Balances, March 31, 2018	432	(102)	\$ 4	\$ 10,585	\$ 4,186	\$ (318)	\$ (3,962)	\$ 116	\$ 10,611
Issuance of restricted stock	1	—	—	—	—	—	—	—	—
Exercise of stock options	—	2	—	59	—	—	53	—	112
Treasury shares held for taxes due upon exercise of stock options	—	—	—	(10)	—	—	(3)	—	(13)
Purchases of treasury stock	—	(2)	—	—	—	—	(200)	—	(200)
Stock-based compensation	—	—	—	25	—	—	—	—	25
Cash dividends paid (\$0.32 per share per quarter) and other distributions	—	—	—	—	(107)	—	—	—	(107)
Net earnings	—	—	—	—	212	—	—	6	218
Other comprehensive earnings, net of tax	—	—	—	—	—	(85)	—	(17)	(102)
Balances, June 30, 2018	433	(102)	\$ 4	\$ 10,659	\$ 4,291	\$ (403)	\$ (4,112)	\$ 105	\$ 10,544

	Amount								
	FIS Stockholders								
	Number of shares		Common stock	Additional paid in capital	Retained earnings	Accumulated other comprehensive earnings (loss)	Treasury stock	Noncontrolling interest	Total equity
	Common shares	Treasury shares							
Balances, December 31, 2017	432	(99)	\$ 4	\$ 10,534	\$ 4,109	\$ (332)	\$ (3,604)	\$ 109	\$ 10,820
Issuance of restricted stock	1	—	—	—	—	—	—	—	—
Exercise of stock options	—	3	—	91	—	—	113	—	204
Treasury shares held for taxes due upon exercise of stock options	—	—	—	(11)	—	—	(20)	—	(31)
Purchases of treasury stock	—	(6)	—	—	—	—	(601)	—	(601)
Stock-based compensation	—	—	—	45	—	—	—	—	45
Cash dividends paid (\$0.32 per share per quarter) and other distributions	—	—	—	—	(212)	—	—	(1)	(213)
Net earnings	—	—	—	—	394	—	—	14	408
Other comprehensive earnings, net of tax	—	—	—	—	—	(71)	—	(17)	(88)
Balances, June 30, 2018	433	(102)	\$ 4	\$ 10,659	\$ 4,291	\$ (403)	\$ (4,112)	\$ 105	\$ 10,544

See accompanying notes to unaudited condensed consolidated financial statements.



**FIDELITY NATIONAL INFORMATION SERVICES, INC.**  
**AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows**  
(In millions)  
(Unaudited)

	Six months ended June 30,	
	2019	2018
Cash flows from operating activities:		
Net earnings	\$ 304	\$ 408
Adjustment to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	736	706
Amortization of debt issue costs	10	9
Acquisition-related financing foreign exchange	104	—
Loss (gain) on sale of businesses and investments	—	(6)
Loss (gain) other	17	—
Loss on extinguishment of debt	—	1
Stock-based compensation	43	45
Deferred income taxes	(68)	(24)
Net changes in assets and liabilities, net of effects from acquisitions and foreign currency:		
Trade and other receivables	93	189
Contract assets	1	(3)
Settlement activity	(27)	13
Prepaid expenses and other assets	(140)	(11)
Deferred contract costs	(174)	(119)
Deferred revenue	39	(2)
Accounts payable, accrued liabilities, and other liabilities	(118)	(383)
Net cash provided by operating activities	<u>820</u>	<u>823</u>
Cash flows from investing activities:		
Additions to property and equipment	(57)	(83)
Additions to computer software	(228)	(233)
Net proceeds from sale of businesses and investments	43	49
Other investing activities, net	(42)	(6)
Net cash provided by (used in) investing activities	<u>(284)</u>	<u>(273)</u>
Cash flows from financing activities:		
Borrowings	19,201	5,703
Repayment of borrowings and other financing obligations	(10,028)	(5,521)
Debt issuance costs	(71)	(24)
Proceeds from exercise of stock options	86	203
Treasury stock activity	(423)	(637)
Dividends paid	(226)	(211)
Other financing activities, net	(24)	(2)
Net cash provided by (used in) financing activities	<u>8,515</u>	<u>(489)</u>
Effect of foreign currency exchange rate changes on cash	2	(43)
Net increase (decrease) in cash and cash equivalents	<u>9,053</u>	<u>18</u>
Cash and cash equivalents, beginning of period	703	665
Cash and cash equivalents, end of period	<u>\$ 9,756</u>	<u>\$ 683</u>
Supplemental cash flow information:		
Cash paid for interest	<u>\$ 159</u>	<u>\$ 146</u>
Cash paid for income taxes	<u>\$ 149</u>	<u>\$ 353</u>

See accompanying notes to unaudited condensed consolidated financial statements.

**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

Unless stated otherwise or the context otherwise requires, all references to "FIS," "we," the "Company" or the "registrant" are to Fidelity National Information Services, Inc., a Georgia corporation, and its subsidiaries.

**(1) Basis of Presentation**

The unaudited financial information included in this report includes the accounts of FIS and its subsidiaries prepared in accordance with U.S. generally accepted accounting principles and the instructions to Form 10-Q and Article 10 of Regulation S-X. All adjustments considered necessary for a fair presentation have been included. This report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2018. The preparation of these Condensed Consolidated Financial Statements (Unaudited) in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the Condensed Consolidated Financial Statements (Unaudited) and the reported amounts of revenue and expenses during the reported periods. Actual results could differ from those estimates. Certain reclassifications have been made in the 2018 Condensed Consolidated Financial Statements (Unaudited) to conform to the classifications used in 2019. Amounts in tables in the financial statements and accompanying footnotes may not sum due to rounding.

We report the results of our operations in three reporting segments: Integrated Financial Solutions ("IFS"), Global Financial Solutions ("GFS") and Corporate and Other (see Note 13).

**(2) Summary of Significant Accounting Policies**

**(a) Change in Accounting Policy**

The Company adopted Topic 842, *Leases*, with an initial application date of January 1, 2019. As a result, the Company has changed its accounting policy for leases. The accounting policy pursuant to Topic 842 for operating leases is disclosed below. The primary impact of adopting Topic 842 is the establishment of a right-of-use ("ROU") model that requires a lessee to recognize ROU assets and lease liabilities on the consolidated balance sheet for operating leases.

The Company applied Topic 842 using the effective date method; consequently, financial information was not updated and the disclosures required under the new standard were not provided for dates and periods before January 1, 2019. For transition purposes, the Company elected the "package of practical expedients," which permits the Company not to reassess under the new standard prior conclusions about lease identification, lease classification and initial direct costs. The Company also elected the practical expedient not to separate lease and non-lease components. The Company did not elect the use-of-hindsight practical expedient nor the short-term lease recognition exemption allowed under the new standard.

The adoption of ASC 842 resulted in the recognition of operating lease ROU assets and lease liabilities on the Company's Condensed Consolidated Balance Sheet (Unaudited) of \$442 million and \$446 million, respectively, on January 1, 2019. The standard did not impact the Company's results of operations or cash flows.

**(b) Operating Leases**

The Company leases certain of its property, primarily real estate, under operating leases. Operating lease ROU assets are included in other noncurrent assets, and operating lease liabilities are included in accounts payable, accrued and other liabilities and other long-term liabilities on the Condensed Consolidated Balance Sheets (Unaudited). ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Operating lease ROU assets also include any prepaid lease payments and exclude lease incentives received. The Company uses an incremental borrowing rate based on information available at commencement date in determining the present value of lease payments. Lease terms may include options to extend, generally ranging from one to five years, or to terminate the lease when it is reasonably certain that the Company will

**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

exercise that option. Lease expense is recognized on a straight-line basis over the lease term. Lease agreements may include lease and related non-lease components, which are accounted for as a single lease component. Additionally, for certain equipment leases, the Company applies a portfolio approach to effectively account for the operating lease ROU assets and liabilities.

### **(3) Acquisition of Worldpay**

On March 17, 2019, FIS, Wrangler Merger Sub, Inc., a wholly owned subsidiary of FIS (“Merger Sub”), and Worldpay, Inc. (“Worldpay”) entered into an Agreement and Plan of Merger (the “merger agreement”) pursuant to which FIS would acquire Worldpay through a merger transaction (“Worldpay transaction,” “Transaction” or “the merger”). On July 31, 2019, FIS completed the Transaction. Through its acquisition of Worldpay, FIS is now a global leader in technology, solutions and services for merchants, as well as banks and capital markets. The Worldpay acquisition brings an integrated technology platform with a comprehensive suite of products and services serving merchants and financial institutions. Worldpay processed over 40 billion transactions annually, supporting more than 300 payment types across 146 countries and 126 currencies. Through the Transaction, FIS will have enhanced global payment capabilities, robust risk and fraud solutions and advanced data analytics.

Pursuant to the merger agreement, FIS acquired 100 percent of the equity of Worldpay at the closing on July 31, 2019. At the closing, Worldpay shareholders received approximately 289 million shares of FIS common stock and \$3.4 billion in cash, using an exchange ratio of 0.9287 FIS shares plus \$11.00 in cash for each share of Worldpay common stock. FIS also converted approximately 7 million outstanding Worldpay equity awards into corresponding equity awards with respect to shares of FIS common stock pursuant to an exchange ratio in the merger agreement designed to maintain the intrinsic value of the applicable award immediately prior to conversion. In connection with the Transaction, FIS also repaid approximately \$7.5 billion in Worldpay debt. The combination of stock and cash valued Worldpay at an enterprise value of approximately \$50 billion, including the repayment of Worldpay debt of approximately \$7.5 billion. As a result of the Transaction, legacy FIS shareholders own approximately 53 percent and legacy Worldpay shareholders own approximately 47 percent of the combined company on a fully diluted basis. FIS funded the cash portion of the merger consideration, the pay-off of the indebtedness of Worldpay and the payment of transaction-related expenses through a combination of available cash-on-hand and proceeds from debt issuances, including proceeds from concurrent public offerings on May 21, 2019 of Euro-, Pound Sterling-, and U.S. Dollar-denominated senior unsecured notes of FIS and borrowings under the newly established Euro-commercial paper program. See Note 7 for further discussion of these debt issuances.

Due to the close proximity in timing of the Transaction closing date and the Company's filing of this Quarterly Report on Form 10-Q, the initial accounting for the business combination is incomplete; therefore, the Company is unable to disclose certain information required by FASB ASC Topic 805, *Business Combinations*. The Company plans to provide preliminary purchase price allocation information in FIS' Quarterly Report on Form 10-Q for the quarter ending September 30, 2019.

### **(4) Revenue**

#### *Disaggregation of Revenue*

In the following tables, revenue is disaggregated by primary geographical market, type of revenue, and recurring nature of revenue recognized. The tables also include a reconciliation of the disaggregated revenue with the Company's reportable segments.

**FIDELITY NATIONAL INFORMATION SERVICES, INC.  
AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

For the three months ended June 30, 2019 (in millions):

	Reportable Segments			
	IFS	GFS	Corporate and Other	Total
<b>Primary Geographical Markets:</b>				
North America	\$ 1,135	\$ 463	\$ 55	\$ 1,653
All others	44	402	13	459
<b>Total</b>	<b>\$ 1,179</b>	<b>\$ 865</b>	<b>\$ 68</b>	<b>\$ 2,112</b>
<b>Type of Revenue:</b>				
Processing and services	\$ 947	\$ 463	\$ 57	\$ 1,467
License and software related	99	242	—	341
Professional services	47	156	3	206
Hardware and other	86	4	8	98
<b>Total</b>	<b>\$ 1,179</b>	<b>\$ 865</b>	<b>\$ 68</b>	<b>\$ 2,112</b>
<b>Recurring Nature of Revenue Recognition:</b>				
Recurring fees	\$ 1,029	\$ 617	\$ 57	\$ 1,703
Non-recurring fees	150	248	11	409
<b>Total</b>	<b>\$ 1,179</b>	<b>\$ 865</b>	<b>\$ 68</b>	<b>\$ 2,112</b>

For the six months ended June 30, 2019 (in millions):

	Reportable Segments			
	IFS	GFS	Corporate and Other	Total
<b>Primary Geographical Markets:</b>				
North America	\$ 2,221	\$ 904	\$ 107	\$ 3,232
All others	88	824	25	937
<b>Total</b>	<b>\$ 2,309</b>	<b>\$ 1,728</b>	<b>\$ 132</b>	<b>\$ 4,169</b>
<b>Type of Revenue:</b>				
Processing and services	\$ 1,859	\$ 926	\$ 117	\$ 2,902
License and software related	184	492	—	676
Professional services	88	302	5	395
Hardware and other	178	8	10	196
<b>Total</b>	<b>\$ 2,309</b>	<b>\$ 1,728</b>	<b>\$ 132</b>	<b>\$ 4,169</b>
<b>Recurring Nature of Revenue Recognition:</b>				
Recurring fees	\$ 2,022	\$ 1,235	\$ 117	\$ 3,374
Non-recurring fees	287	493	15	795
<b>Total</b>	<b>\$ 2,309</b>	<b>\$ 1,728</b>	<b>\$ 132</b>	<b>\$ 4,169</b>

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For the three months ended June 30, 2018 (in millions):

	Reportable Segments			
	IFS	GFS	Corporate and Other	Total
<b>Primary Geographical Markets:</b>				
North America	\$ 1,079	\$ 434	\$ 71	\$ 1,584
All others	45	465	12	522
<b>Total</b>	<b>\$ 1,124</b>	<b>\$ 899</b>	<b>\$ 83</b>	<b>\$ 2,106</b>
<b>Type of Revenue:</b>				
Processing and services	\$ 936	\$ 521	\$ 73	\$ 1,530
License and software related	92	228	—	320
Professional services	43	150	2	195
Hardware and other	53	—	8	61
<b>Total</b>	<b>\$ 1,124</b>	<b>\$ 899</b>	<b>\$ 83</b>	<b>\$ 2,106</b>
<b>Recurring Nature of Revenue Recognition:</b>				
Recurring fees	\$ 991	\$ 680	\$ 73	\$ 1,744
Non-recurring fees	133	219	10	362
<b>Total</b>	<b>\$ 1,124</b>	<b>\$ 899</b>	<b>\$ 83</b>	<b>\$ 2,106</b>

For the six months ended June 30, 2018 (in millions):

	Reportable Segments			
	IFS	GFS	Corporate and Other	Total
<b>Primary Geographical Markets:</b>				
North America	\$ 2,096	\$ 886	\$ 135	\$ 3,117
All others	89	940	26	1,055
<b>Total</b>	<b>\$ 2,185</b>	<b>\$ 1,826</b>	<b>\$ 161</b>	<b>\$ 4,172</b>
<b>Type of Revenue:</b>				
Processing and services	\$ 1,831	\$ 1,064	\$ 147	\$ 3,042
License and software related	178	475	1	654
Professional services	80	287	4	371
Hardware and other	96	—	9	105
<b>Total</b>	<b>\$ 2,185</b>	<b>\$ 1,826</b>	<b>\$ 161</b>	<b>\$ 4,172</b>
<b>Recurring Nature of Revenue Recognition:</b>				
Recurring fees	\$ 1,942	\$ 1,379	\$ 148	\$ 3,469
Non-recurring fees	243	447	13	703
<b>Total</b>	<b>\$ 2,185</b>	<b>\$ 1,826</b>	<b>\$ 161</b>	<b>\$ 4,172</b>

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*Contract Balances*

The Company recognized revenue of \$188 million and \$170 million during the three months and \$508 million and \$452 million during the six months ended June 30, 2019 and 2018, respectively, that was included in the corresponding deferred revenue balance at the beginning of the periods.

*Transaction Price Allocated to the Remaining Performance Obligations*

As of June 30, 2019, approximately \$20.0 billion of revenue is estimated to be recognized in the future from the Company's remaining unfulfilled performance obligations, which are primarily comprised of recurring account- and volume-based processing services. This excludes the amount of anticipated recurring renewals not yet contractually obligated. The Company expects to recognize approximately 35% of our remaining performance obligations over the next 12 months, approximately another 25% over the next 13 to 24 months, and the balance thereafter.

**(5) Condensed Consolidated Financial Statement Details**

The following table shows the Company's Condensed Consolidated Financial Statement (Unaudited) details as of June 30, 2019 and December 31, 2018 (in millions):

	June 30, 2019			December 31, 2018		
	Cost	Accumulated depreciation and amortization	Net	Cost	Accumulated depreciation and amortization	Net
Property and equipment	\$ 1,784	\$ 1,243	\$ 541	\$ 1,645	\$ 1,058	\$ 587
Intangible assets	\$ 6,157	\$ 3,294	\$ 2,863	\$ 6,122	\$ 2,990	\$ 3,132
Computer software	\$ 3,230	\$ 1,432	\$ 1,798	\$ 3,103	\$ 1,308	\$ 1,795

The Company entered into other financing obligations of \$1 million and \$0 million during the three months and \$35 million and \$0 million during the six months ended June 30, 2019 and 2018, respectively, for certain computer hardware and software. The assets are included in property and equipment and computer software and the other financing obligations are classified as long-term debt on our Condensed Consolidated Balance Sheets (Unaudited). Periodic payments are included in repayment of borrowings and other financing obligations on the Condensed Consolidated Statements of Cash Flows (Unaudited).

Changes in goodwill during the six months ended June 30, 2019 are summarized as follows (in millions):

	<b>Total</b>
Balance, December 31, 2018	\$ 13,545
Foreign currency adjustments	(3)
Balance, June 30, 2019	<u>\$ 13,542</u>

As of June 30, 2019, intangible assets, net of amortization, includes \$2,779 million of customer relationships and other amortizable intangible assets, \$41 million of finite-lived trademarks, as well as \$43 million of non-amortizable indefinite-lived trademarks. Amortization expense with respect to these intangible assets was \$158 million and \$169 million for the three months and \$314 million and \$336 million during the six months ended June 30, 2019 and 2018, respectively.

*Settlement Activity*

We manage certain integrated electronic payment services and programs and wealth management processes for our clients that require us to hold and manage client cash balances used to fund their daily settlement activity. Settlement deposits represent funds we hold that were drawn from our clients to facilitate settlement activities. Settlement receivables represent amounts funded by us. Settlement payables consist of settlement deposits from clients, settlement payables to third parties, and

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outstanding checks related to our settlement activities for which the right of offset does not exist or we do not intend to exercise our right of offset. Our accounting policy for such outstanding checks is to include them in settlement payables on the Condensed Consolidated Balance Sheets (Unaudited) and operating cash flows on the Condensed Consolidated Statements of Cash Flows (Unaudited).

**(6) Deferred Contract Costs**

Origination and fulfillment costs from contracts with customers capitalized as of June 30, 2019 and December 31, 2018 consisted of the following (in millions):

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Contract costs on implementations in progress	\$ 103	\$ 93
Incremental contract origination costs on completed implementations, net	290	219
Contract fulfillment costs on completed implementations, net	168	163
Total deferred contract costs, net	<u>\$ 561</u>	<u>\$ 475</u>

Amortization of deferred contract costs on completed implementations was \$44 million and \$30 million during the three months and \$87 million and \$58 million during the six months ended June 30, 2019 and 2018, respectively, and there were no impairment losses in relation to the costs capitalized for the period presented.

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**(7) Debt**

Long-term debt as of June 30, 2019 and December 31, 2018, consisted of the following (in millions):

	June 30, 2019	December 31, 2018
Senior Notes due October 2020, interest payable semi-annually at 3.625% ("2020 Notes")	\$ 1,150	\$ 1,150
Senior Euro Notes due January 2021, interest payable annually at 0.400% ("2021 Euro Notes")	569	572
Senior Euro Floating Rate Notes due May 2021, interest payable quarterly ("Floating Rate Notes") (1)	569	—
Senior Euro Notes due May 2021, interest payable annually at 0.125% ("May 2021 Euro Notes")	569	—
Senior Notes due August 2021, interest payable semi-annually at 2.250% ("2021 Notes")	750	750
Senior GBP Notes due June 2022, interest payable annually at 1.700% ("2022 GBP Notes")	381	382
Senior Notes due October 2022, interest payable semi-annually at 4.500% ("2022 Notes")	300	300
Senior Notes due April 2023, interest payable semi-annually at 3.500% ("2023 Notes")	700	700
Senior Euro Notes due May 2023, interest payable annually at 0.750% ("2023 Euro Notes")	1,421	—
Senior Notes due June 2024, interest payable semi-annually at 3.875% ("2024 Notes")	400	400
Senior Euro Notes due July 2024, interest payable annually at 1.100% ("2024 Euro Notes")	569	572
Senior GBP Notes due May 2025, interest payable annually at 2.602% ("2025 GBP Notes")	794	—
Senior Notes due October 2025, interest payable semi-annually at 5.000% ("2025 Notes")	900	900
Senior Notes due August 2026, interest payable semi-annually at 3.000% ("2026 Notes")	1,250	1,250
Senior Euro Notes due May 2027, interest payable annually at 1.500% ("2027 Euro Notes")	1,421	—
Senior Notes due May 2028, interest payable semi-annually at 4.250% ("2028 Notes")	400	400
Senior Notes due May 2029, interest payable semi-annually at 3.750% ("2029 Notes")	1,000	—
Senior Euro Notes due May 2030, interest payable annually at 2.000% ("2030 Euro Notes")	1,137	—
Senior GBP Notes due May 2031, interest payable annually at 3.360% ("2031 GBP Notes")	794	—
Senior Euro Notes due May 2039, interest payable annually at 2.950% ("2039 Euro Notes")	569	—
Senior Notes due August 2046, interest payable semi-annually at 4.500% ("2046 Notes")	500	500
Senior Notes due May 2048, interest payable semi-annually at 4.750% ("2048 Notes")	600	600
Revolving Credit Facility (2)	—	208
Other	(8)	34
	<u>16,735</u>	<u>8,718</u>
Current portion of long-term debt	(53)	(48)
Long-term debt, excluding current portion	<u>\$ 16,682</u>	<u>\$ 8,670</u>

(1) As of June 30, 2019, the weighted-average interest rate of the Floating Rate Notes was 0.09%.

(2) Interest on the Revolving Credit Facility is generally payable at LIBOR plus an applicable margin of up to 1.625% plus an unused commitment fee of up to 0.225%, each based upon the Company's corporate credit ratings.

On May 21, 2019, FIS completed the issuance and sale of Euro- and Pound Sterling-denominated senior notes, consisting of €500 million in aggregate principal amount of Floating Rate Senior Notes due 2021 (the "Floating Rate Notes"), €500 million in aggregate principal amount of 0.125% Senior Notes due 2021 (the "2021 Euro Notes"), €1.25 billion in aggregate principal amount of 0.750% Senior Notes due 2023 (the "2023 Euro Notes"), €1.25 billion in aggregate principal amount of 1.500% Senior Notes due 2027 (the "2027 Euro Notes"), €1 billion in aggregate principal amount of 2.000% Senior Notes due 2030 (the "2030 Euro Notes"), €500 million in aggregate principal amount of 2.950% Senior Notes due 2039 (the "2039 Euro Notes"), £625 million of 2.602% Senior Notes due 2025 (the "2025 GBP Notes"), and £625 million of 3.360% Senior Notes due 2031 (the "2031 GBP Notes"). Also on May 21, 2019, FIS completed the issuance and sale of U.S. Dollar-denominated senior notes, consisting of \$1.0 billion in aggregate principal amount of 3.750% Senior Notes due 2029 (the "2029 Notes"). The proceeds of the debt issuances were subsequently used to pay the cash portion of the purchase price and certain of the costs and expenses of the Worldpay transaction and to repay the outstanding Worldpay bank debt and notes.



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On May 29, 2019, FIS established a Euro-commercial paper program (the “ECP”) for the issuance and sale of senior, unsecured commercial paper notes (the “ECP Notes”), up to a maximum aggregate amount outstanding at any time of \$4.7 billion (or its equivalent in other currencies). The ECP Notes will have maturities of up to 183 days from the date of issue. As of June 30, 2019, the outstanding principal balance of the ECP was \$1.5 billion, recorded as short-term borrowings on the Condensed Consolidated Balance Sheet (Unaudited). The weighted-average interest rate on the ECP Notes was (0.19)% as of June 30, 2019, resulting in an offset to Interest expense, net. Subsequent to June 30, 2019, and prior to the closing of the Worldpay transaction, FIS issued an additional \$1.4 billion in ECP Notes. As of July 31, 2019, the outstanding principal balance of the ECP was \$2.9 billion, with a weighted-average interest rate of (0.15)%, which will result in an offset to Interest expense, net. The proceeds of the ECP Notes were used to pay for certain of the costs and expenses of the Worldpay transaction and will also be used for general corporate purposes.

During March 2019, concurrent with the execution of the Worldpay merger agreement (see Note 3), FIS secured \$9.5 billion of bridge financing commitments to ensure our ability to fund the cash requirements related to the Worldpay transaction. The bridge financing commitments were terminated in full in May 2019 following the (a) amendment of the Restated Credit Agreement to modify certain provisions and covenants of the Revolving Credit Facility and (b) the issuance of the senior notes discussed above.

On December 21, 2018, FIS entered into an interest rate swap that effectively converted the 2024 Euro Notes from a fixed-rate to a floating rate debt obligation. This derivative instrument was designated as a fair value hedge of the debt obligation. The fair value of the interest rate swap was \$14 million at June 30, 2019, reflected as an increase in the hedged debt balance.

On September 21, 2018, FIS established a U.S. commercial paper program (the “USCP”) for the issuance and sale of senior, unsecured commercial paper notes (the “USCP Notes”), up to a maximum aggregate amount outstanding at any time of \$4.0 billion. On May 29, 2019, FIS increased the capacity on the USCP from \$4 billion to \$5.5 billion. The USCP Notes have maturities of up to 397 days from the date of issue. As of June 30, 2019 and December 31, 2018, the outstanding principal balance of the USCP was \$0 million and \$250 million, respectively, recorded as short-term borrowings on the Condensed Consolidated Balance Sheets (Unaudited).

On September 21, 2018, FIS entered into a Seventh Amendment and Restatement Agreement (“Credit Facility Agreement”), which amended and restated FIS’ existing credit agreement (as amended, the “Restated Credit Agreement”). The Credit Facility Agreement increased the revolving credit commitments outstanding under the Revolving Credit Facility (“Revolving Credit Facility”) existing under the Restated Credit Agreement from \$3.0 billion to \$4.0 billion and extended the term of the Restated Credit Agreement to September 21, 2023. On May 29, 2019, FIS entered into an amendment to the Restated Credit Agreement to increase the revolving credit commitments outstanding under the Revolving Credit Facility from \$4.0 billion to \$5.5 billion. Borrowing under the Revolving Credit Facility will generally be used for general corporate purposes, including backstopping any notes that FIS may issue under the USCP and ECP described above. As of June 30, 2019, the outstanding principal balance of the Revolving Credit Facility was \$0 million, with \$5,497 million of borrowing capacity remaining thereunder (net of \$3 million in outstanding letters of credit issued under the Revolving Credit Facility).

The obligations of FIS under the Revolving Credit Facility, USCP, ECP, and under all of its outstanding senior notes rank equal in priority and are unsecured. The Revolving Credit Facility and the senior notes are subject to customary covenants, including, among others, customary events of default, and for the Revolving Credit Facility, a provision allowing for financing related to the acquisition of Worldpay and limitations on the payment of dividends by FIS.

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The following summarizes the aggregate maturities of our long-term debt and other financing obligations based on stated contractual maturities, excluding the fair value of the interest rate swap and net unamortized non-cash bond premiums and discounts of \$33 million, as of June 30, 2019 (in millions):

	<b>Total</b>
2019 remaining period	\$ 26
2020	1,198
2021	2,502
2022	692
2023	2,130
Thereafter	10,334
Total principal payments	16,882
Debt issuance costs, net of accumulated amortization	(114)
Total long-term debt	\$ 16,768

There are no mandatory principal payments on the Revolving Credit Facility and any balance outstanding on the Revolving Credit Facility will be due and payable at its scheduled maturity date, which occurs at September 21, 2023.

FIS may redeem the 2020 Notes, 2021 Euro Notes, May 2021 Euro Notes, 2021 Notes, 2022 GBP Notes, 2022 Notes, 2023 Notes, 2023 Euro Notes, 2024 Notes, 2024 Euro Notes, 2025 GBP Notes, 2025 Notes, 2026 Notes, 2027 Euro Notes, 2028 Notes, 2029 Notes, 2030 Euro Notes, 2031 GBP Notes, 2039 Euro Notes, 2046 Notes and 2048 Notes at its option in whole or in part, at any time and from time to time, at a redemption price equal to the greater of 100% of the principal amount to be redeemed and a make-whole amount calculated as described in the related indenture in each case plus accrued and unpaid interest to, but excluding, the date of redemption, provided no make-whole amount will be paid for redemptions of the 2020 Notes, the 2021 Euro Notes, the May 2021 Euro Notes, the 2021 Notes, the 2022 GBP Notes and the 2023 Euro Notes during the one month prior to their maturity, the 2022 Notes during the two months prior to their maturity, the 2023 Notes, the 2024 Notes, the 2024 Euro Notes, the 2025 GBP Notes, the 2025 Notes, the 2026 Notes, the 2027 Euro Notes, the 2028 Notes, the 2029 Notes, the 2030 Euro Notes, the 2031 GBP Notes and the 2039 Euro Notes during the three months prior to their maturity, and the 2046 Notes and 2048 Notes during the six months prior to their maturity.

Debt issuance costs of \$114 million, net of accumulated amortization, remain capitalized as of June 30, 2019, related to all of the above outstanding debt.

We monitor the financial stability of our counterparties on an ongoing basis. The lender commitments under the undrawn portions of the Revolving Credit Facility are comprised of a diversified set of financial institutions, both domestic and international. The failure of any single lender to perform its obligations under the Revolving Credit Facility would not adversely impact our ability to fund operations.

The fair value of the Company's long-term debt is estimated to be approximately \$759 million higher than the carrying value excluding the fair value of the interest rate swap and unamortized discounts as of June 30, 2019. This estimate is based on quoted prices of our senior notes and trades of our other debt in close proximity to June 30, 2019, which are considered Level 2-type measurements. This estimate is subjective in nature and involves uncertainties and significant judgment in the interpretation of current market data. Therefore, the values presented are not necessarily indicative of amounts the Company could realize or settle currently.

## **(8) Financial Instruments**

### *Forward Contracts*

During the second quarter of 2019, the Company entered into foreign currency forward exchange contracts to reduce the volatility in the Company's cash flows due to foreign exchange rate fluctuations during the period leading up to the Company's Euro- and Pound Sterling-denominated debt issuances related to the Worldpay transaction (see Note 7 for further discussion of

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these debt issuances). For the quarter ended June 30, 2019, these derivatives resulted in a net pre-tax loss of \$15 million recorded as Other income (expense), net on the Company's Condensed Consolidated Statement of Earnings (Unaudited). Settlement cash flows related to these derivatives were recorded as Other financing activities, net on the Condensed Consolidated Statement of Cash Flows (Unaudited). The Company had foreign currency forward exchange contracts outstanding at June 30, 2019, with a net fair value of \$14 million recorded as a liability on the Condensed Consolidated Balance Sheet (Unaudited) related to €1.5 billion in note issuances under the ECP. These contracts were subsequently settled on July 31, 2019, resulting in a \$1 million net pre-tax gain recorded during the third quarter of 2019. As of December 31, 2018, the Company had no significant forward contracts outstanding.

#### *Cash Flow Hedges*

During the second quarter of 2019, the Company entered into treasury lock and forward-starting interest rate swap contracts with total notional amounts of €1.5 billion, £500 million, and \$500 million to reduce the volatility in the Company's cash flows due to changes in the benchmark interest rates during the period leading up to the Company's fixed-rate debt issuances related to the Worldpay transaction (see Note 7 for further discussion of these debt issuances). The Company designated these derivatives as cash flow hedges for accounting purposes. During May 2019, in conjunction with the debt issuances, the Company terminated these contracts for an aggregate cash settlement payment of \$17 million, which was recorded as a component of Other comprehensive earnings on the Condensed Consolidated Statement of Comprehensive Earnings (Unaudited). The amounts in Other comprehensive earnings are reclassified as an adjustment to interest expense on the Condensed Consolidated Statement of Earnings (Unaudited) over the respective periods during which the related interest payments that were hedged are recognized in income, which range from four to 12 years. Settlement cash flows related to these contracts were recorded as Other financing activities, net on the Condensed Consolidated Statement of Cash Flows (Unaudited). As of June 30, 2019, and December 31, 2018, the Company had no outstanding cash flow hedge contracts.

#### *Fair Value Hedge*

During the fourth quarter of 2018, the Company entered into an interest rate swap with a €500 million notional value converting the interest rate exposure on the Company's 2024 Euro Notes from fixed to variable. The Company designated this interest rate swap as a fair value hedge for accounting purposes. The fair value of the interest rate swap was a \$14 million asset at June 30, 2019, reflected as an increase in the hedged debt balance (see Note 7).

#### *Net Investment Hedges*

During the fourth quarter of 2018, the Company entered into cross-currency interest rate swaps with an aggregate notional amount of \$716 million, which were designated as net investment hedges of its investment in Euro- and Pound Sterling-denominated operations. The fair value of the cross-currency interest rate swaps was a net \$10 million asset at June 30, 2019.

During the third quarter of 2017, the Company designated its 2021 Euro Notes (€500 million) and 2024 Euro Notes (€500 million) and 2022 GBP Notes (£300 million) as net investment hedges of its investment in Euro- and Pound Sterling-denominated operations, respectively.

The purpose of the Company's net investment hedges is to reduce the volatility of FIS' net investment value in its Euro- and Pound Sterling-denominated operations due to changes in foreign currency exchange rates.

The Company recorded net investment hedge aggregate gain (loss), net of tax, for the change in fair value as Foreign currency translation adjustments within Other comprehensive earnings on the Condensed Consolidated Statement of Comprehensive Earnings (Unaudited) of \$6 million and \$67 million, during the three months and \$13 million and \$28 million during the six months ended June 30, 2019 and 2018, respectively. No ineffectiveness was recorded on the net investment hedges.

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**(9) Operating Leases**

The classification of the Company's operating lease ROU assets and liabilities in the Condensed Consolidated Balance Sheet (Unaudited) as of June 30, 2019 was as follows (in millions):

	<u>Classification</u>	<u>June 30, 2019</u>
Operating lease ROU assets	Other noncurrent assets	\$ 419
Operating lease liabilities	Accounts payable, accrued and other liabilities	\$ 105
	Other long-term liabilities	321
Total operating lease liabilities		<u>\$ 426</u>

Operating lease cost was \$33 million and variable lease cost was \$8 million for the three months and \$64 million and \$15 million for the six months ended June 30, 2019 respectively. Cash paid for amounts included in the measurement of operating lease liabilities included in operating cash flows was \$61 million for the six months ended June 30, 2019. Operating lease ROU assets obtained in exchange for operating lease liabilities was \$37 million for the six months ended June 30, 2019. The weighted average remaining operating lease term was 5.4 years and the weighted average operating lease discount rate was 3.7% as of June 30, 2019.

Maturities of operating lease liabilities, as of June 30, 2019 were as follows (in millions):

2019 remaining period	\$ 58
2020	111
2021	88
2022	60
2023	45
Thereafter	108
Total lease payments	<u>470</u>
Less: Imputed interest	(44)
Total operating lease liabilities	<u>\$ 426</u>

Aggregate future minimum operating lease payments for each of the years in the five years ending December 31, 2023, and thereafter, as of December 31, 2018 consisted of the following (in millions):

2019	\$ 121
2020	104
2021	80
2022	51
2023	38
Thereafter	86
Total	<u>\$ 480</u>

**(10) Commitments and Contingencies**

*Reliance Trust Claims*

Reliance Trust Company ("Reliance"), the Company's subsidiary, is named as a defendant in a class action arising out of its provision of services as the discretionary trustee for a 401(k) Plan (the "Plan") for one of its customers. Plaintiffs in the

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action seek damages and attorneys' fees, as well as equitable relief, on behalf of Plan participants for alleged breaches of fiduciary duty under the Employee Retirement Income Security Act of 1974 against Reliance and the Plan's sponsor and record-keeper. Reliance is vigorously defending the action and believes that it has meritorious defenses. Pre-trial discovery has now been completed. Reliance contends that no breaches of fiduciary duty or prohibited transactions occurred and that the Plan suffered no damages. Plaintiffs allege damages of approximately \$115 million against all defendants. While we are unable at this time to estimate more precisely the potential loss or range of loss because of unresolved questions of fact and law, we believe that the ultimate resolution of the matter will not have a material impact on our financial condition. We do not believe a liability for this action is probable and, therefore, have not recorded a liability for this action.

#### *Brazilian Tax Authorities Claims*

In 2004, Proservvi Empreendimentos e Servicos, Ltda., the predecessor to Fidelity National Servicos de Tratamento de Documentos e Informatica Ltda. ("Servicos"), a subsidiary of Fidelity National Participacoes Ltda., our former item processing and remittance services operation in Brazil, acquired certain assets and employees and leased certain facilities from the Transpev Group ("Transpev") in Brazil. Transpev's remaining assets were later acquired by Prosegur, an unrelated third party. When Transpev discontinued its operations after the asset sale to Prosegur, it had unpaid federal taxes and social contributions owing to the Brazilian tax authorities. The Brazilian tax authorities brought a claim against Transpev and beginning in 2012 brought claims against Prosegur and Servicos on the grounds that Prosegur and Servicos were successors in interest to Transpev. To date, the Brazilian tax authorities filed 13 claims against Servicos asserting potential tax liabilities of approximately \$14 million. There are potentially 25 additional claims against Transpev/Prosegur for which Servicos is named as a co-defendant or may be named, but for which Servicos has not yet been served. These additional claims amount to approximately \$50 million making the total potential exposure for all 38 claims approximately \$64 million. We do not believe a liability for these 38 total claims is probable and, therefore, have not recorded a liability for any of these claims.

#### *Acquired Contingencies (SunGard)*

FIS and certain of its wholly owned subsidiaries acquired SunGard and SunGard Capital Corp. II (collectively, "SunGard") on November 30, 2015 (the "SunGard acquisition"). As part of the SunGard acquisition, the Company became responsible for certain contingencies that were assumed. The Condensed Consolidated Balance Sheet (Unaudited) as of June 30, 2019 includes a liability of \$46 million largely related to tax compliance matters.

#### *Indemnifications and Warranties*

The Company generally indemnifies its clients, subject to certain limitations and exceptions, against damages and costs resulting from claims of patent, copyright, or trademark infringement associated solely with its customers' use of the Company's software applications or services. Historically, the Company has not made any material payments under such indemnifications, but continues to monitor the conditions that are subject to the indemnifications to identify whether it is probable that a loss has occurred, and would recognize any such losses when they are estimable. In addition, the Company warrants to customers that its software operates substantially in accordance with the software specifications. Historically, no material costs have been incurred related to software warranties and no accruals for warranty costs have been made.

### **(11) Related Party Transactions**

#### *Cardinal Holdings*

FIS holds a 38% ownership stake in Cardinal Holdings, L.P. ("Cardinal") as of June 30, 2019 and December 31, 2018. The ownership stake in Cardinal is recorded as an equity method investment included within other noncurrent assets on the Condensed Consolidated Balance Sheet (Unaudited). The carrying value of this equity method investment as of June 30, 2019 and December 31, 2018 was \$137 million and \$151 million, respectively.

On July 31, 2017, upon closing on the sale of the Capco consulting business and risk and compliance consulting business, FIS and Cardinal entered into a short-term Transition Services Agreement ("TSA"), whereby FIS provided various agreed upon services to Cardinal in 2018. FIS provides ongoing management consulting services and other services to Cardinal. Amounts transacted through these agreements were not significant to the 2019 and 2018 periods presented.

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*Brazilian Venture*

The Company operated the Brazilian Venture with Banco Bradesco, in which FIS owned a 51% controlling interest through December 31, 2018, and provided comprehensive, fully-outsourced transaction processing, call center, cardholder support and collection services to multiple card issuing clients in Brazil, including Banco Bradesco. FIS closed a transaction with Banco Bradesco on December 31, 2018 to unwind the Brazilian Venture pursuant to an agreement entered into September 28, 2018. As a result, Banco Bradesco was a related party through December 31, 2018. The Company recorded related party revenue of \$80 million and \$167 million during the three and six months ended June 30, 2018 from Banco Bradesco.

**(12) Net Earnings per Share**

The basic weighted average shares and common stock equivalents for the three and six months ended June 30, 2019 and 2018 are computed using the treasury stock method.

The following table summarizes net earnings and net earnings per share attributable to FIS common stockholders for the three and six months ended June 30, 2019 and 2018 (in millions, except per share amounts):

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Net earnings attributable to FIS common stockholders	\$ 154	\$ 212	\$ 302	\$ 394
Weighted average shares outstanding — basic	324	329	323	329
Plus: Common stock equivalent shares	3	4	4	5
Weighted average shares outstanding — diluted	327	333	327	334
Net earnings per share — basic attributable to FIS common stockholders	\$ 0.48	\$ 0.64	\$ 0.93	\$ 1.20
Net earnings per share — diluted attributable to FIS common stockholders	\$ 0.47	\$ 0.64	\$ 0.92	\$ 1.18

Options to purchase approximately 1 million and 1 million shares of our common stock for the three months and 1 million and 1 million for the six months ended June 30, 2019 and 2018, respectively, were not included in the computation of diluted earnings per share because they were anti-dilutive.

On July 20, 2017 our Board of Directors approved a plan authorizing repurchases of up to \$4.0 billion of our outstanding common stock in the open market at prevailing market prices or in privately negotiated transactions through December 31, 2020. This share repurchase authorization replaced any existing share repurchase authorization.

**(13) Segment Information**

*Integrated Financial Solutions ("IFS")*

The IFS segment is focused primarily on serving North American clients for transaction and account processing, payment solutions, channel solutions, lending and wealth and retirement solutions, corporate liquidity, digital channels, risk and compliance solutions, and services, capitalizing on the continuing trend to outsource these solutions. Clients in this segment include regional and community banks, credit unions and commercial lenders, as well as government institutions, merchants and other commercial organizations. IFS' primary software applications function as the underlying infrastructure of a financial institution's processing environment. These applications include core bank processing software, which banks use to maintain the primary records of their customer accounts, and complementary applications and services that interact directly with the core processing applications. These markets are primarily served through integrated solutions and characterized by multi-year processing contracts that generate highly recurring revenue. The predictable nature of cash flows generated from this segment provides opportunities for further investments in innovation, integration, information and security, and compliance in a cost

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effective manner. The business solutions in this segment included the Reliance Trust Company of Delaware business through its divestiture on December 31, 2018.

*Global Financial Solutions ("GFS")*

The GFS segment is focused on serving the largest global financial institutions and/or international financial institutions with a broad array of capital markets and asset management and insurance solutions, as well as banking and payments solutions.

GFS clients include the largest global financial institutions, including those headquartered in the United States, as well as all international financial institutions we serve as clients in more than 130 countries around the world, and asset managers, buy- and sell-side securities and trading firms, insurers and private equity firms. These institutions face unique business and regulatory challenges and account for the majority of financial institution information technology spend globally. The purchasing patterns of GFS clients vary from those of IFS clients who typically purchase solutions on an outsourced basis. GFS clients purchase our solutions and services in various ways including licensing and managing technology "in-house," using consulting and third-party service providers as well as fully outsourced end-to-end solutions. We have long-established relationships with many of these financial institutions that generate significant recurring revenue. The business solutions in this segment included the Company's Brazilian Venture business divested as part of the joint venture unwinding transaction through December 31, 2018.

*Corporate and Other*

The Corporate and Other segment consists of corporate overhead expense, certain leveraged functions and miscellaneous expenses that are not included in the operating segments as well as certain non-strategic businesses. At June 30, 2019, the only business unit remaining in this segment is the Global Commercial Services business, as the non-strategic businesses were divested. In particular, the Certegy Check Services business unit in North America was divested on August 31, 2018. The overhead and leveraged costs relate to marketing, corporate finance and accounting, human resources, legal, and amortization of acquisition-related intangibles and other costs that are not considered when management evaluates revenue-generating segment performance, such as acquisition, integration and certain other costs. The Corporate and Other segment also includes the impact on revenue for the three and six months ended June 30, 2018 of adjusting deferred revenue from the SunGard acquisition to fair value.

During the three and six months ended June 30, 2019, the Company recorded acquisition and integration costs primarily related to the Worldpay transaction, and certain other costs including those associated with data center consolidation activities of \$17 million and \$25 million, respectively. During the three and six months ended June 30, 2018, the Company recorded acquisition, integration and certain other costs primarily related to the SunGard acquisition of \$49 million and \$106 million, respectively.

*Adjusted EBITDA*

This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with FASB ASC Topic 280, *Segment Reporting*. Adjusted EBITDA is defined as EBITDA (defined as net earnings (loss) before net interest expense, income tax provision (benefit) and depreciation and amortization) plus certain non-operating items. The non-operating items affecting the segment profit measure generally include acquisition accounting adjustments and acquisition, integration and certain other costs. For consolidated reporting purposes, these costs and adjustments are recorded in the Corporate and Other segment for the periods discussed below. Adjusted EBITDA for the respective segments excludes the foregoing costs and adjustments.

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Summarized financial information for the Company's segments is shown in the following tables.

As of and for the three months ended June 30, 2019 (in millions):

	IFS	GFS	Corporate and Other	Total
Revenue	\$ 1,179	\$ 865	\$ 68	\$ 2,112
Operating expenses	739	636	346	1,721
Depreciation and amortization	95	83	190	368
EBITDA	535	312	(88)	759
Acquisition, integration and other costs	—	—	35	35
Adjusted EBITDA	<u>\$ 535</u>	<u>\$ 312</u>	<u>\$ (53)</u>	<u>\$ 794</u>
EBITDA				\$ 759
Interest expense, net				72
Depreciation and amortization				368
Other income (expense) unallocated				(124)
Provision (benefit) for income taxes				40
Net earnings attributable to noncontrolling interest				1
Net earnings attributable to FIS common stockholders				<u>\$ 154</u>
Capital expenditures (1)	<u>\$ 73</u>	<u>\$ 62</u>	<u>\$ 6</u>	<u>\$ 141</u>
Total assets	<u>\$ 10,824</u>	<u>\$ 8,349</u>	<u>\$ 13,686</u>	<u>\$ 32,859</u>
Goodwill	<u>\$ 7,648</u>	<u>\$ 5,767</u>	<u>\$ 127</u>	<u>\$ 13,542</u>

(1) Capital expenditures for the three months ended June 30, 2019 include \$1 million in other financing obligations for certain hardware and software.

As of and for the three months ended June 30, 2018 (in millions):

	IFS	GFS	Corporate and Other	Total
Revenue	\$ 1,124	\$ 899	\$ 83	\$ 2,106
Operating expenses	719	655	379	1,753
Depreciation and amortization	87	70	197	354
EBITDA	492	314	(99)	707
Acquisition deferred revenue adjustment	—	—	1	1
Acquisition, integration and other costs	—	—	49	49
Adjusted EBITDA	<u>\$ 492</u>	<u>\$ 314</u>	<u>\$ (49)</u>	<u>\$ 757</u>
EBITDA				\$ 707
Interest expense, net				73
Depreciation and amortization				354
Other income (expense) unallocated				(11)
Provision (benefit) for income taxes				51
Net earnings attributable to noncontrolling interest				6
Net earnings attributable to FIS common stockholders				<u>\$ 212</u>
Capital expenditures	<u>\$ 76</u>	<u>\$ 64</u>	<u>\$ 4</u>	<u>\$ 144</u>
Total assets (1)	<u>\$ 10,570</u>	<u>\$ 8,118</u>	<u>\$ 5,180</u>	<u>\$ 23,868</u>
Goodwill	<u>\$ 7,662</u>	<u>\$ 5,834</u>	<u>\$ 170</u>	<u>\$ 13,666</u>



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As of and for the six months ended June 30, 2019 (in millions):

	IFS	GFS	Corporate and Other	Total
Revenue	\$ 2,309	\$ 1,728	\$ 132	\$ 4,169
Operating expenses	1,468	1,271	724	3,463
Depreciation and amortization	192	164	380	736
EBITDA	1,033	621	(212)	1,442
Acquisition, integration and other costs	—	—	81	81
Adjusted EBITDA	<u>\$ 1,033</u>	<u>\$ 621</u>	<u>\$ (131)</u>	<u>\$ 1,523</u>
EBITDA				\$ 1,442
Interest expense, net				147
Depreciation and amortization				736
Other income (expense) unallocated				(183)
Provision (benefit) for income taxes				72
Net earnings attributable to noncontrolling interest				2
Net earnings attributable to FIS common stockholders				<u>\$ 302</u>
Capital expenditures (1)	<u>\$ 168</u>	<u>\$ 142</u>	<u>\$ 10</u>	<u>\$ 320</u>

(1) Capital expenditures for the six months ended June 30, 2019 include \$35 million in other financing obligations for certain hardware and software.

As of and for the six months ended June 30, 2018 (in millions):

	IFS	GFS	Corporate and Other	Total
Revenue	\$ 2,185	\$ 1,826	\$ 161	\$ 4,172
Operating expenses	1,414	1,345	766	3,525
Depreciation and amortization	172	137	397	706
EBITDA	943	618	(208)	1,353
Acquisition deferred revenue adjustment	—	—	3	3
Acquisition, integration and other costs	—	—	106	106
Adjusted EBITDA	<u>\$ 943</u>	<u>\$ 618</u>	<u>\$ (99)</u>	<u>\$ 1,462</u>
EBITDA				\$ 1,353
Interest expense, net				144
Depreciation and amortization				706
Other income (expense) unallocated				(10)
Provision (benefit) for income taxes				85
Net earnings attributable to noncontrolling interest				14
Net earnings attributable to FIS common stockholders				<u>\$ 394</u>
Capital expenditures	<u>\$ 175</u>	<u>\$ 135</u>	<u>\$ 6</u>	<u>\$ 316</u>

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless stated otherwise or the context otherwise requires, all references to "FIS," "we," the "Company" or the "registrant" are to Fidelity National Information Services, Inc., a Georgia corporation, and its subsidiaries.

The following discussion should be read in conjunction with **Item 1: Condensed Consolidated Financial Statements (Unaudited)** and the Notes thereto included elsewhere in this report. The statements contained in this Form 10-Q or in our other documents or in oral presentations or other statements made by our management that are not purely historical are forward-looking statements within the meaning of the U.S. federal securities laws. Statements that are not historical facts, including statements about anticipated financial outcomes, including any earnings guidance of the Company, business and market conditions, outlook, foreign currency exchange rates, expected dividends and share repurchases, the Company's sales pipeline and anticipated profitability and growth, as well as other statements about our expectations, beliefs, intentions, or strategies regarding the future are forward-looking statements. These statements relate to future events and our future results and involve a number of risks and uncertainties. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Any statements that refer to beliefs, expectations, projections or other characterizations of future events or circumstances and other statements that are not historical facts are forward-looking statements. In many cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," or "continue," or the negative of these terms and other comparable terminology.

Actual results, performance or achievement could differ materially from those contained in these forward-looking statements. The risks and uncertainties that forward-looking statements are subject to include the following without limitation:

- the risk that the Worldpay transaction will not provide the expected benefits, or that we will not be able to achieve the cost or revenue synergies anticipated;
- the risk that the integration of FIS and Worldpay will be more difficult, time-consuming or expensive than anticipated;
- the risk of customer loss or other business disruption in connection with the Worldpay transaction, or of the loss of key employees;
- the fact that unforeseen liabilities of FIS or Worldpay may exist;
- the risk that acquired businesses will not be integrated successfully, or that the integration will be more costly or more time-consuming and complex than anticipated;
- the risk that cost savings and other synergies anticipated to be realized from acquisitions may not be fully realized or may take longer to realize than expected;
- the risks of doing business internationally;
- changes in general economic, business and political conditions, including the possibility of intensified international hostilities, acts of terrorism, changes in either or both the United States and international lending, capital and financial markets and currency fluctuations;
- the effect of legislative initiatives or proposals, statutory changes, governmental or other applicable regulations and/or changes in industry requirements, including privacy and cybersecurity laws and regulations;
- the risks of reduction in revenue from the elimination of existing and potential customers due to consolidation in, or new laws or regulations affecting, the banking, retail and financial services industries or due to financial failures or other setbacks suffered by firms in those industries;
- changes in the growth rates of the markets for our solutions;
- failures to adapt our solutions to changes in technology or in the marketplace;
- internal or external security breaches of our systems, including those relating to unauthorized access, theft, corruption or loss of personal information and computer viruses and other malware affecting our software or platforms, and the reactions of customers, card associations, government regulators and others to any such events;
- the risk that implementation of software (including software updates) for customers or at customer locations or employee error in monitoring our software and platforms may result in the corruption or loss of data or customer information, interruption of business operations, outages, exposure to liability claims or loss of customers;
- the reaction of current and potential customers to communications from us or regulators regarding information security, risk management, internal audit or other matters;
- competitive pressures on pricing related to the decreasing number of community banks in the U.S., the development of new disruptive technologies competing with one or more of our solutions, increasing presence of international competitors in the U.S. market and the entry into the market by global banks and global companies with respect to certain competitive solutions, each of which may have the impact of unbundling individual solutions from a comprehensive suite of solutions we provide to many of our customers;

- the failure to innovate in order to keep up with new emerging technologies, which could impact our solutions and our ability to attract new, or retain existing, customers;
- the failure to meet financial goals to grow the business in Brazil after the unwinding of the Brazilian Venture;
- the risks of reduction in revenue from the loss of existing and/or potential customers in Brazil after the unwinding of the Brazilian Venture;
- an operational or natural disaster at one of our major operations centers;
- failure to comply with applicable requirements of payment networks or card schemes or changes in those requirements;
- fraud by merchants or bad actors; and
- other risks detailed in this document under Part II Item 1A. Risk Factors, and in the Risk Factors and other sections of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and in our other filings with the Securities and Exchange Commission.

Other unknown or unpredictable factors also could have a material adverse effect on our business, financial condition, results of operations and prospects. Accordingly, readers should not place undue reliance on these forward-looking statements. These forward-looking statements are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Except as required by applicable law or regulation, we do not undertake (and expressly disclaim) any obligation and do not intend to publicly update or review any of these forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the possibility that actual results may differ materially from our forward-looking statements.

## Overview

FIS is a global leader in financial services technology, providing solutions and services to clients in the retail and institutional banking, payments, capital markets, asset management, and wealth and retirement markets. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 47,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of the Standard & Poor's 500® Index.

We have grown organically, as well as through acquisitions, which have contributed critical applications and services that complement or enhance our existing offerings, diversifying our revenue by customer, geography and service offering. We evaluate possible acquisitions that might contribute to our growth or performance on an ongoing basis.

On March 17, 2019, FIS entered into a merger agreement to acquire Worldpay. On July 31, 2019, FIS completed the acquisition of Worldpay. See Note 3 to the Notes to Condensed Consolidated Financial Statements (Unaudited) for additional discussion. Through its acquisition of Worldpay, FIS is now a global leader in technology, solutions and services for merchants, as well as banks and capital markets. The Worldpay acquisition brings an integrated technology platform with a comprehensive suite of products and services serving merchants and financial institutions. Worldpay processed over 40 billion transactions annually, supporting more than 300 payment types across 146 countries and 126 currencies. Through the Worldpay transaction, FIS will have enhanced global payment capabilities, robust risk and fraud solutions and advanced data analytics.

FIS reports its financial performance based on three segments: Integrated Financial Solutions ("IFS"), Global Financial Solutions ("GFS") and Corporate and Other. A description of these segments is included in Note 13 to the Notes to Condensed Consolidated Financial Statements (Unaudited). Revenue by segment and the adjusted EBITDA of our segments are discussed below in Segment Results of Operations. We are in the process of updating our operating segments as a result of the Worldpay transaction.

## Business Trends and Conditions

Our revenue is primarily derived from a combination of recurring technology and processing services, professional services and software license fees. The majority of our revenue has historically been recurring, and has been provided under multi-year contracts that contribute relative stability to our revenue stream. These services, in general, are considered critical to our clients' operations. A considerable portion of our recurring revenue is derived from transaction processing fees that fluctuate with the level of accounts and card transactions, among other variable measures, associated with consumer, commercial and capital markets activity. Professional services revenue is typically non-recurring, and sales of software licenses are less predictable, a portion of which can be regarded as discretionary spending by our clients.

We continue to assist financial institutions in migrating to outsourced integrated technology solutions to improve their profitability and address increasing and ongoing regulatory requirements. As a provider of outsourcing solutions, we benefit from multi-year recurring revenue streams, which help moderate the effects of broader year-to-year economic and market changes that otherwise might have a larger impact on our results of operations. We believe our integrated solutions and outsourced services are well positioned to address this outsourcing trend across the markets we serve.

Over the last three years, we have moved approximately 50% of our server compute to our FIS cloud located in our strategic data centers and our goal is to increase that percentage to 65% by the end of 2019 and approximately 80% by the end of 2021. This allows us to further enhance security for our clients' data and increases the flexibility and speed with which we can provide services and solutions to our clients, eventually at lesser cost. Concurrently, we have continued to consolidate our data centers, closing 10 additional data centers in 2018. Our consolidation has generated a savings for the Company as of year-end 2018 exceeding \$100 million in run rate annual expense reduction since the program's inception in mid-2016. We plan to close and consolidate approximately 20 more data centers by 2021, which should result in additional run rate annual expense reduction of approximately \$150 million.

We continue to invest in modernization, innovation and integrated solutions and services in order to meet the demands of the markets we serve and compete with global banks, international providers, and disruptive technology innovators. We invest both organically and through investment opportunities in companies building complementary technologies in the financial services space. Our internal efforts in research and development activities have related primarily to the modernization of our proprietary core systems, design and development of next generation digital and innovative solutions and development of processing systems and related software applications and risk management platforms. We have increased our investments in these areas in each of the last three years. We expect to continue our practice of investing an appropriate level of resources to maintain, enhance and extend the functionality of our proprietary systems and existing software applications, to develop new and innovative software applications and systems to address emerging technology trends in response to the needs of our clients and to enhance the capabilities of our outsourcing infrastructure.

Consumer preference continues to shift from traditional branch banking services to digital banking solutions, and our clients seek to provide a single integrated banking experience through their branch, mobile, internet and voice banking channels. We have been providing our large regional banking customers in the U.S. with Digital One, an integrated digital banking platform, and are now adding functionality and offering Digital One to our community bank clients to provide a consistent, omnichannel experience for consumers of banking services across self-service channels like mobile banking and online banking, as well as supporting channels for bank staff operating in bank branches and contact centers. The uniform customer experience will extend to support a broad range of financial services including opening new accounts, servicing of existing accounts, providing money movement services, and personal financial management, as well as a broad range of other consumer, small business and commercial banking capabilities. Digital One will be integrated into and will extend the core banking platforms offered by FIS and will also be offered to customers of non-FIS core banking systems.

We continue to see demand for innovative solutions in the payments market that will deliver faster, more convenient payment solutions in mobile channels, internet applications and cards. We believe digital payments will grow and partially replace existing payment tender volumes over time as consumers and merchants embrace the convenience, incremental services and benefits. Additionally, new formidable non-traditional payments competitors and large merchants are investing in and innovating digital payment technologies to address the emerging market opportunity, and it is unclear the extent to which particular technologies or services will succeed. We believe the growth of digital payments continues to present both an opportunity and a risk to us as the market develops. Although we cannot predict which digital payment technologies or solutions will be successful, we cautiously believe our client relationships, payments infrastructure and experience, adapted solutions and emerging solutions are well positioned to maintain or grow our clients' existing payment volumes, which is our focus.

We anticipate consolidation within the banking industry will continue, primarily in the form of merger and acquisition activity among financial institutions, which we believe as a whole is detrimental to our business. However, consolidation resulting from specific merger and acquisition transactions may be beneficial to our business. When consolidations of financial institutions occur, merger partners often operate systems obtained from competing service providers. The newly formed entity generally makes a determination to migrate its core and payments systems to a single platform. When a financial institution processing client is involved in a consolidation, we may benefit by their expanding the use of our services if such services are chosen to survive the consolidation and support the newly combined entity. Conversely, we may lose revenue if we are providing services to both entities, or if a client of ours is involved in a consolidation and our services are not chosen to survive the consolidation and support the newly combined entity. It is also possible that larger financial institutions resulting from consolidation may have greater leverage in negotiating terms or could decide to perform in-house some or all of the services

that we currently provide or could provide. We seek to mitigate the risks of consolidations by offering other competitive services to take advantage of specific opportunities at the surviving company.

In certain of the international markets in which we do business, we continue to experience growth on a constant currency basis. Demand for our solutions may also continue to be driven in developing countries by government-led financial inclusion policies aiming to reduce the unbanked population and by growth in the middle classes in these markets driving the need for more sophisticated banking solutions. The majority of our international revenue is generated by clients in the United Kingdom, Brazil, Germany, Canada, India, and Switzerland. For the full year of 2019, we anticipate an approximate \$80 million adverse impact to revenue due to foreign currency translation, although the actual amount of impact is uncertain due to the many factors that affect exchange rates.

On December 31, 2018, FIS closed the transaction we previously announced to unwind the Brazilian Venture with Banco Bradesco. Under this agreement, the Brazilian Venture spun-off certain assets of the business that also provide services to non-Bradesco clients to a new wholly-owned FIS subsidiary. This subsidiary entered into a long-term commercial agreement to provide current and new services to Banco Bradesco effective January 1, 2019 that include software licensing, maintenance, application management, card portfolio migration, business process outsourcing, fraud management and professional services. As a result of the transaction, Banco Bradesco owns 100% of the entity that previously housed the Brazilian Venture and its remaining assets that relate to card processing for Banco Bradesco, which Banco Bradesco will perform internally. The transaction is expected to result in an annualized reduction in FIS' reported revenue of approximately \$225 million. In addition, it resulted in impairment charges of \$95 million in the third quarter of 2018.

Globally, attacks on information technology systems continue to grow in frequency, complexity and sophistication. This is a trend we expect to continue. Such attacks have become a point of focus for individuals, businesses and governmental entities. The objectives of these attacks include, among other things, gaining unauthorized access to systems to facilitate financial fraud, disrupt operations, cause denial of service events, corrupt data, and steal non-public information. These circumstances present both a threat and an opportunity for FIS. As part of our business, we electronically receive, process, store and transmit a wide range of confidential information, including sensitive customer information and personal consumer data. We also operate payment, cash access and prepaid card systems.

FIS remains focused on making strategic investments in information security to protect our clients and our information systems. This includes both capital expenditures and operating expense on hardware, software, personnel and consulting services. We also participate in industry and governmental initiatives to improve information security for our clients. Through the expertise we have gained with this ongoing focus and involvement, we have developed fraud, security, risk management and compliance solutions to target this growth opportunity in the financial services industry.

#### **Critical Accounting Policies**

There have been no significant changes to our critical accounting policies as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

#### **Transactions with Related Parties**

See Note 11 of the Notes to Condensed Consolidated Financial Statements (Unaudited) for a detailed description of transactions with related parties.

**Consolidated Results of Operations (Unaudited)**  
**(in millions, except per share amounts)**

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Revenue	\$ 2,112	\$ 2,106	\$ 4,169	\$ 4,172
Cost of revenue	1,404	1,414	2,785	2,828
Gross profit	708	692	1,384	1,344
Selling, general and administrative expenses	317	339	678	697
Operating income	391	353	706	647
Other income (expense):				
Interest expense, net	(72)	(73)	(147)	(144)
Other income (expense), net	(120)	(4)	(172)	(2)
Total other income (expense), net	(192)	(77)	(319)	(146)
Earnings before income taxes and equity method investment earnings (loss)	199	276	387	501
Provision (benefit) for income taxes	40	51	72	85
Equity method investment earnings (loss)	(4)	(7)	(11)	(8)
Net earnings	155	218	304	408
Net (earnings) loss attributable to noncontrolling interest	(1)	(6)	(2)	(14)
Net earnings attributable to FIS common stockholders	\$ 154	\$ 212	\$ 302	\$ 394
Net earnings per share — basic attributable to FIS common stockholders	\$ 0.48	\$ 0.64	\$ 0.93	\$ 1.20
Weighted average shares outstanding — basic	324	329	323	329
Net earnings per share — diluted attributable to FIS common stockholders	\$ 0.47	\$ 0.64	\$ 0.92	\$ 1.18
Weighted average shares outstanding — diluted	327	333	327	334

**Comparisons of three-month and six-month periods ended June 30, 2019 and 2018**
**Revenue**

Revenue increased \$6 million, or 0.3%, during the three-month period, primarily due to growth in (1) all IFS divisions; (2) GFS banking and payments solutions in North America; (3) institutional and wholesale solutions; and (4) GFS Latin America payments. These increases were offset by (1) the unwinding of the Brazilian Venture; (2) the reduction in revenue from the sale of the Certegy Check Services business unit in North America during the third quarter of 2018; (3) the reduction in revenue from the sale of Reliance Trust Company of Delaware during the fourth quarter of 2018; and (4) unfavorable foreign currency impact of \$18 million primarily driven by a stronger U.S. Dollar versus the Brazilian Real, British Pound Sterling and Euro.

Revenue decreased \$3 million, or 0.1%, during the six-month period, primarily due to (1) the unwinding of the Brazilian Venture, offset in part by the new commercial agreement with Banco Bradesco and growth in GFS Latin America payments; (2) the reduction in revenue from the sale of the Certegy Check Services business unit in North America during the third quarter of 2018; (3) the reduction in revenue from the sale of Reliance Trust Company of Delaware during the fourth quarter of 2018; and (4) unfavorable foreign currency impact of \$44 million primarily driven by a stronger U.S. Dollar versus the Brazilian Real, British Pound Sterling and Euro. These decreases were partially offset by (1) growth across all IFS divisions; (2) growth in GFS banking and payments solutions in North America; and (3) increased IFS termination fees.

See "Segment Results of Operations (Unaudited)" below for more detailed explanation.

**Cost of Revenue and Gross Profit**

Cost of revenue decreased \$10 million or 0.7% for the three-month period of 2019 as compared to 2018 resulting in a gross profit increase of \$16 million or 2.3%. Gross profit as a percentage of revenue was 33.5% and 32.9% during the three-month periods ended June 30, 2019 and 2018, respectively. The change in gross profit during the 2019 period as compared to 2018 primarily resulted from lower acquired intangible asset amortization expense. The gross profit percentage change during the three months ended June 30, 2019, as compared to 2018, was positively affected by lower acquired intangible asset amortization expense, favorable revenue mix and continued cost management initiatives.

Cost of revenue decreased \$43 million or 1.5% for the six-month period of 2019 as compared to 2018 resulting in a gross profit increase of \$40 million or 3.0%. Gross profit as a percentage of revenue was 33.2% and 32.2% during the six-month periods ended June 30, 2019 and 2018, respectively. The change in gross profit during the 2019 period as compared to 2018 primarily resulted from the revenue variances noted above and lower acquired intangible asset amortization expense. The gross profit percentage change during the six months ended June 30, 2019, as compared to 2018, was positively affected by lower acquired intangible asset amortization expense, favorable revenue mix and continued cost management initiatives.

**Selling, General and Administrative Expenses**

Selling, general and administrative expenses decreased \$22 million or 6.5% for the three-month period of 2019 as compared to 2018. The year-over-year decreases were primarily driven by (1) lower acquisition, integration and other costs; (2) the sale of Reliance Trust Company of Delaware during the fourth quarter of 2018; (3) the sale of the Certegy Check Services business unit in North America during the third quarter of 2018; and (4) continued cost management initiatives.

Selling, general and administrative expenses decreased \$19 million or 2.7% for the six-month period of 2019 as compared to 2018. The year-over-year decreases were primarily driven by (1) lower acquisition, integration and other costs; (2) the sale of Reliance Trust Company of Delaware during the fourth quarter of 2018; (3) the sale of the Certegy Check Services business unit in North America during the third quarter of 2018; and (4) continued cost management initiatives. These decreases were partially offset by increases in health care and other benefit plan expenses and compensation expense.

**Operating Income**

Operating income increased \$38 million or 10.8%, for the three-month period and \$59 million or 9.1% for the six-month period of 2019 as compared to 2018, respectively. Operating income as a percentage of revenue ("operating margin") was 18.5% and 16.8% for the three-month periods and 16.9% and 15.5% for the six-month periods ended June 30, 2019 and 2018, respectively. The changes in operating income for the three-month and six-month periods of 2019 as compared to 2018 and the change in operating margin during the 2019 periods as compared to 2018 resulted from the revenue and cost variances noted above.

**Total Other Income (Expense), Net**

Interest expense is typically the primary component of total other income (expense); however, during the three-month and six-month periods ended June 30, 2019, other income (expense) was also a significant component.

The decrease of \$1 million in interest expense, net during the three-month period ended June 30, 2019 as compared to the 2018 period is primarily due to a lower weighted-average interest rate on the outstanding debt and an increase in interest income on the proceeds from the Worldpay acquisition-related debt issuances, partially offset by higher outstanding debt. The increase of \$3 million in interest expense, net during the six-month period ended June 30, 2019 as compared to the 2018 period is primarily due to higher outstanding debt, partially offset by lower weighted-average interest rate on the outstanding debt and increased interest income on the proceeds from the Worldpay acquisition-related debt issuances.

Other income (expense), net decreased \$116 million and \$170 million during the three-month and six-month periods ended June 30, 2019 as compared to the 2018 periods, respectively. Other income (expense), net for the three and six months ended June 30, 2019 includes acquisition financing costs and the non-cash foreign currency impact of non-hedged Euro- and Pound Sterling-denominated notes issued during the three months ended June 30, 2019 to finance the Worldpay acquisition.

**Provision (Benefit) for Income Taxes**

Income tax expense totaled \$40 million and \$51 million during the three-month periods and \$72 million and \$85 million during the six-month periods ended June 30, 2019 and 2018, resulting in effective tax rates of 20.1% and 18.5% for the three-month periods and 18.6% and 17.0% for the six-month periods, respectively.

**Equity Method Investment Earnings (Loss)**

FIS holds a 38% ownership stake in Cardinal, as further described in Note 11 of the Notes to Condensed Consolidated Financial Statements (Unaudited). As a result, we recorded equity method investment losses of \$4 million and \$7 million during the three-month periods and \$11 million and \$8 million during the six-month periods ended June 30, 2019 and 2018, respectively.

**Net (Earnings) Loss Attributable to Noncontrolling Interest**

Net (earnings) loss attributable to noncontrolling interest predominantly related to the joint venture in Brazil that was unwound on December 31, 2018 and totaled \$(1) million and \$(6) million for the three months and \$(2) million and \$(14) million during the six months ended June 30, 2019 and 2018, respectively.

**Net Earnings Attributable to FIS Common Stockholders**

Net earnings attributable to FIS common stockholders totaled \$154 million and \$212 million resulting in earnings per diluted share of \$0.47 and \$0.64 for the three-month periods ended June 30, 2019 and 2018, respectively, and \$302 million and \$394 million resulting in earnings per diluted share of \$0.92 and \$1.18 for the six-month periods ended June 30, 2019 and 2018, respectively. These results reflect the variances described above.

**Segment Results of Operations (Unaudited)**

Adjusted EBITDA is defined as EBITDA (defined as net earnings (loss) before net interest expense, income tax provision (benefit) and depreciation and amortization) plus certain non-operating items. This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For this reason, Adjusted EBITDA, as it relates to our segments, is presented in conformity with FASB ASC Topic 280, *Segment Reporting*. The non-operating items affecting the segment profit measure generally include acquisition accounting adjustments and acquisition, integration and certain other costs. For consolidated reporting purposes, these costs and adjustments are recorded in the Corporate and Other segment for the periods discussed below. Adjusted EBITDA for the respective segments excludes the foregoing costs and adjustments. Financial information, including details of our adjustments to EBITDA, for each of our segments is set forth in Note 13 to the Condensed Consolidated Financial Statements (Unaudited) included in Part I of this Quarterly Report.

**Integrated Financial Solutions**

	Three months ended		Six months ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(In millions)		(In millions)	
Revenue	\$ 1,179	\$ 1,124	\$ 2,309	\$ 2,185
Adjusted EBITDA	\$ 535	\$ 492	\$ 1,033	\$ 943

**Three months ended June 30:**

Revenue increased \$55 million, or 4.9%, due to (1) growth in banking and wealth solutions (excluding the effects of the sale of Reliance Trust Company of Delaware business) contributing 2.8%; (2) growth in payment solutions contributing 2.0%; and (3) growth in corporate and digital solutions contributing 1.1%. These items were partially offset by the reduction in revenue from the sale of Reliance Trust Company of Delaware business contributing (0.8%).



Adjusted EBITDA increased \$43 million, or 8.7%, primarily resulting from the revenue variances noted above and continued cost management initiatives. Adjusted EBITDA margin increased 150 basis points to 45.3% primarily resulting from continued cost management initiatives.

**Six months ended June 30:**

Revenue increased \$124 million, or 5.7%, due to (1) growth in banking and wealth solutions (excluding the effects of the sale of Reliance Trust Company of Delaware business) contributing 2.5%; (2) growth in payment solutions contributing 2.5%; (3) increased termination fees contributing 0.9%; and (4) growth in corporate and digital solutions contributing 0.8%. These items were partially offset by the reduction in revenue from the sale of Reliance Trust Company of Delaware business contributing (0.8%).

Adjusted EBITDA increased \$90 million, or 9.5%, primarily resulting from the revenue variances noted above and continued cost management initiatives. Adjusted EBITDA margin increased 150 basis points to 44.7% primarily resulting from higher termination fees, lower bad debt expense and continued cost management initiatives.

**Global Financial Solutions**

	Three months ended		Six months ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(In millions)		(In millions)	
Revenue	\$ 865	\$ 899	\$ 1,728	\$ 1,826
Adjusted EBITDA	\$ 312	\$ 314	\$ 621	\$ 618

**Three months ended June 30:**

Revenue decreased \$34 million, or 3.8%, primarily due to (1) the unwinding of the Brazilian Venture, contributing (5.9%); and (2) unfavorable foreign currency impact contributing (1.9%) or approximately \$17 million primarily driven by a stronger U.S. Dollar versus the Brazilian Real, British Pound Sterling and Euro. These decreases were partially offset by growth in GFS banking and payments solutions in North America contributing 1.6%; (2) growth in institutional and wholesale solutions contributing 1.5%; and (3) growth in Latin America payments contributing 0.8%.

Adjusted EBITDA decreased \$2 million, or 0.6%, due to the revenue impacts mentioned above. Adjusted EBITDA margins increased 120 basis points to 36.1%, due to the unwinding of the Brazilian Venture and other favorable revenue mix.

**Six months ended June 30:**

Revenue decreased \$98 million, or 5.4%, primarily due to (1) the unwinding of the Brazilian Venture, offset in part by the new commercial agreement with Banco Bradesco and growth in Latin America payments contributing (3.8%); (2) unfavorable foreign currency impact contributing (2.3%) or approximately \$42 million primarily driven by a stronger U.S. Dollar versus the Brazilian Real, British Pound Sterling and Euro; (3) decline in Europe banking non-recurring revenue contributing (0.5%); and (4) decline in Asia-Pacific payments contributing (0.4%). These decreases were partially offset by growth in banking and payments solutions in North America contributing 1.5%.

Adjusted EBITDA increased \$3 million, or 0.5%, and adjusted EBITDA margins increased 210 basis points to 35.9%, due to the unwinding of the Brazilian Venture and other favorable revenue mix.

**Corporate and Other**

	Three months ended		Six months ended	
	June 30,		June 30,	
	2019	2018	2019	2018
	(In millions)		(In millions)	
Revenue	\$ 68	\$ 83	\$ 132	\$ 161
Adjusted EBITDA	\$ (53)	\$ (49)	\$ (131)	\$ (99)

The Corporate and Other segment results consist of selling, general and administrative expenses and depreciation and intangible asset amortization not otherwise allocated to the reportable segments. Corporate and Other also includes operations from the Global Commercial Services business and the Certegy Check Services business unit in North America, which was divested on August 31, 2018.

**Three months ended June 30:**

Revenue decreased \$15 million, or 18.1%, primarily due to the sale of the Certegy Check Services business unit in North America during the third quarter of 2018.

Adjusted EBITDA decreased \$4 million, or 8.2%, primarily due to an increase in IT expenses, partially offset by a decrease in compensation expense.

**Six months ended June 30:**

Revenue decreased \$29 million, or 18.0%, primarily due to the sale of the Certegy Check Services business unit in North America during the third quarter of 2018.

Adjusted EBITDA decreased \$32 million, or 32.3%, primarily due to an increase in IT expenses along with an increase in health care and other benefit plan expenses.

**Liquidity and Capital Resources**

**Cash Requirements**

Our ongoing cash requirements include operating expenses, income taxes, mandatory debt service payments, capital expenditures, stockholder dividends, working capital and timing differences in settlement-related assets and liabilities, and may include discretionary debt repayments, share repurchases and business acquisitions. Our principal sources of funds are cash generated by operations and borrowings, including the capacity under our Revolving Credit Facility, the U.S. commercial paper program and the Euro-commercial paper program described in Note 7 of the Notes to Condensed Consolidated Financial Statements (Unaudited).

As of June 30, 2019, we had cash and cash equivalents of \$9.8 billion and debt of \$18.2 billion, including the current portion, net of capitalized debt issuance costs. Of the \$9.8 billion cash and cash equivalents, approximately \$552 million is held by our foreign entities. The majority of our domestic cash and cash equivalents at June 30, 2019, represents the proceeds from the Worldpay acquisition-related debt issuances during the second quarter of 2019; the remaining amount represents net deposits-in-transit at the balance sheet dates and relates to daily settlement activity. See Note 7 of the Notes to Condensed Consolidated Financial Statements (Unaudited) for a discussion of the debt issuances related to the Worldpay acquisition.

We expect that cash and cash equivalents plus cash flows from operations over the next 12 months will be sufficient to fund our operating cash requirements, capital expenditures and mandatory debt service.

We currently expect to continue to pay quarterly dividends. However, the amount, declaration and payment of future dividends is at the discretion of our Board of Directors and depends on, among other things, our investment opportunities, results of operations, financial condition, cash requirements, future prospects, and other factors that may be considered relevant by our Board of Directors, including legal and contractual restrictions. Additionally, the payment of cash dividends may be limited by covenants in certain debt agreements. A regular quarterly dividend of \$0.35 per common share is payable on September 27, 2019 to shareholders of record as of the close of business on September 13, 2019.

On July 20, 2017, our Board of Directors approved a plan authorizing repurchases of up to \$4.0 billion of our outstanding common stock in the open market at prevailing market prices or in privately negotiated transactions through December 31, 2020. This share repurchase authorization replaced any existing share repurchase authorization. Approximately \$2.3 billion of plan capacity remained available for repurchases as of June 30, 2019. Management suspended share repurchases as a result of the Worldpay transaction.

### **Cash Flows from Operations**

Cash flows from operations were \$820 million and \$823 million during the six-month periods ended June 30, 2019 and 2018, respectively. Our net cash provided by operating activities consists primarily of net earnings, adjusted to add back depreciation and amortization. Cash flows from operations were \$3 million lower in the 2019 period primarily due to transaction-related expenses.

### **Capital Expenditures and Other Investing Activities**

Our principal capital expenditures are for computer software (purchased and internally developed) and additions to property and equipment. We invested approximately \$285 million and \$316 million in capital expenditures (excluding other financing obligations for certain hardware and software) during the six-month periods ended June 30, 2019 and 2018, respectively.

### **Financing**

For more information regarding the Company's debt and financing activity see Note 7 of the Notes to Condensed Consolidated Financial Statements (Unaudited).

### **Contractual Obligations**

There were no material changes in our contractual obligations during the first six months of 2019 in comparison to the table included in our Annual Report on Form 10-K as filed on February 21, 2019, except as disclosed in Note 7 and Note 9 of the Notes to Condensed Consolidated Financial Statements (Unaudited).

### **Off-Balance Sheet Arrangements**

FIS does not have any off-balance sheet arrangements.

### **Recent Accounting Pronouncements**

#### **Recently Adopted Accounting Guidance**

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*; ASU No. 2018-11, *Targeted Improvements*; ASU No. 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*; and ASU No. 2019-1, *Leases (Topic 842): Codification Improvements* (collectively, the "new standard"). The new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize an ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. Under the new standard, lessor accounting is largely unchanged.

The new standard is effective for public business entities on January 1, 2019, with early adoption permitted. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date (the "effective date method") or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide the disclosures required by the new standard for the comparative periods. FIS adopted the new standard effective January 1, 2019 using the effective date method. Consequently, financial information was not updated and the disclosures required under the new standard were not provided for dates and periods before January 1, 2019.

The new standard provides several optional practical expedients in transition and for an entity's ongoing accounting. We elected the "package of practical expedients," which permits us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs. We also elected the practical expedient not to separate lease and non-lease components. We did not elect the use-of-hindsight practical expedient nor the short-term lease recognition exemption.

The adoption of the new standard resulted in the recognition of operating lease ROU assets and lease liabilities on the Company's Condensed Consolidated Balance Sheet of \$442 million and \$446 million, respectively, on January 1, 2019. The standard did not impact our results of operations or cash flows. The Company's accounting for finance leases, which are immaterial, remained substantially unchanged.

On February 14, 2018 the FASB issued ASU No. 2018-02 ("ASU 2018-02"), *Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects From Accumulated Other Comprehensive Income*. ASU 2018-02 allows companies to elect whether to reclassify from accumulated other comprehensive income to retained earnings the tax effects of items within accumulated other comprehensive income, referred to as stranded tax effects, resulting from the Tax Cuts and Jobs Act. FIS adopted ASU 2018-02 on January 1, 2019, and did not elect to reclassify the income tax effects of the Tax Cuts and Jobs Act from accumulated other comprehensive income to retained earnings. As a result, the adoption of this ASU did not have an impact on the Company's Consolidated Financial Statements.

#### **Recent Accounting Guidance Not Yet Adopted**

On June 16, 2016, the FASB issued ASU No. 2016-13 ("ASU 2016-13"), *Financial Instruments - Credit Losses (Topic 326): Measurements on Credit Losses of Financial Instruments*. This ASU was subsequently amended by ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses* (collectively, "Topic 326"). The primary objectives of Topic 326 are to implement new methodology for calculating credit losses on financial instruments (e.g., trade receivables) based on expected credit losses and to broaden the types of information companies must use when calculating the estimated losses. Under current guidance, the credit losses are calculated based on multiple credit impairment objectives and recognition is delayed until the loss is probable to occur. Under the new guidance, financial assets measured at amortized cost basis must be shown as the net amount expected to be collected. The credit loss allowance is a contra-valuation account. Available-for-sale securities should continue to be recognized in a similar manner to current GAAP; however, the allowance should be presented as an allowance instead of a write-down of the basis of the asset. For public business entities, the amendments are effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. Early adoption is permitted for any organization in any interim or annual period beginning after December 15, 2018. We do not plan to early adopt and expect that the new guidance will not have a material impact on our financial statement presentation, financial position, or results of operations.

On August 29, 2018, the FASB issued ASU No. 2018-15 ("ASU 2018-15"), *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This ASU clarifies that implementation costs incurred by customers in cloud computing arrangements should be deferred and recognized over the term of the arrangement, if those costs would be capitalized by the customer in a software licensing arrangement under the internal-use software guidance. The provisions in ASU 2018-15 should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. For public business entities, ASU 2018-15 is effective for annual periods beginning after December 15, 2019, and interim periods within those annual periods. Early adoption is permitted. We are currently assessing the impact the adoption of ASU 2018-15 will have on our financial position and results of operations.

### **Item 3. Quantitative and Qualitative Disclosure About Market Risks**

#### **Market Risk**

We are exposed to market risks primarily from changes in interest rates and foreign currency exchange rates. We periodically use certain derivative financial instruments, including interest rate swaps and foreign currency forward contracts, to manage interest rate and foreign currency risk. We do not use derivatives for trading purposes, to generate income or to engage in speculative activity.

#### **Interest Rate Risk**

In addition to existing cash balances and cash provided by operating activities, we use fixed-rate and variable-rate debt to finance our operations. We are exposed to interest rate risk on these debt obligations and related interest rate swaps.

The senior notes (as described in Note 7 of the Notes to Condensed Consolidated Financial Statements (Unaudited)) represent the majority of our fixed-rate long-term debt obligations as of June 30, 2019. The carrying value excluding the fair value of the interest rate swap and unamortized discounts of the senior notes was \$16.7 billion as of June 30, 2019. The fair value of the senior notes was approximately \$17.5 billion as of June 30, 2019. The potential reduction in fair value of the

senior notes from a hypothetical 10 percent increase in market interest rates would not be material to the overall fair value of the debt.

Our floating rate risk principally relates to borrowings under our U.S. commercial paper program, Euro-commercial paper program, Revolving Credit Facility, Floating Rate Notes (as defined in Note 7 of the Notes to Condensed Consolidated Financial Statements (Unaudited)) and an interest rate swap on our fixed-rate long-term debt. At June 30, 2019, our weighted-average cost of debt was 2.5% with a weighted-average maturity of 7.2 years; 85% of our debt was fixed-rate and the remaining 15% of our debt was floating-rate. A 100 basis point increase in the weighted-average interest rate on our floating rate debt would have increased our annual interest expense by \$27 million. We performed the foregoing sensitivity analysis based solely on the principal amount of our floating rate debt as of June 30, 2019. This sensitivity analysis does not take into account any changes that occurred in the prior 12 months or that may take place in the next 12 months in the amount of our outstanding debt. Further, this sensitivity analysis assumes the change in interest rates is applicable for an entire year. For comparison purposes, based on principal amounts of floating rate debt outstanding as of June 30, 2018, and calculated in the same manner as set forth above, an increase of 100 basis points in the weighted-average interest rate would have increased our annual interest expense by approximately \$4 million.

As of June 30, 2019, the following interest rate swap converting the interest rate exposure on our Senior Euro Notes due July 2024 from fixed to variable is outstanding (in millions):

Effective Date	Maturity Date	Notional	Bank pays fixed rate of	FIS pays variable rate of	
December 21, 2018	July 15, 2024	€ 500	1.100%	3-month Euribor + 0.878%	(1)

(1) 0.568% in effect as of June 30, 2019.

We designated the interest rate swap as a fair value hedge for accounting purposes as described in Note 8 of the Notes to Condensed Consolidated Financial Statements (Unaudited). A 100 basis point increase in the 3-month Euribor rate would increase our annual interest expense on this swap by approximately \$6 million.

#### Foreign Currency Risk

We are exposed to foreign currency risks that arise from normal business operations. These risks include the translation of local currency balances of foreign subsidiaries, transaction gains and losses associated with intercompany loans with foreign subsidiaries and transactions denominated in currencies other than a location's functional currency. We manage the exposure to these risks through a combination of normal operating activities and the use of foreign currency forward contracts and non-derivative and derivative investment hedges. Contracts are denominated in currencies of major industrial countries.

Our exposure to foreign currency exchange risks generally arises from our non-U.S. operations, to the extent they are conducted in local currency. Changes in foreign currency exchange rates affect translations of revenue denominated in currencies other than the U.S. Dollar. We generated approximately \$317 million and \$378 million during the three months and \$626 million and \$757 million during the six months ended June 30, 2019 and 2018, respectively, in revenue denominated in currencies other than the U.S. Dollar. The major currencies to which our revenues are exposed are the Brazilian Real, the Euro, the British Pound Sterling and the Indian Rupee. A 10% move in average exchange rates for these currencies (assuming a simultaneous and immediate 10% change in all of such rates for the relevant period) would have resulted in the following increase or decrease in our reported revenue for the three and six months ended June 30, 2019 and 2018 (in millions):

Currency	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Pound Sterling	\$ 9	\$ 9	\$ 17	\$ 17
Euro	7	7	14	15
Real	4	9	8	19
Rupee	3	3	6	6
Total increase or decrease	<u>\$ 23</u>	<u>\$ 28</u>	<u>\$ 45</u>	<u>\$ 57</u>

While our results of operations have been impacted by the effects of currency fluctuations, our international operations' revenue and expenses are generally denominated in local currency, which reduces our economic exposure to foreign exchange risk in those jurisdictions.

Revenue included \$18 million and \$44 million of unfavorable foreign currency impact during the three and six months ended June 30, 2019 resulting from changes in the U.S. Dollar during the 2019 period as compared to 2018. Net earnings attributable to FIS common stockholders included \$18 million and \$39 million of unfavorable foreign currency impact during the three and six months ended June 30, 2019, respectively, resulting from changes in the U.S. Dollar during the 2019 period as compared to 2018. For the full year of 2019, we anticipate an approximate \$80 million adverse impact to revenue due to foreign currency translation, although the actual amount of impact is uncertain due to the many factors that affect exchange rates.

Our foreign exchange risk management policy permits the use of derivative instruments, such as forward contracts and options, to reduce volatility in our results of operations and/or cash flows resulting from foreign exchange rate fluctuations. We do not enter into foreign currency derivative instruments for trading purposes or to engage in speculative activity. We do periodically enter into foreign currency forward exchange contracts to hedge foreign currency exposure to intercompany loans and other balance sheet items. During the second quarter of 2019, we entered into foreign currency forward exchange contracts to reduce the volatility in the Company's cash flows due to foreign exchange rate fluctuations during the period leading up to the Company's Euro- and Pound Sterling-denominated debt issuances related to the Worldpay acquisition, as discussed in Note 8 of the Notes to Condensed Consolidated Financial Statements (Unaudited). The Company also utilizes foreign currency denominated debt and cross-currency interest rate swaps designated as net investment hedges in order to reduce the volatility of the net investment value of certain of its Euro and Pound Sterling functional subsidiaries (see Note 8 of the Notes to Condensed Consolidated Financial Statements (Unaudited)).

#### **Item 4. Controls and Procedures**

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and (b) accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### **Part II: OTHER INFORMATION**

##### **Item 1A. Risk Factors**

The following information with respect to our acquisition of Worldpay and its subsidiaries supplements the disclosure set forth under Part I, Item 1A. *Risk Factors* of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018. In addition to the matters set forth below, the risks associated with the Worldpay business are similar to those FIS faces in many respects, and therefore the merger will in many cases increase our exposure to the risks set forth in our Form 10-K. Additional risks and uncertainties not presently known to us or that are currently not believed to be significant to our business may also affect our actual results and could harm our business, financial condition and results of operations. If any of the risks or uncertainties described below or any additional risks and uncertainties actually occur, our business, results of operations and financial condition could be materially and adversely affected.

##### **Risk Factors Relating to the Merger**

*The market price for FIS common stock following the closing may be affected by factors different from those that historically have affected or currently affect FIS common stock.*

At the effective time of the merger, Worldpay stockholders were entitled to receive shares of FIS common stock. The combined company's business and financial position will differ from the business and financial position of each of FIS and

Worldpay before the completion of the merger, and the results of operations of the combined company will be affected by some factors that are different from those affecting the results of operations of FIS and those currently affecting the results of operations of Worldpay. Accordingly, the market price and performance of FIS common stock after the completion of the merger is likely to be different from the performance of Worldpay Class A common stock in the absence of the merger. In addition, general fluctuations in stock markets could have a material adverse effect on the market for, or liquidity of, FIS common stock, regardless of FIS' actual operating performance.

***Legacy FIS shareholders generally have a reduced ownership and voting interest in FIS after the merger.***

Immediately after the completion of the merger, the shares of FIS common stock held by each FIS shareholder immediately prior to the completion of the merger remain outstanding but represent a percentage ownership of FIS that is smaller than the percentage ownership of FIS represented by such shares immediately prior to the completion of the merger. As a result of this reduced ownership percentage, such shares represent less voting power in FIS after the completion of the merger than they represented prior to the completion of the merger. Immediately following the completion of the merger, the shares of FIS common stock outstanding immediately prior to the completion of the merger constituted approximately 53%, and the shares of FIS common stock that former Worldpay stockholders received in the merger constituted approximately 47%, of the issued and outstanding shares of the combined company.

***Uncertainties associated with the merger may cause a loss of management personnel and other key employees of FIS and Worldpay, which could adversely affect the future business and operations of FIS following the merger.***

FIS and Worldpay are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. FIS' success after the merger will depend in part upon its ability to retain key management personnel and other key employees. Current and prospective employees of FIS may experience uncertainty about their roles within FIS following the merger or other concerns regarding the operations of FIS following the merger, any of which may have an adverse effect on the ability of FIS to retain or attract key management and other key personnel. If FIS is unable to retain personnel after the merger, including FIS' key management, who are critical to the future operations of the company, FIS could face disruptions in its operations, loss of existing customers, loss of key information, expertise or know-how and unanticipated additional recruitment and training costs. In addition, the loss of key personnel could diminish the anticipated benefits of the merger. No assurance can be given that FIS, following the merger, will be able to retain or attract key management personnel and other key employees of FIS and Worldpay to the same extent that FIS and Worldpay have previously been able to retain or attract their own employees.

***FIS' and Worldpay's business relationships may be subject to disruption due to uncertainty associated with the transaction.***

The business relationships of FIS and Worldpay may be subject to disruption due to uncertainty associated with the merger, which could have a material adverse effect on the results of operations, cash flows and financial position of the combined company following the merger.

Parties with which FIS or Worldpay do business may experience uncertainty associated with the merger, including with respect to current or future business relationships with FIS following the merger. FIS' business relationships may be subject to disruption as customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners may attempt to delay or defer entering into new business relationships, negotiate changes in existing business relationships or consider entering into business relationships with parties other than FIS following the merger. These disruptions could have a material and adverse effect on the results of operations, cash flows and financial position of FIS, regardless of whether the merger is completed, as well as a material and adverse effect on FIS' ability to realize the expected cost savings and other benefits of the merger.

**Risk Factors Relating to FIS Following the Merger**

***FIS may be unable to integrate the business of Worldpay successfully or realize the anticipated benefits of the merger.***

The merger involves the combination of two companies that currently operate as independent public companies. The combination of two independent businesses is complex, costly and time consuming, and FIS will be required to devote significant management attention and resources to integrating the business practices and operations of Worldpay into FIS. Potential difficulties that FIS may encounter as part of the integration process include the following:

- the inability to successfully combine the business of Worldpay in a manner that permits FIS to achieve, on a timely basis, or at all, the enhanced revenue opportunities and cost savings and other benefits anticipated to result from the merger;
- complexities associated with managing the combined businesses, including difficulty addressing possible differences in corporate cultures and management philosophies and the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies; and
- potential unknown liabilities and unforeseen increased expenses or delays associated with the merger.

In addition, FIS and Worldpay operated independently until the completion of the merger. It is possible that the integration process could result in:

- diversion of the attention of FIS' management; and
- the disruption of, or the loss of momentum in, FIS' ongoing businesses or inconsistencies in standards, controls, procedures and policies.

Any of these issues could adversely affect FIS' ability to maintain relationships with customers, suppliers, employees and other constituencies or achieve the anticipated benefits of the merger, or could reduce FIS' earnings or otherwise adversely affect the business and financial results of FIS following the merger.

***The complexity of the integration and transition associated with the merger, together with the resulting increased scale and global presence, may affect FIS' internal control over financial reporting and ability to effectively and timely report financial results.***

The additional scale of the combined company's operations, together with the complexity of the integration effort, including changes to or implementation of critical information technology systems, may adversely affect FIS' ability to report financial results on a timely basis. In addition, FIS will have to train new employees and third party providers, and assume operations in jurisdictions where FIS has not previously had operations. FIS expects that the merger may necessitate significant modifications to its internal control systems, processes and information systems, both on a transition basis and over the longer-term as FIS fully integrates the combined company. Due to the complexity of the merger, FIS cannot be certain that changes to internal control over financial reporting will be effective for any period, or on an ongoing basis. If FIS is unable to accurately report FIS' financial results in a timely manner, or is unable to assert that FIS' internal controls over financial reporting are effective, FIS' business, financial condition and results of operations and the market perception thereof may be materially adversely affected.

***Security breaches or attacks, or our failure to comply with information security laws or regulations or industry security requirements, could harm the business of the combined company by disrupting delivery of services and damaging the reputation of FIS and could result in a breach of one or more client contracts.***

FIS electronically receives, processes, stores and transmits sensitive business information of its clients. In addition, FIS collects personal consumer data, such as names and addresses, social security numbers, driver's license numbers, cardholder data and payment history records. Such information is necessary to support our clients' transaction processing and to conduct our check authorization and collection businesses. The uninterrupted operation of information systems, as well as the confidentiality of the customer/consumer information that resides on such systems, is critical to the successful operation of FIS following the merger. For that reason, cybersecurity is one of the principal operational risks FIS faces as a provider of services to financial institutions. If FIS fails to maintain an adequate security infrastructure, adapt to emerging security threats, or implement sufficient security standards and technology to protect against security breaches, the confidentiality of the information FIS secures could be compromised. Unauthorized access to the computer systems or databases of FIS could result in the theft or publication of confidential information, the deletion or modification of records, damages from legal actions from clients and/or their customers, or otherwise cause interruptions in FIS' operations and damage to its reputation. These risks are greater with increased information transmission over the Internet, the increasing level of sophistication posed by cyber criminals and the integration of FIS and Worldpay systems.

As a provider of services to financial institutions and a provider of card processing services, FIS is bound by the same limitations on disclosure of the information FIS receives from clients as apply to the clients themselves. If FIS fails to comply with these regulations and industry security requirements, it could be exposed to damages from legal actions from clients and/or their customers, governmental proceedings, governmental notice requirements, and the imposition of significant fines or



prohibitions on card processing services. In addition, if more restrictive privacy laws, rules or industry security requirements are adopted in the future on the federal or state level, or by a specific industry body, they could have an adverse impact on FIS through increased costs or restrictions on business processes. Any inability to prevent security or privacy breaches, or the perception that such breaches may occur, could cause existing clients to lose confidence in FIS systems and terminate their agreements with FIS, inhibit FIS' ability to attract new clients, result in increasing regulation, or bring about other adverse consequences from the government agencies that regulate FIS following the merger.

***Unknown or developing Worldpay litigation or claims could result in the payment of damages or other remedies or cause reputational injury to FIS.***

Worldpay may be exposed to unknown or developing claims, which could result in a litigation matter being asserted against FIS. If we are unsuccessful in our defense of these litigation matters, we may be forced to pay damages and/or other remedies, any of which could have a material adverse effect on our business and results of operations or cause reputational injury to FIS.

***The indebtedness of FIS and its subsidiaries following completion of the merger will be substantially greater than FIS' indebtedness prior to completion of the merger. This increased level of indebtedness could adversely affect FIS, including by decreasing FIS' business flexibility and increasing its interest expense.***

FIS has incurred acquisition-related financing of approximately \$11.1 billion, all of which is expected to be used to refinance certain outstanding indebtedness of Worldpay and its subsidiaries on the closing date, pay a portion of the merger consideration and pay fees and expenses related to the merger, the refinancing and the related transactions. Accordingly, the indebtedness of FIS and its subsidiaries following completion of the merger will be substantially greater than FIS' indebtedness prior to completion of the merger. FIS' substantially increased indebtedness following completion of the merger could have the effect, among other things, of reducing FIS' flexibility to respond to changing business and economic conditions. In addition, the amount of cash required to pay interest has increased due to FIS' increased indebtedness levels, thus the demands on FIS' cash resources will be greater than the amount of cash flows required to service the indebtedness of FIS prior to the merger. FIS will also incur various costs and expenses associated with the financing of the merger. The increased levels of indebtedness following completion of the merger could also reduce funds available to fund FIS' efforts to integrate the business of Worldpay and realize the expected benefits of the merger and to engage in investments in product development, fund working capital, capital expenditures, acquisitions and other general corporate purposes, and may create competitive disadvantages for FIS relative to other companies with lower debt levels. If FIS does not achieve the expected benefits and cost savings from the merger, or if the financial performance of the combined company does not meet current expectations, then FIS' ability to service its indebtedness, or to reduce leverage levels based on debt repayments or cash flow generation, may be adversely impacted.

Certain of the indebtedness incurred in connection with the merger bears interest at variable interest rates. If interest rates increase, variable rate debt will create higher debt service requirements, which could adversely affect FIS' cash flows.

In addition, FIS' credit ratings impact the cost and availability of future borrowings and, accordingly, FIS' cost of capital. FIS' ratings reflect each rating organization's opinion of FIS' financial strength, operating performance and ability to meet its debt obligations. In connection with the debt financing, FIS has obtained ratings of its indebtedness from Moody's Investors Service, Inc., Standard & Poor's Financial Services LLC and Fitch Ratings, Inc. There can be no assurance that FIS will maintain a particular rating in the future or that FIS' ratings will not be adversely affected by the factors described above. Agency credit ratings are not a recommendation to buy, sell or hold any security.

Moreover, FIS may be required to raise substantial additional financing to fund working capital, capital expenditures, acquisitions or other general corporate requirements. FIS' ability to arrange additional financing will depend on, among other factors, FIS' financial position and performance, as well as prevailing market conditions and other factors beyond FIS' control. FIS cannot assure you that it will be able to obtain additional financing on terms acceptable to FIS or at all.

***The synergies attributable to the merger may vary from expectations.***

FIS may fail to realize the anticipated benefits and synergies expected from the merger, which could adversely affect FIS' business, financial condition and operating results. The success of the merger will depend, in significant part, on FIS' ability to successfully integrate the acquired business, grow the revenue of the combined company and realize the anticipated strategic benefits and synergies from the combination. FIS believes that the addition of Worldpay will complement FIS' strategy by providing scale and revenue diversity, accelerate FIS' growth strategy and enable FIS to have a strong global footprint.

However, achieving these goals requires growth of the revenue of the combined company and realization of the targeted cost synergies expected from the merger. This growth and the anticipated benefits of the transaction may not be realized fully or at all, or may take longer to realize than expected. Actual operating, technological, strategic and revenue opportunities, if achieved at all, may be less significant than expected or may take longer to achieve than anticipated. If FIS is not able to achieve these objectives and realize the anticipated benefits and synergies expected from the merger within the anticipated timing or at all, FIS' business, financial condition and operating results may be adversely affected.

***The future results of FIS following the merger will suffer if FIS does not effectively manage its expanded operations.***

Following the merger, the size of the business of FIS increased significantly beyond the prior size of either FIS' or Worldpay's business. FIS' future success will depend, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. FIS may also face increased scrutiny from governmental authorities as a result of the significant increase in the size of its business. There can be no assurances that FIS will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements or other benefits currently anticipated from the merger.

***FIS is expected to incur substantial expenses related to the merger and integration.***

FIS is expected to incur substantial expenses in connection with the merger and the related integration. There are a large number of processes, policies, procedures, operations, technologies and systems that may need to be integrated, including purchasing, accounting and finance, sales, payroll, pricing and benefits. While FIS has assumed that a certain level of expenses will be incurred, there are many factors beyond its control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that FIS expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses may result in FIS taking significant charges against earnings following the completion of the merger, and the amount and timing of such charges are uncertain at present. Any material delays, difficulties or unanticipated additional expenses associated with integration activities may harm FIS' business, financial condition and results of operations.

***The merger may result in a loss of customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners and may result in the termination of existing contracts.***

Following the merger, some of the customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners of FIS or Worldpay may terminate or scale back their current or prospective business relationships with FIS. Some customers may not wish to source a larger percentage of their needs from a single company or may feel that FIS is too closely allied with one of their competitors. In addition, FIS and Worldpay have contracts with customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners that may require FIS or Worldpay to obtain consents from these other parties in connection with the merger, which may not be obtained on favorable terms or at all. If relationships with customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners are adversely affected by the merger, or if FIS, following the merger, loses the benefits of the contracts of FIS or Worldpay, FIS' business and financial performance could suffer.

***Certain of Worldpay's agreements may contain change of control provisions which, if not waived, would have material adverse effects on the combined company.***

Worldpay is a party to various agreements with third parties, including certain financing agreements, service contracts, IT contracts and technology licenses that may contain change of control provisions that will be triggered upon the completion of the merger. Agreements with change of control provisions typically provide for or permit the termination of the agreement upon the occurrence of a change of control of one of the parties which can be waived by the relevant counterparties. If FIS determines that one or more such waivers are necessary, it will seek to obtain these waivers. Although the combined company believes the likelihood of a material consent being withheld is low, there can be no assurance that such consent will be obtained at all or on favorable terms, and as of the date of this document no such waivers have been sought or obtained. The inability to obtain waivers from more than one relevant counterparty could have a material adverse effect on the combined company.

***Following the merger, FIS' business may be adversely affected by geopolitical, regulatory and other risks associated with operations outside of the United States and the combined company may incur higher than anticipated costs and may become more susceptible to these risks.***

After completion of the merger, the combined company will have significantly expanded its international presence by offering merchant acquiring, including e-commerce, services outside of the United States, including in the United Kingdom and European Union countries, where Worldpay's principal non-U.S. operations are currently located. FIS' revenues derived from these and other non-U.S. operations will be subject to additional risks, including those resulting from social and geopolitical instability and unfavorable political or diplomatic developments, all of which could negatively impact its financial results. For example, the United Kingdom's decision to leave the European Union may add cost and complexity in various aspects of FIS' business as United Kingdom and European Union laws and regulations diverge. FIS will also be subject to potential non-U.S. governmental intervention and new laws and new regulations that it was not previously subject to, which could increase costs and may have potential negative effects on FIS' business.

***Privacy laws and regulations, such as the General Data Protection Regulation, which we refer to as the GDPR, will require FIS and Worldpay to adopt new business practices and contractual provisions in existing and new contracts which may require transitional and incremental expenses which may impact the future operating results of the combined business.***

New privacy laws, such as the GDPR in the European Union, continue to develop in unpredictable ways. Privacy laws may be interpreted and applied inconsistently from country to country and impose inconsistent or conflicting requirements. Complying with varying jurisdictional requirements could increase the costs and complexity of compliance and associated recordkeeping costs or require us to change our business practices in a manner adverse to our business. Violations of privacy laws can result in significant penalties and damage to our brand and business. Worldpay's and FIS' implementation of compliance programs to comply with the known obligations under the GDPR may differ significantly. The combined company may incur significant costs to synchronize the compliance programs. Failure to comply with the requirements of the GDPR could result in significant penalties and loss of business, among other things.

New privacy laws in California and Brazil are expected to issue clarifying regulations prior to becoming effective in 2020. There are also several additional privacy laws being considered by state legislatures, the federal legislature and countries around the world, so a more substantial compliance effort with varying regimes in different jurisdictions is considered probable in the future, which will increase the costs and complexities of the combined business.

***The Referendum on the United Kingdom's Membership in the European Union could cause disruption to and create uncertainty surrounding our business.***

Material portions of Worldpay's business are located in, and service clients in, the United Kingdom. The referendum on the United Kingdom's membership in the European Union, which we refer to as Brexit, approving the exit of the United Kingdom from the European Union could cause disruption to and create uncertainty surrounding the combined business, including affecting relationships with existing and future clients, suppliers and employees, which could have a material adverse effect on the business, financial results and operations of the combined business. The effects of Brexit will depend on the agreements, if any, the U.K. makes with the European Union to retain access to European Union markets at the time Brexit takes effect (which deadline, if not suspended or further delayed, is currently October 31, 2019), during a transitional period or more permanently. In addition, because the terms of trade between the U.K. and jurisdictions other than the European Union may be currently governed by trade agreements between the European Union and such other jurisdictions, the U.K. may be required to negotiate new terms of trade with such other jurisdictions. These potential measures could disrupt the markets the combined business will serve and the tax jurisdictions in which it will operate and could adversely change tax benefits or liabilities in these or other jurisdictions, and may cause the combined business to lose clients, suppliers, and employees. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which European Union laws to replace or replicate, including competition laws.

Actions to implement Brexit may also create global economic uncertainty, which may cause clients to closely monitor their costs and reduce their spending on our solutions and services.

Any of these effects of Brexit, among others, could materially adversely affect the business, business opportunities, results of operations, financial condition and cash flows of the combined business.

***We cannot assure our shareholders that we will be able to continue paying dividends at the current rate.***

FIS plans to continue its current dividend practices following the transaction. However, based on the number of issued and outstanding shares of Worldpay Class A common stock as of the close of business on the Worldpay record date, FIS would issue approximately 289 million shares of FIS common stock in the merger. Continuing FIS' current dividend practices following the merger will require additional cash to pay such dividends, which it may not have. For this and other reasons generally affecting the ability to pay dividends, FIS shareholders may not receive the same dividends as FIS shareholders have received in the past following the transaction.

FIS shareholders also should be aware that they have no contractual or other legal right to dividends that have not been declared.

***The payment processing industry is highly competitive in merchant solutions. Such competition could adversely affect the transaction and other fees received from merchants and financial institutions, and as a result, FIS' margins, business, financial condition and results of operations following the merger.***

Worldpay is a leading merchant solutions company. Its competitors in this business include financial institutions and well-established payment processing companies, including Adyen, Bank of America Merchant Services, Barclays plc, Chase Paymentech Solutions, Elavon Inc. (a subsidiary of U.S. Bancorp), First Data Corporation, Global Payments, Inc., and Total System Services, Inc.

In addition, Worldpay's U.S. competitors that are financial institutions or are affiliated with financial institutions may not incur the sponsorship costs Worldpay incurs for registration with the payment networks. Accordingly, these competitors may be able to offer more attractive fees to Worldpay's current and prospective clients or other services that Worldpay does not provide. Competition could result in a loss of existing clients of Worldpay, and greater difficulty attracting new clients. Furthermore, if competition causes Worldpay to reduce the fees it charges in order to attract or retain clients, there is no assurance Worldpay can successfully control its costs in order to maintain our profit margins. One or more of these factors could have a material adverse effect on FIS' business, financial condition and results of operations following the merger.

Worldpay is currently facing new competitive pressure from non-traditional payments processors and other parties entering the payments industry, such as PayPal, Google, Apple, Alibaba, Amazon, Square and Stripe, who may compete in one or more of the functions performed in processing merchant transactions. These companies have significant financial resources and robust networks and are highly regarded by consumers. If these companies gain a greater share of total electronic payments transactions or if the combined company is unable to successfully react to changes in the industry spurred by the entry of these new market participants, it could have a material adverse effect on FIS' business, financial condition and results of operations.

***Following the merger, the combined company could be subject to certain risks associated with the implementation of Worldpay's new proprietary global acquiring platform.***

Worldpay has made significant progress toward implementation of its proprietary global acquiring platform project. As the combined company continues to implement this project, through the migration of existing merchant customers and onboarding of new merchant customers to the platform, the scale and complexity associated with this project presents the increased potential for service level delays or disruptions in the processing of transactions, telecommunications failures or other difficulties. Such delays or disruptions could result in reputational harm, loss of business and increased operational or technological costs.

***Following the merger, the combined company may not be able to continue to expand its share of the existing payment processing markets or expand into new markets, which would inhibit FIS' ability to grow and increase its profitability.***

Following the merger, FIS' future growth and profitability will depend in part upon the growth of the payment processing markets in which Worldpay currently operates and its ability to increase its penetration and service offerings within these markets, as well as the emergence of new markets for Worldpay's services and its ability to penetrate these new markets. Attracting new clients is difficult because of potential disadvantages associated with switching payment processing vendors, such as transition costs, business disruption and loss of accustomed functionality. Following the merger, FIS will seek to overcome these factors by making investments to enhance the functionality of the combined company's platforms and differentiate its services. However, there can be no assurance that these efforts will be successful, and this resistance may adversely affect its growth.

The combined company's expansion into new markets will also be dependent upon its ability to adapt Worldpay's existing payment processing technology and offerings or to develop new or innovative applications to meet the particular service needs of each new market. In order to do so, FIS will need to anticipate and react to market changes and devote appropriate financial and technical resources to its development efforts, and there can be no assurance that it will be successful in these efforts.

Furthermore, in response to market developments, FIS may continue to expand into new geographical markets and foreign countries in which neither it nor Worldpay currently has any operating experience. However, there can be no assurance that FIS will be able to successfully continue such expansion efforts due to this lack of experience and the multitude of risks associated with global operations or lack of appropriate regulatory approval.

***Worldpay's payments business is subject to regulation, supervision, and enforcement authority of numerous governmental and regulatory bodies in the jurisdictions in which it operates, which includes banking regulators and the Consumer Financial Protection Bureau ("CFPB") in the United States, the FCA and PSR in the United Kingdom, and the Dutch Central Bank.***

Because Worldpay is a technology service provider to U.S. Financial Institutions, it is subject to regular oversight and examination by the Federal Financial Institutions Examination Council ("FFIEC"), which is an inter-agency body of federal banking regulators. The FFIEC has broad discretion in the implementation, interpretation and enforcement of banking and consumer protection laws. A failure to comply with these laws, or its failure to meet the supervisory expectations of the banking regulators, could result in adverse action against the combined company following the merger. The regulators have the power to, among other things, enjoin "unsafe or unsound" practices; require affirmative actions to correct any violation or practice; issue administrative orders that can be judicially enforced; direct the sale of subsidiaries or other assets; and assess civil money penalties.

Worldpay is also subject to on-going supervision by regulatory and governmental bodies across the world, including economic and conduct regulators such as the U.K. Financial Conduct Authority (FCA) and Payment Systems Regulator (PSR) in the United Kingdom and the Dutch Central Bank (De Nederlandsche Bank or DNB) in the Netherlands, and regulatory and governmental bodies responsible for issuing anti-money laundering, anti-bribery, and global economic sanctions regulations. These various regulatory regimes require Worldpay to be in compliance across many aspects of its activities in respect of capital requirements, safeguarding, training, authorization and supervision of personnel, systems, processes and documentation. If Worldpay fails to comply with relevant regulations or applicable economic sanctions, it risks reputational damage, potential civil and criminal sanctions, fines or other action imposed by regulatory or governmental authorities, including the potential suspension or revocation of the permission-based regulatory licenses which authorize Worldpay to provide core services to customers. Certain aspects of Worldpay's business may be determined by an appropriate regulator, quasi regulatory body or the courts as not being conducted in accordance with applicable laws or regulations, or Worldpay may face allegations of direct or indirect non-compliance with relevant regulatory regimes (such as the misselling of financial products), or other actions in the United Kingdom, the Netherlands and other jurisdictions, as well as private litigation resulting from such actions. This could result in an adverse effect on FIS' business, reputation and customer relationships, which in turn could adversely affect its financial position and performance.

Specifically, the PSR has announced it will carry out a market review into card-acquiring services provided by merchant acquirers in the U.K. with the scope of such review to include: the nature and characteristics of card-acquiring services; who provides card-acquiring services and how their market shares have developed historically; how merchants buy card-acquiring services; whether there are credible alternatives to card-acquiring services for some or all merchants; the outcomes of the competitive process including the fees merchants pay and the quality of service they receive. Because the PSR is an economic regulator in the U.K., it has the power to issue directions in relation to the functioning of the card acquiring market in the U.K. as a result of this review. Further, the European Commission is conducting a review of the Regulation of the European Parliament and the Council on interchange fees for card-based payment transactions (IFR) to examine the appropriateness of the levels of interchange fees (taking into account the use and cost of the various means of payments), the level of entry of new players, new technology and the impact of innovative business models on the market. The primary purpose of this review is to understand whether overall costs for card acceptance for merchants, including the overall merchant service charge, have gone up, down or broadly stayed the same since the introduction of the IFR. The E.U. has overall authority to enforce and establish new standards or guidance which may require banks and payments institutions, including Worldpay as part of FIS following the merger, to modify current pricing and fee structures, and the E.U. could choose to exercise such authority prior to or after conclusion of this review.

**Worldpay may fail to realize the anticipated benefits and operating synergies expected from its 2018 acquisition of Worldpay Group plc, which could adversely affect FIS' business, financial condition and operating results following the merger.**

The success of Worldpay's acquisition of Worldpay Group plc depends, in significant part, on its ability to successfully integrate the acquired business, grow its revenue and realize the anticipated strategic benefits and synergies. Achieving Worldpay's strategic goals for the acquisition requires growth of the revenue and realization of the targeted operating synergies expected from the acquisition. This growth and the anticipated benefits may not be realized fully or at all, or may take longer to realize than Worldpay expects. Actual operating, technological, strategic and revenue opportunities, if achieved at all, may be less significant than Worldpay expects or may take longer to achieve than anticipated and could be impacted by its inability to renew certain business relationships maintained by Worldpay Group plc on terms favorable to Worldpay or at all. If the combined company is not able to achieve these objectives and realize the anticipated benefits and synergies expected from the acquisition within a reasonable time, its business, financial condition and operating results may be adversely affected.

**Worldpay's acquisition of Worldpay Group plc has resulted in significant integration costs and any material delays or unanticipated additional expenses may harm FIS' business, financial condition and results of operations post-merger.**

The complexity and magnitude of the integration effort associated with Worldpay's acquisition of Worldpay Group plc are significant and, following the merger, require that FIS fund significant capital and operating expenses to support the integration of the combined operations. Such expenses have included significant transaction, consulting and third party service fees. Worldpay incurred integration planning costs during 2017 and 2018 and, following the merger, FIS anticipates that it may incur additional integration implementation costs in the future. Following the merger, FIS expects to continue to incur additional operating expenses while it continues to integrate the combined company. The integration of the departments, systems, business units, operating procedures and information technologies of the two businesses continue to present certain challenges to management. There can be no assurance that FIS following the merger, will be able to continue to integrate and manage these operations effectively or that such operations, once fully-integrated, will provide the benefits it anticipates.

In addition to transition costs, following the merger FIS expects to continue to incur increased expenses. Any material delays, difficulties or unanticipated additional expenses associated with integration activities, or the failure to successfully integrate the business in a timely manner, or at all, may harm FIS' business, financial condition and results of operations.

**If the Worldpay business fails to comply with the applicable requirements of the Visa, Mastercard or other payment networks, those payment networks could seek to fine the combined company, suspend the Worldpay business or terminate its registrations through its financial institution sponsors or directly. Fines could have a material adverse effect on FIS' business, financial condition or results of operations, and if these registrations are terminated, the combined company may not be able to conduct its business.**

In order to provide Worldpay's transaction processing services in the U.S. and certain other jurisdictions, Worldpay is registered through its bank sponsorships with the Visa, Mastercard and other payment networks as service providers for member institutions. Worldpay and many of its clients are subject to payment network rules. If Worldpay or its associated participants do not comply with the payment network requirements, the payment networks could seek to fine Worldpay, suspend Worldpay or terminate its registrations. Worldpay has occasionally received notices of noncompliance and fines, which have typically related to excessive chargebacks by a merchant or data security failures on the part of a merchant. If Worldpay is unable to recover fines from or pass through costs to its merchants or other associated participants, then following the merger FIS would experience a financial loss. The termination of its registration, or any changes in the payment network rules that would impair Worldpay's registration, could require Worldpay to stop providing payment network services to the Visa, Mastercard or other payment networks, which would have a material adverse effect on FIS' business, financial condition and results of operations following the merger.

Outside of the U.S., Worldpay primarily provides acquiring and processing services directly, through international credit and debit card schemes run by Visa, Mastercard and other payment networks. In order to access the card schemes' networks Worldpay must maintain the relevant jurisdictional operating licenses or memberships. In some markets where it is not feasible or possible for Worldpay to have a direct acquiring license with a card scheme, Worldpay has a relationship with a local financial institution sponsor. As part of Worldpay's registration with card schemes (either directly or indirectly through local sponsors), Worldpay is subject to operating rules, including mandatory technology requirements, promulgated by the card schemes that could subject Worldpay and its customers to a variety of fines and penalties, as well as suspension and termination of membership or access. Furthermore, to access these card scheme networks, Worldpay must pay card scheme membership fees, which are subject to change from time to time, and which Worldpay may be unable to pass along to its customers, which could result in the combined company absorbing a portion or all of such increases in the future.

***Changes in the contracts, rules or standards of payment networks and card schemes could adversely affect FIS' post-merger business, financial condition and results of operations.***

Payment network and card scheme rules are established and changed from time to time by each payment network or card scheme, as applicable, as they may determine in their sole discretion and with or without advance notice to their participants. In the case of card scheme rules, failure to comply in a timely manner with rule changes could result in fines, penalties or reputational damage, and could negatively impact Worldpay's licenses in various jurisdictions. In some cases, payment networks and card schemes compete with Worldpay, and their ability to modify and enhance their rules in their sole discretion may provide them an advantage in selling or developing their own services that may compete directly or indirectly with Worldpay's services. Any changes in the rules or standards of these payment networks and card schemes, or the way they are implemented, could increase the cost of doing business or limit the ability to provide transaction processing services to or through Worldpay's clients and have a material adverse effect on FIS' business, financial condition and results of operations.

Moreover, as payment networks and card schemes become more dependent on proprietary technology, modify their technological approach or operating practices, and/or seek to provide value added services to issuers and merchants, there is heightened risk that rules and standards may be governed by their own self-interest, or the self-interest of third parties with influence over them, which could materially impact FIS' competitive position and operations.

***If Worldpay cannot pass along to its merchants increases in interchange and other fees from payment networks or card schemes, the operating margins of the Worldpay business would be reduced.***

Worldpay pays interchange, assessment, transaction and other fees set by the payment networks and card schemes to such networks and schemes and, in some cases, to the card issuing financial institutions for each transaction Worldpay processes. From time to time, the payment networks and card schemes increase the interchange fees and other fees that they charge payment processors and the financial institution sponsors. At their sole discretion, Worldpay's financial institution sponsors have the right to pass any increases in interchange and other fees on to Worldpay and they have consistently done so in the past. Worldpay is generally permitted under the contracts into which it enters, and in the past Worldpay has been able to, pass these fee increases along to its merchants through corresponding increases in Worldpay's processing fees. However, if Worldpay is unable to pass through these and other fees in the future, the inability to pass through such fees could have a material adverse effect on FIS' post-merger business, financial condition and results of operations.

Furthermore, in order to access the card schemes directly, as Worldpay does primarily outside the U.S., Worldpay must pay card scheme membership fees, which are subject to change from time to time, and which Worldpay may be unable to pass along to its merchants, potentially resulting in FIS absorbing a portion or all of such increases in the future.

***If Worldpay's agreements with U.S. financial institution sponsors and clearing service providers to process electronic payment transactions are terminated or otherwise expire and Worldpay is unable to renew existing or secure new sponsors or clearing service providers, Worldpay will not be able to conduct its business in the United States.***

In the United States and certain other markets, the Visa, Mastercard and other payment network rules require Worldpay to be sponsored by a member bank in order to process electronic payment transactions. Because Worldpay is not a U.S. bank, Worldpay is unable to directly access these payment networks in the U.S. Worldpay is currently registered with the Visa, Mastercard and other payment networks through Fifth Third Bank in the U.S. and other sponsor banks elsewhere. Worldpay's current agreement with Fifth Third Bank expires in December 2024. These agreements with Fifth Third Bank and other sponsors give such sponsors substantial discretion in approving certain aspects of Worldpay's business practices, including Worldpay's solicitation, application and qualification procedures for merchants and the terms of Worldpay's agreements with merchants. Worldpay's financial institution sponsors' discretionary actions under these agreements could have a material adverse effect on Worldpay's business, financial condition and results of operations. Worldpay also relies on Fifth Third Bank and various other financial institutions to provide clearing services in connection with Worldpay's settlement activities. Without these sponsorships or clearing services agreements, Worldpay would not be able to process Visa, Mastercard and other payment network transactions or settle transactions in relevant markets, including the U.S. which would have a material adverse effect on FIS' business, financial condition and results of operations. Furthermore, FIS' financial results could be adversely affected if the costs associated with such sponsorships or clearing services agreements increase.

***Increased merchant, financial institution or referral partner attrition and decreased transaction volume could cause FIS' post-merger revenues to decline.***

Worldpay may experience attrition and declines in merchant and financial institution credit, debit or prepaid card processing volume resulting from several factors, including business closures, consolidations, loss of accounts to competitors, account closures that it initiates due to heightened credit risks, and reductions in its merchants' sales volumes. Worldpay's referral partners, many of which are not exclusive, such as merchant banks, technology solution partners, payment facilitators, independent sales organizations and trade associations are contributors to Worldpay's revenue growth in its Merchant Solutions and Technology Solutions segments. If a referral partner switches to another transaction processor, shuts down or becomes insolvent, Worldpay will no longer receive new merchant referrals from the referral partner, and Worldpay risks losing existing merchants that were originally enrolled by the referral partner. FIS cannot predict the level of attrition and decreased transaction volume in the future and its revenues could decline as a result of higher than expected attrition, which could have a material adverse effect on FIS' business, financial condition and results of operations.

***Fraud by merchants or others could have a material adverse effect on FIS' business, financial condition and results of operations following the merger.***

Worldpay faces potential liability for fraudulent electronic payment transactions initiated by merchants, third parties or other associated participants. Examples of merchant fraud include when a merchant or other party knowingly accepts payment by a stolen or counterfeit credit, debit or prepaid card, card number or other credentials records a false sales transaction utilizing a stolen or counterfeit card or credentials, processes an invalid card, or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction. In the event a dispute between a cardholder and a merchant is not resolved in favor of the merchant, the transaction is normally charged back to the merchant and the purchase price is credited or otherwise refunded to the cardholder. Failure to effectively manage risk and prevent fraud would increase Worldpay's chargeback liability or other liability. In addition, beginning October 2015, U.S. merchants that cannot process EMV chip-based cards are held financially responsible for certain fraudulent transactions conducted using such cards. This will likely increase the amount of risk for merchants who are not yet EMV-compliant and could result in the Worldpay business having to seek increased chargebacks from such merchants. Increases in chargebacks or other liability could have a material adverse effect on FIS' business, financial condition and results of operations following the merger.

***Worldpay's operating results are subject to seasonality, which could result in fluctuations in FIS' quarterly net income.***

Worldpay has experienced in the past, and expects to continue to experience, seasonal fluctuations in its revenues as a result of consumer spending patterns. Historically Worldpay's revenues have been strongest in its fourth quarter, and weakest in its first quarter. This is due to the increase in the number and amount of electronic payment transactions related to seasonal retail events.

***Worldpay is party to tax receivable agreements and the amounts it may be required to pay under these agreements are expected to be significant. In certain cases, payments under the tax receivable agreements may be accelerated and/or significantly exceed the actual benefits FIS realizes following the merger in respect of the tax attributes subject to the tax receivable agreements.***

Worldpay is party to tax receivable agreements ("TRAs"). As of June 30, 2019, Worldpay has a liability recorded of approximately \$918.7 million associated with the TRAs. It is possible that future transactions or events, including changes in tax rates, could increase or decrease the actual tax benefits realized and the corresponding TRA payments. There may be a material adverse effect on FIS' liquidity if, as a result of timing discrepancies or otherwise, distributions to Worldpay by Worldpay Holding are not sufficient to permit Worldpay to make payments under the TRAs.

The TRAs provide that, upon certain mergers, asset sales, other forms of business combination or certain other changes of control, Worldpay's obligations to make payments with respect to tax benefits would be based on certain assumptions, including that Worldpay would have sufficient taxable income to fully use the NOLs or deductions arising from increased tax basis of assets. As a result, following the merger FIS could be required to make payments under the TRAs that are greater than 85% of Worldpay's actual tax savings.

If the Internal Revenue Service, or the IRS, challenges the tax basis increases or NOLs that give rise to payments under the TRAs and the tax basis increases or NOLs are subsequently disallowed, payments under the TRAs could exceed its actual tax savings, and the combined company may not be able to recoup previous payments under the TRAs that were calculated on the assumption that the disallowed tax savings were available.



**Litigation relating to the merger transactions could (i) require FIS and/or Worldpay to incur significant costs and suffer management distraction, (ii) delay and/or enjoin the merger and/or (iii) result in the payment of damages or other remedies.**

Following the initial filing, on April 15, 2019, of the registration statement on Form S-4, on April 30, 2019, a purported Worldpay stockholder filed a putative class action complaint, captioned *Sabatini v. Worldpay, Inc., et al.*, Case No. 1:19-cv-00794-LPS, against Worldpay, its directors, FIS and Merger Sub in the United States District Court for the District of Delaware. The complaint asserts a claim for violations of Section 14(a) of the Exchange Act and SEC Rule 14a-9 against Worldpay and its directors and a claim for violations of Section 20(a) of the Exchange Act against the Worldpay directors and FIS. The complaint alleges, among other things, that Worldpay and its directors disseminated an allegedly false and materially misleading registration statement on Form S-4. The complaint seeks, among other things, to enjoin the merger, a declaration that the registration statement violated federal securities laws, unspecified damages, and an award of attorneys' and experts' fees.

On May 1, 2019, a purported Worldpay stockholder filed a second complaint, captioned *Stein v. Worldpay, Inc., et al.*, Case No. 1:19-cv-00813-LPS, against Worldpay and its directors in the United States District Court for the District of Delaware. The complaint asserts a claim for violations of Section 14(a) of the Exchange Act, SEC Rule 14a-9, and 17 C.F.R. § 244.100 against Worldpay and its directors and a claim for violations of Section 20(a) of the Exchange Act against the Worldpay directors. The complaint alleges, among other things, that Worldpay and its directors disseminated an allegedly false and materially misleading registration statement on Form S-4. The complaint seeks, among other things, to enjoin the merger, unspecified damages, and an award of attorneys' and experts' fees.

On June 4, 2019, a purported Worldpay stockholder filed a third complaint, captioned *Johnson v. Worldpay, Inc., et al.*, Case No. 1:19-cv-01034-UNA, against Worldpay and its directors in the United States District Court for the District of Delaware. The complaint asserts a claim for violations of Section 14(a) of the Exchange Act and SEC Rule 14a-9 against Worldpay and its directors and a claim for violations of Section 20(a) of the Exchange Act against the Worldpay directors. The complaint alleges, among other things, that Worldpay and its directors disseminated an allegedly false and materially misleading registration statement on Form S-4. The complaint seeks, among other things, to enjoin the merger, a declaration that the registration statement violated federal securities laws, unspecified damages, and an award of attorneys' and experts' fees.

The outcome of any such action is uncertain. If the actions remain unresolved, they could result in significant costs to Worldpay and/or FIS, including costs associated with the indemnification of their respective directors and officers. Other plaintiffs may also file lawsuits against FIS, Worldpay, Merger Sub and/or directors and officers thereof in connection with the merger, requiring FIS, Worldpay, Merger Sub and their respective directors and officers to defend against multiple lawsuits potentially filed in different jurisdictions. The defense or settlement of any lawsuits or claims relating to the merger transactions may adversely affect the combined company's business, financial condition, results of operations and cash flows.

**Item 6. Exhibits**

(a) Exhibits:

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	SEC File Number	Exhibit	Filing Date	
3.1	Articles of Amendment to the Articles of Incorporation of Fidelity National Information Services, Inc., Effective as of July 31, 2019.	8-K	001-16427	3.1	7/31/2019	
4.1	Seventeenth Supplemental Indenture, dated as of May 21, 2019 between FIS and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee.	8-K	001-16427	4.1	5/21/2019	
4.2	Eighteenth Supplemental Indenture, dated as of May 21, 2019 between FIS and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee.	8-K	001-16427	4.2	5/21/2019	
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4.5	Twenty-First Supplemental Indenture, dated as of May 21, 2019 between FIS and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee.	8-K	001-16427	4.5	5/21/2019	
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4.8	Twenty-Fourth Supplemental Indenture, dated as of May 21, 2019 between FIS and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee.	8-K	001-16427	4.8	5/21/2019	
4.9	Twenty-Fifth Supplemental Indenture, dated as of May 21, 2019 between FIS and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee.	8-K	001-16427	4.9	5/21/2019	
10.1	Second Amendment Agreement, dated as of April 5, 2019, by and among Fidelity National Information Services, Inc., the financial institutions party thereto as lenders and JPMorgan Chase Bank, N.A., as administrative agent.	8-K	001-16427	10.1	4/11/2019	
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10.4	Terms and Conditions of Employment, effective as of April 2, 2018, by and among FIS Systems (U.K.) Limited. and Martin Boyd. (1)					*
10.5	Letter Agreement, effective as of August 1, 2019, by and among Fidelity National Information Services, Inc., and Charles Drucker. (1)					*
10.6	Employment Agreement, effective as of August 1, 2019, by and between Fidelity National Information Services, Inc., and Mark Heimbouch. (1)					*
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32.1	Certification of Gary A. Norcross, President and Chief Executive Officer of Fidelity National Information Services, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					*
32.2	Certification of James W. Woodall, Corporate Executive Vice President and Chief Financial Officer of Fidelity National Information Services, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					*
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(1) Management contract or compensatory plan or arrangement.

\* Filed or furnished herewith

+ Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIDELITY NATIONAL INFORMATION SERVICES, INC.

Date: August 6, 2019

By: /s/ JAMES W. WOODALL

James W. Woodall  
Corporate Executive Vice President and Chief Financial Officer  
(Principal Financial Officer )

FIDELITY NATIONAL INFORMATION SERVICES, INC.

Date: August 6, 2019

By: /s/ KATY T. THOMPSON

Katy T. Thompson  
Corporate Senior Vice President and Chief Accounting Officer  
(Principal Accounting Officer)

**FIDELITY NATIONAL INFORMATION SERVICES, INC.**  
**FORM 10-Q**  
**INDEX TO EXHIBITS**

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## AMENDMENT TO EMPLOYMENT AGREEMENT

This AMENDMENT TO EMPLOYMENT AGREEMENT (the "Amendment") is effective as of May 21, 2019 (the "Effective Date"), by and between **FIDELITY NATIONAL INFORMATION SERVICES, INC.**, a Georgia corporation ("FIS" or the "Company"), and **Gary A. Norcross** (the "Employee") and amends that certain Amended and Restated Employment Agreement dated December 29, 2009, as previously amended on March 30, 2012, January 1, 2015, February 23, 2016 and May 5, 2018 (as previously amended, the "Agreement"). Except as amended herein, the terms of the Agreement remain in full force and effect.

1. Section 2 of the Agreement is deleted and the following is inserted in lieu thereof:

2. "Employment and Duties. Subject to the terms and conditions of this Agreement, Company employs Employee to serve as the Chairman, President and Chief Executive Officer of FIS, reporting directly to the Company's Board of Directors, or in such other capacity as may be mutually agreed by the parties. Employee accepts such employment and agrees to undertake and discharge the duties, functions and responsibilities commensurate with the aforesaid position. Employee shall devote substantially all business time, attention and effort to the performance of duties hereunder and shall not engage in any business, profession or occupation, for compensation or otherwise, without the express written consent of the Company, other than personal, charitable or civic activities or other such matters that do not conflict with Employee's duties. Employee's office location shall be in Jacksonville, Florida, but Employee will be expected to travel to the Company's other locations as necessary."

2. Section 4 of the Agreement is deleted and the following is inserted in lieu thereof:

"4. Salary. During the Employment Term, Company shall pay Employee an annual base salary, before deducting all applicable withholdings, of \$1,200,000 per year, payable at the time and in the manner dictated by Company's standard payroll policies. Such minimum annual base salary may be periodically reviewed and increased (but not decreased without Employee's express written consent) at the discretion of the Board or the Compensation Committee of the Board (the "Committee") (such annual base salary, including any increases, the "Annual Base Salary")."

3. The second sentence of Section 5(c) is deleted and the following is inserted in lieu thereof:

"(c) Employee's target Annual Bonus shall be no less than 250% of Employee's then current Annual Base Salary, with a maximum of up to 2 times target (collectively, the target and maximum Annual Bonus are referred to as the "Annual Bonus Opportunity"); provided that Employee's Annual Bonus is subject to the Company's clawback policy, pursuant to which the Company may recoup all or a portion of any bonus paid if, after payment, there is a finding of fraud, a restatement of financial results, or errors or omissions

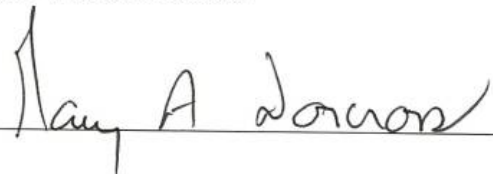
discovered that call into question the business results on which the bonus was based.”

IN WITNESS WHEREOF the parties have executed this Amendment to be effective as of the date set forth above.

FIDELITY NATIONAL INFORMATION SERVICES, INC.

By:   
Its: Corporate Executive Vice President & Chief Legal Officer

GARY A. NORCROSS

  
\_\_\_\_\_



## *Terms and conditions of employment*

Between: FIS Systems (U.K.) Limited,  
25 Canada Square, Floors 38-40  
Canary Wharf  
London. ENG E14 5LQ  
("FIS Ltd." or the "Company")

and: Martin Boyd ("You" or the "Employee")

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## 1. Interpretation

1.1 The definitions and rules of interpretation in this clause apply in this agreement:

**Appointment:** means the employment of the Employee by the Company on the terms of this agreement.

**Bad Leaver:** means

- (a) you terminate your employment with the Company without Good Reason; or
- (b) the Company terminates your employment for Cause;

**Board:** means the board of directors of the Company (including any committee of the board duly appointed by it) or the directors present at a duly convened meeting of the directors at which a quorum is present and acting throughout.

**Cause:** means termination of employment by the Company in accordance with clause 14.2;

**Capacity:** means as agent, consultant, director, employee, owner, partner, shareholder or in any other capacity.

**Change of Control:** in relation to the Company, occurs if FIS ceases to Control the Company or if another person not controlled by FIS acquires Control of it.

**Client:** means any person, firm, company or entity that was a client of the Company or any Relevant Group Company in the twelve (12) months prior to Termination and with which you were concerned (save for on a *de minimis* level) or had material personal contact during the said period of twelve (12) months.

**Commencement Date:** means 2 April 2018

**Confidential Information:** means information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the business, products, affairs and finances of the Company or any Group Company for the time being confidential to the Company or any Group Company and trade secrets including, without limitation, technical data and know-how relating to the business of the Company or Group Company or any of its or their business contacts, including in particular (by way of illustration only and without limitation) details of actual or potential clients, inventions, ideas, concepts, know-how, techniques, designs, models, flow charts, diskettes, operating systems, pricing and fee arrangements, financial information, marketing strategies, business plans, research and development activities, information regarding costs, profits, markets, products, client lists, tooling, designs, plans for present and future development and expansion into new markets and other proprietary information which you may have created, developed, received or obtained while in the service of the Company or any Group Company.

**FIS:** means Fidelity National Information Services, Inc. a Georgia corporation.

**Garden Leave:** means any period during which the Company has exercised its rights under clause 14.4.

**Good Leaver:** means your employment terminates for any reason where you are not a Bad Leaver, as defined above.

**Good Reason:** means termination of employment by you:

- (a) following any material reduction without your consent in the Base Salary or Annual Bonus Opportunity set forth in Section 6 of this agreement; or
- (b) a material breach by the Company of any obligations under this agreement.

The parties agree that the change of Employee's principal place of employment to New York shall not constitute Good Reason hereunder.

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**Group Company or collectively, Group:** means the Company, any company of which it is a Subsidiary (including its ultimate parent company) and any Affiliates of the Company or of any such ultimate parent company.

**Holiday Year:** means 1 January to 31 December.

**Incapacity:** means any sickness or injury which prevent you from carrying out your duties.

**Intellectual Property:** means all patent, trademark, trade secret, moral rights, rights in design, trade or business names, copyright (including rights in computer software) (whether or not registered and including applications for (and the right to apply for) registration of any such thing) and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world for the full period thereof and all extensions or renewal thereof. Intellectual Property shall include, without limitation, all matter which is created by you for the Company or its clients during the term of this agreement, whether produced solely or jointly with others, and first conceived, fixed in tangible form, illustrated in a drawing, described in a written record or actually or constructively reduced to practice during your term of this agreement, including without limitation any new or useful art, discovery, contribution, finding or improvement, whether or not patentable, and all related ideas, concepts and know-how. Intellectual Property shall also include, without limitation, all designs, discoveries, formulae, processes, manufacturing techniques, computer designs, computer software, object code, source code, inventions, improvements and ideas.

**Key Employee:** means anyone employed or engaged by the Company or any Group Company who could materially damage the interests of the Company or any Group Company if they were involved in any Capacity in any business concern which competes with any Restricted Business and with whom you had material dealings in the twelve (12) months prior to Termination in the course of your employment.

**Long Term Disability:** means your disability which an independent medical expert reasonably determines prevents you from performing the essential functions of your position with or without reasonable adjustments, if such condition continues for a period of at least 90 consecutive days or 120 days during any 365 day period (and the term “Disability” shall have the same meaning).

**Potential Client:** means any person, firm, company or entity which was in material discussions or negotiations with the Company or any Relevant Group Company or to which the Company or any Relevant Group Company had pitched or was preparing to pitch with a view to that person, firm, company or entity becoming a Client in the twelve (12) months prior to Termination and with which pitch or preparations to pitch you were materially concerned (save for on a *de minimis* level) or had personal contact during the said period of twelve (12) months;

**Relevant Group Company:** means any Group Company (and, if applicable, their predecessors in business) for which you performed services or in which you held office during the twelve (12) months immediately preceding Termination.

**Restricted Business:** means any business of the Group Company with which you were involved to a material extent in the twelve (12) months prior to Termination.

**Restricted Supplier:** means any supplier of goods or services to the Company or any Group Company with whom or which you had come into material contact in the course of the performance of your duties under this agreement during the period of 12 of months immediately preceding Termination and with whom or which you were involved to a material extent during that time.

**Subsidiary:** means any subsidiary of FIS, as defined in section 1159 of the Companies Act 2006.

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**Termination:** means the termination of your employment with the Company howsoever caused (including, without limitation, termination by the Company in repudiatory breach of contract) and **Termination Date** means the date on which your employment with the Company terminates.

**Working Time Regulations:** means the Working Time Regulations 1998.

- 1.2. The headings in this agreement are inserted for convenience only and shall not affect its construction.
- 1.3. A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.4. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5. Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
- 1.6. The schedules to this agreement form part of (and are incorporated into) this agreement.

## **2. Commencement and term**

- 2.1 The Company will employ you and you will serve the Company on the terms of this Agreement.
- 2.2 The Appointment will begin on the Commencement Date and shall continue, subject to the terms of this agreement, until it is terminated by either party as provided for under the terms of this agreement (“**Employment Term**”).
- 2.3 There is no probation period pertaining to this Appointment.

## **3. Duties**

- 3.1 You are employed as **Division Executive, Institutional and Wholesale**, or in any such other capacity as may be mutually agreed upon by the parties. Employee accepts such employment and agrees to undertake and discharge the duties, functions and responsibilities commensurate with the aforesaid position and such other duties and responsibilities as may be prescribed from time to time by the Company.
  - 3.2 You shall use your reasonable endeavours to promote, protect, develop and extend business and the interests of the Group and shall not do anything which is harmful to that business and those interests. You shall diligently and faithfully perform such duties and exercise such powers as may from time to time be assigned to or vested in you in relation to the conduct and management of the affairs of the Group by the Company or any Group Company, provided such duties are reasonably consistent with your status and duties. You shall comply with all lawful and reasonable instructions of such organisms.
  - 3.3 You shall give to the Company or any Group Company such information regarding the affairs of the Group, as it shall require.
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- 3.4 You shall (unless prevented by Incapacity or otherwise directed by the Company) devote the whole of your time during normal business hours to the duties of your function and such additional time as is reasonably necessary for the proper fulfillment of those duties.
- 3.5 You will report your own wrongdoing and any wrongdoing or proposed wrongdoing of any other employee or director of the Company or any Group Company to the Company immediately on becoming aware of it.
- 3.6 You consent to the Company monitoring and recording any use that you make of the Company's electronic communications systems for the purpose of ensuring that the Company's rules are being complied with and for legitimate business purposes.
- 3.7 You agree to comply with any electronic communications systems policy that the Company may issue from time to time.
- 3.8 All documents, manuals, hardware and software provided for your use by the Company, and any data or documents (including copies in any format) produced, maintained or stored on the Company's computer systems or other electronic equipment (including mobile phones) remain the property of the Company.
- 3.9 You shall not accept any appointment to any office in relation to anybody, whether corporate or not, (other than a Group Company) or directly or indirectly be interested in any manner in any other business except:
- (a) as holder or beneficial owner (for investment purposes only) of any class of securities in a company if those securities are listed or dealt in on a Recognized Investment Exchange and if you (together with your spouse, children, parents and parents' issue) neither holds nor is beneficially interested in more than five per cent of the securities of that class;
  - (b) personal involvement in charitable or civic activities or other matters that do not conflict with your duties; or
  - (c) with the consent in writing of the Company which may be given subject to any terms, which the Company requires. The Company has consented to your directorship in your wife's business, Asymmetric Solutions, Ltd.

#### **4. Place of Work**

- 4.1 Your primary place of work is London, England or any other places of business which the Company may reasonably require you to attend (including, without limitation) the premises of any of the Company's clients, for the proper exercise and performance of your duties. You will be expected to and you agree to travel frequently both within the U.K. and abroad on the business of the Company or any Group Company or its clients for the proper performance of your duties. It is expected that you will spend material time in New York City and Jacksonville, Florida during the term of your employment.
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- 4.2 The Company shall re-evaluate Employee's primary work location within twelve (12) months of the Effective Date, and if New York City is to be the Employee's regular work location going forward, a reasonable and appropriate relocation package in accordance with the Company's Global Relocation policy will be offered to Employee (including provision for relocating his spouse and dog). If Employee's primary work location changes to New York City during the term of this agreement, then this agreement shall be amended on the same or similar terms and conditions to account for the change of applicable laws for United States based employment.

## 5. Hours of Work

- 5.1 Your normal hours of work are between 9.00 a.m. and 5.00 p.m. Mondays to Fridays. However, you will be expected to work such additional hours as may be reasonably necessary for you to properly perform your duties. You acknowledge and agree that you will not receive further remuneration in respect of such additional hours.
- 5.2 The parties agree that the nature of your position is such that your working time cannot be measured and, accordingly, that the Appointment falls within the scope of Regulation 20 of the Working Time Regulations.

## 6. Salary; Bonus

- 6.1 You will be paid a basic salary of **£455,000** per annum, which is a gross sum from which deductions will be made for income tax and employee National Insurance contributions. Basic salary shall accrue from day to day and be payable at the time and in the manner dictated by the Company's standard payroll policies, which are currently monthly, payable in arrears on the 28<sup>th</sup> day of each month.
- 6.2 Effective each calendar year from 1 January 2018 onwards, your salary shall be reviewed by the Company, considering such factors as the financial condition of the Company and the Company's Group, the quality and extent of your services hereunder, and the performance of your responsibilities. The Company is under no obligation to award an increase following a salary review. There will be no review of salary after notice has been given by either party to terminate the Appointment.
- 6.3 You will be eligible to participate in an annual incentive bonus opportunity under Company's Management Incentive Compensation Plan ("MICP") for 2018 and each subsequent calendar year included in the Employment Term, with such opportunity to be earned based upon attainment of performance objectives established by Company ("Annual Bonus"). Employee's target Annual Bonus under the MICP shall be no less than 120% of Employee's then current Annual Base Salary (the "Annual Bonus Opportunity"). Employee's Annual Bonus Opportunity may be periodically reviewed and increased by Company, but may not be decreased without Employee's express written consent. If owed pursuant to the terms of the MICP, the Annual Bonus shall be paid in accordance with the MICP plan timescales. Employee's Annual Bonus is subject to the Company's clawback policy, pursuant to which the Company may recoup all or a portion of any bonus paid if, after payment, there is a finding of fraud, a restatement of financial results, or errors or omissions discovered that call into question the business results on
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which the bonus was based. Unless provided otherwise herein or the Company determines otherwise, no Annual Bonus shall be paid to Employee unless Employee is employed by Company on the last day of the measurement period.

- 6.4 Any bonus payment shall be pensionable under the FIS Group Personal Pension Scheme rules that are applicable to you.
- 6.5 The Company shall be entitled to deduct from your salary or other payments due to you, any money that you owe the Company or any Group Company.
- 6.6 The Company, by and through itself or an affiliate, shall pay for housing for you in New York City, New York at a cost of up to \$8,333 per month for a lease of one year or less starting on or before 31 Dec.2018.
- 6.7 During each of the initial two (2) years during which this agreement is in place, you shall be allowed reimbursement for four (4) business class trips by your spouse from London, U.K. to New York City or other cities in the United States warranted by your approved business travel;

## 7. Equity Awards

- 7.1 For each year of the Employment Term, you shall be eligible to participate in Company's equity incentive plans at levels consistent with other similarly situated senior executives of the Company.
- 7.2 The Company has agreed to award Employee, shortly after the execution of this agreement, a one-time off cycle equity grant under the FIS Omnibus Incentive Plan, as amended and restated, in the total value as of the grant date of \$750,000, as calculated by the Company, and in such proportions of performance units, stock options and restricted stock units, as are consistent with how the Company made grants to similarly situated executive employees in 2018.
- 7.3 There will be no equity awards made after notice has been given by either party to terminate the Appointment.
- 7.3 In addition, you shall be eligible to participate in all new equity incentive plans or awards which are made available to other senior executives of the Company following the date of this agreement on the same basis as such other executives.

## 8. Pension

- 8.1 You may join the Company's group personal pension scheme ("**Scheme**") (or such other registered pension scheme as may be set up by the Company to replace the Scheme) subject to satisfying certain eligibility criteria and subject to the rules of the Scheme as amended from time to time.

## 9. Benefits

- 9.1 You are eligible to participate in all medical insurance, permanent health insurance and life insurance schemes offered by the Company generally to its employees. Benefits
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under any scheme shall be subject to the rules of the relevant scheme and of any applicable insurance policy and are conditional on you complying with and satisfying any applicable requirements of the insurer.

- 9.2 If, in relation to any insurance scheme, the relevant insurance provider refuses for any reason to provide the relevant benefit to you, the Company shall not be liable to provide to you any replacement benefit of the same or similar kind or to pay any compensation in lieu of such benefit.
- 9.3 Any insurance scheme which is provided for you is also subject to the Company's right in its absolute discretion to alter the cover provided or any term of the scheme or to withdraw (without replacement) the relevant scheme at any time provided that such changes are made generally in respect of the its entire workforce.

## **10. Expenses**

- 10.1 The Company shall reimburse you for all reasonable business and travel expenses necessarily and wholly incurred by you in or about the proper performance of your duties during your employment, provided that the expenses are incurred and substantiated in accordance with all applicable Company rules, policies, standards, guidelines and procedures, as they may be updated or replaced from time to time. This shall not include temporary housing expenses in New York City covered under section 6.6 of this agreement
- 10.2 You shall not directly or indirectly accept any commission, rebate, discount or gratuity, in cash or in kind, from any person who has or is likely to have a business relationship with any Group Company.

## **11. Incapacity and medical examination**

- 11.1 The Company may at any time require you to be examined by a medical adviser nominated by the Company. You consent to the medical adviser disclosing the results of the examination to the Company and shall provide the Company with such formal consents as may be necessary for this purpose.
- 11.2 You are entitled to sick pay equivalent to your full basic salary (inclusive of any SSP due and less usual PAYE deductions) for the first twenty-six weeks of such illness. Sickness absence must be taken in accordance with the relevant non-contractual policies and procedures.

## **12. Holidays**

- 12.1 You shall be entitled to twenty-six (26) working days' holiday with pay in every Holiday Year, in addition to your entitlement to the 8 usual statutory and bank holidays in the United Kingdom. Holiday must be taken in accordance with the relevant non-contractual policies and procedures.
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- 12.2** The Company reserves the right to require you to take any outstanding holiday during any period of notice of termination of your employment (whether given by the Company or you) or to make a payment in lieu of that outstanding holiday. You are not entitled to payment in lieu of untaken holiday in any other circumstances.
- 12.3** The entitlement to holiday (and on termination of employment to holiday pay in lieu of accrued but untaken holiday) accrues pro rata throughout each Holiday Year based on completed months' service.
- 12.4** If, on termination of the Appointment, you have taken more than your accrued holiday entitlement, the Company shall be entitled to recover from you by way of deduction from any payments due to you or otherwise one day's pay for each excess day, calculated as 1/260th of annual salary for each such day's pay and you hereby authorize the Company pursuant to the Employment Rights Act 1996 to make such deduction.

### **13. Non-contractual Policies and Procedures**

- 13.1** Non-contractual policies and procedures are available upon request from your local Human Resources Director. You have been provided access to or copies of, and agree to comply with, the Company's UK non-contractual policies and procedures, as currently in effect and as they may be updated or replaced from time to time.
- 13.2** Details of the Company's Grievance and Disciplinary Procedures are set out in the non-contractual policies. The procedures do not form part of your contractual terms of employment.
- 13.3** There is no collective agreement which directly affects your employment or the Appointment.
- 13.4** In the event of any conflict between the contents of the non-contractual policies and procedures and this agreement, this agreement shall prevail. For the avoidance of doubt and save as set out herein, this agreement and the non-contractual policies and procedures supersede all previous contracts of employment between you and the Company or any of its affiliates.

### **14. Termination of employment**

- 14.1** Subject to clauses 14.2 and 14.3, your employment is terminable by either party giving to the other six (6) months' written notice of termination of employment.

You may terminate your employment and this agreement at any time for Good Reason by serving thirty (30) working days' notice in writing on the Company ("**Notice of Termination**"). Notwithstanding the foregoing, Employee being placed on a paid leave for up to sixty (60) days pending a determination of whether there is a basis to terminate Employee for Cause shall not constitute Good Reason. Employee's continued

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employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder; provided, however, that no event shall constitute Good Reason unless: (1) Employee gives Notice of Termination to Company specifying the condition or event relied upon for such termination within ninety (90) days of the initial existence of such event and (2) Company fails to cure the condition or event constituting Good Reason within thirty (30) days following receipt of Employee's Notice of Termination. The company can request notice worked, garden leave or provide a payment in lieu of notice. Pay in lieu of notice shall be calculated on basic pay only plus any contractual benefits. Employee shall not be entitled to any discretionary payments such as bonus or commission that might otherwise have been due had the employee worked for the Company during the notice period for which the payment in lieu is made.

14.2 Notwithstanding the provision of clause 14.1 above, if you are found guilty of (other than due to a physical or mental impairment or due to an action or inaction directed by Company that would otherwise constitute Good Reason):

- (a) persistent failure to perform duties consistent with a commercially reasonable standard of care;
- (b) willful neglect of duties;
- (c) you are convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed);
- (d) material breach of this agreement or Company's business policies, accounting practices or standards of ethics;
- (e) failure to materially cooperate with or impeding an investigation authorized by the Board ; or
- (f) any other such reason that would constitute gross misconduct as stated within the Company policy,

the Company may (whether or not any notice of termination has been given under clause 14.1) terminate your employment with immediate effect without notice and with no further liability to make any further payment to you other than in respect of amounts accrued to the date on which your employment terminates.

14.3 If the Company exercises its right to terminate your employment without Cause or you terminate your employment with Good Reason, then:

- (a) Company shall pay you the following (collectively, the "**Accrued Obligations**"): (i) at the next pay date after the Date of Termination, any earned but unpaid basic salary; (ii) within a reasonable time following submission of all applicable documentation, any expense reimbursement payments owed to Employee for

expenses incurred prior to the Date of Termination; and (iii) as soon as is reasonably practical following final approval of the bonuses, any earned but unpaid Annual Bonus payments relating to the prior calendar year;

- (b) Company shall pay Employee no later than March 15th of the calendar year following the year in which the Date of Termination occurs, a prorated Annual Bonus based upon the actual Annual Bonus that would have been earned by Employee for the year in which the Date of Termination occurs, ignoring any requirement under the Annual Bonus Plan that Employee must be employed on the payment date (using Employee's Annual Bonus Opportunity for the prior year if no Annual Bonus Opportunity has been approved for the year in which the Date of Termination occurs), multiplied by the percentage of the calendar year completed before the Date of Termination;
- (c) Company shall pay Employee as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination, a lump-sum payment equal to the sum of: (i) Employee's basic salary in effect immediately prior to the Date of Termination (disregarding any reduction in basic salary to which Employee did not expressly consent in writing); and (ii) the target Annual Bonus for the Employee for the year in which the Date of Termination occurs; and
- (d) All stock option, restricted stock and other equity-based incentive awards granted by Company that were outstanding but not vested as of the Date of Termination shall become immediately vested and/or payable, as the case may be, unless the equity incentive awards are based upon satisfaction of performance criteria; in which case, they will only vest pursuant to their express terms.

#### **14.4 Garden leave**

**14.4.1** Following service of notice to terminate the Appointment by either party, or if you purport to terminate the Appointment in breach of contract, or in order to investigate a reasonable belief that you are guilty of gross misconduct, the Company may by written notice require you not to perform any services (or to perform only specified services) for the Company or any Group Company until the termination of the Appointment or a specified date but for a maximum of 6 months.

**14.4.2** During any period of Garden Leave the Company shall be under no obligation to provide any work to, or vest any powers in, you, and you shall have no right to perform any services for the Company or any Group Company.

**14.4.3** During any period of Garden Leave you shall:

- (a) continue to receive your basic salary, and all other contractual benefits in the usual way and subject to the terms of any benefit arrangement;
  - (b) remain an employee of the Company and bound by the terms of this, particularly in relation to any duties of confidentiality and fidelity;
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- (c) not, without the prior written consent of the Company, attend your place of work or any other premises of the Company or any Group Company;
- (d) not, without the prior written consent of the Company, contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of the Company or any Group Company; and
- (e) ensure that the Company knows where you will be and how you can be contacted during each working day and shall comply with any written requests to contact a specified employee of the Company or any Group Company at specified intervals.

**14.5** Immediately upon the termination of your employment for any reason or immediately at the Company's request after either party has given notice to terminate your employment or the Company has placed you on a paid leave of absence, as mentioned in clause 14.1, you shall:

- (a) resign all offices held by you in any Group Company (without prejudice to the rights of any party arising out of this agreement or the termination of your employment);
- (b) deliver to the Company all documents, books, materials, records, correspondence, papers and information, including Confidential Information (on whatever media and wherever located) relating to the business or affairs of the Company or any Group Company or its or their business contacts, any keys, credit card and any other property of the Company or any Group Company which is in your possession or your control;
- (c) deliver to the Company any information relating to the business of the Company or of any Group Company stored on any magnetic or optical disk or memory and all matter derived from such sources which is in your possession or under your control outside any premises of the Company or any Group Company; and
- (d) provide a signed statement that you have fully complied with your obligations under this clause 14.5.

**14.6** You shall at the time of executing this agreement appoint the Company as your attorney by executing a power of attorney in the form set out in Schedule 1 to do and sign in your name and on your behalf anything and document as may be required to make your resignation as a director effective.

**14.7** With effect from the date of termination of your employment, all the rights and obligations of the parties under this agreement shall cease except for those which are expressed to continue after that date and except in relation to any breach of any provision of this agreement before that date. Termination of your employment shall not prejudice any other rights of either party.

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- 14.8 If any person shall during your employment or during the period in which any of the restrictions in this contract operate after the Termination Date make to you any offer of employment or of a contract for services or of consultancy or any other contract which would or might involve you in being in breach of any of those restrictions, you shall bring to the attention of that person the terms of the clause, that contains the applicable restriction.
- 14.9 This agreement shall be deemed to have been terminated by Good Reason in the event of your leaving employment by reason of Long Term Disability or upon your death.

## 15. Confidentiality

- 15.1 You acknowledge that in the course of the Appointment you will have access to Confidential Information, and therefore you agree to accept the restrictions in this clause 15. You will not (except in the proper course of your duties) use, communicate or disclose to any person (and you shall use your best endeavors to prevent the use, communication or disclosure of such trade or business) Confidential Information and/or trade secrets and confidential information of their affiliates, subsidiaries, clients and vendors. This restriction shall continue to apply after the termination of your employment howsoever arising without limit in time.
- 15.2 The restriction in clause 15.1 above shall not:
- (a) apply to any use or disclosure authorized by the Company;
  - (b) apply to any use or disclosure required by law, including in the course of legal proceedings. If you make such disclosure pursuant to a subpoena or final order of a court of competent jurisdiction or other governmental process or other governmental process, you shall, at least five (5) working days prior to making such disclosure, give written notice to the Company of the request or demand for such disclosure, and the Company shall be afforded the right to participate at its own expense in objecting to or limiting the nature and scope of such disclosure, and to seek judicial protection available for like material, such as protective orders and sealed records of proceedings; or
  - (c) prevent you from making a protected disclosure within the meaning of section 43A of the Employment Rights Act 1996.
- 15.3 You shall not use, either directly or indirectly, under any circumstances, at any time, any Confidential Information for any reason or purpose whatsoever except in connection with the performance of your duties under this agreement. Without limiting the generality of the foregoing, you agree not to use any such information for your own benefit or for the benefit of any other person, firm, corporation, association or other entity for any reason or purpose whatsoever.
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## **16. Intellectual property**

- 16.1** You acknowledge that because of the nature of your duties and the particular responsibilities arising as a result of such duties which you owe to the Company or any Group Company you have a special obligation to further the interests of the Company and any Group Company. In particular your duties shall include reviewing the products and services of the Company with a view to identifying and implementing potential improvements.
- 16.2** You shall promptly disclose to the Company any idea, invention or work which is relevant to or capable of use in the business of the Company or Group Company made by you in the course of your employment (whether or not in the course of your normal duties). You acknowledge that the Intellectual Property rights subsisting, or which may in the future subsist, in any such ideas, inventions or works will, on creation, vest in and be the exclusive property of the Company and where the same does not automatically vest as aforesaid, you shall assign the same to the Company (upon the request and at the cost of the Company). You hereby irrevocably waive any rights which you may have in any such ideas, inventions or works which are or have been conferred upon you by chapter IV of part I of the Copyright, Designs and Patents Act 1988 headed "Moral Rights".
- 16.3** You hereby irrevocably appoint the Company to be your attorney in your name and on your behalf to execute and do any such instrument or thing and generally to use your name for the purpose of giving to the Company or the nominee the full benefit of the provisions of this clause and acknowledge in favor of any third party that a certificate in writing signed by any Director or Secretary of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case.

## **17. Restriction after termination**

- 17.1** In order to protect the Confidential Information to which you have access as a result of your employment with the Company and in order to protect the Company's legitimate business interests, including (without limitation) its business connections and the stability of its workforce, you covenant to the Company (for itself and as trustee and agent for each Group Company) that you shall not, directly or indirectly, either alone or jointly with or on behalf of any person, firm, company or entity and in any Capacity:
- (a) for **twelve (12)** months after Termination solicit or endeavour to entice away from the Company, or any Group Company, the business or custom of any Client with a view to providing services to that Client in competition with any Restricted Business;
  - (b) for **twelve (12)** months after Termination, solicit the business or custom of any Potential Client with a view to providing services to that Potential Client in competition with any Restricted Business;
  - (c) for **twelve (12)** months after Termination, be involved with the provision of services to (or otherwise have any business dealings with) any Client in the course of any business concern which is in competition with the Restricted Business;
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- (d) for **twelve (12)** months after Termination, be involved with the provision of services to (or otherwise have any business dealings with) any Potential Client in the course of any business concern which is in competition with the Restricted Business;
- (e) for **twelve (12)** months after Termination, entice or endeavour to entice away from the Company or any Group Company or in any way seek to affect the terms of business on which the Company or any Group Company deals with any Restricted Supplier;
- (f) for **twelve (12)** months after Termination, employ or engage or solicit the employment or engagement of or assist any other person whether by means of the supply of names or expressing views on suitability or otherwise to employ or engage or solicit or otherwise endeavour to entice away from the Company or any Group Company any Key Employee (whether or not such person would commit any breach of their contract of employment or engagement by reason of leaving the service of their employer);
- (g) for **twelve (12)** months after Termination, in any Capacity be involved with any business concern which is (or intends to be) in competition with any Restricted Business.

17.2 The restrictions imposed on you by this clause 17 apply to you acting:

- (a) directly or indirectly; and
- (b) on your own behalf or on behalf of, or in conjunction with, any firm, company or person.

17.3 The periods for which the restrictions in clause 17.1 apply shall be reduced by any period that you spend on Garden Leave immediately prior to Termination.

17.4 If you receive an offer to be involved in a business concern in any Capacity during the Appointment, or prior to the expiry of the last of the covenants in this clause 17, you shall give the person making the offer a copy of this clause 17.

17.5 The Company and you entered into the restrictions in this clause 17 having been separately legally advised.

17.6 Each of the restrictions in this clause 17 is intended to be separate and severable. If any of the restrictions shall be held to be void but would be valid if part of their wording were deleted, such restriction shall apply with such deletion as may be necessary to make it valid or effective.

17.7 You will, at the request and expense of the Company, enter into a separate agreement with any Group Company in which you agree to be bound by restrictions corresponding to those restrictions in this clause 17 (or such of those restrictions as may be appropriate) in relation to that Group Company.

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## **18. Data Protection**

- 18.1** You confirm that you have read and understood the Company's data protection policy. The Company may change its data protection policy at any time and will notify employees in writing of any changes.
- 18.2** You shall comply with the data protection policy when processing personal data in the course of employment including personal data relating to any employee, customer, client, supplier or agent of the Company or any Group Company.
- 18.3** You consent to the Company or any Group Company processing data relating to you for legal, personnel, administrative and management purposes and in particular to the processing of any **sensitive personal data** (as defined in the Data Protection Act 1998) relating to you, including, as appropriate:
- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness for work;
  - (b) your racial or ethnic origin or religious or similar information in order to monitor compliance with equal opportunities legislation; and
  - (c) information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.
- 18.4** The Company may make such information available to any Group Company, those who provide products or services to the Company or any Group Company (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.
- 18.5** You consent to the transfer of such information to any Group Company and the Company's or any Group Company's business contacts outside the European Economic Area in order to further its or their business interests even where the country or territory in question does not maintain adequate data protection standards.

## **19. Miscellaneous**

- 19.1** You acknowledge that in the event that any provisions of clauses 15, 16 and/or 17 of this agreement are breached, the Company will be irreparably damaged. Therefore, should any dispute arise with respect to the breach or threatened breach of any such clause, you agree that, in addition to, and not in lieu of, any and all other remedies available to the Company, an injunction or restraining order or other equitable relief may be issued or ordered by a court of competent jurisdiction restraining any breach of any of such
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provisions. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

- 19.2** All payments made by the Company under this agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.
- 19.3** This agreement shall be binding on the parties hereto and their respective successors, executors, administrators and permitted assigns. Neither party may, or shall have the power to, assign this agreement without the prior written consent of the other party, and any assignment made without such consent shall be void and of no effect as between the parties and shall be deemed a breach of this agreement.
- 19.4** No amendment, modification or waiver of any provision of this agreement, nor consent to any departure by either party there from, shall in any event be effective unless the same shall be in writing and signed by both parties, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No delay or failure on the part of either party in exercising any right, power or privilege hereunder shall constitute a waiver, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.
- 19.5** Any notice or other communication in connection with this agreement shall be given in writing by hand, registered or certified mail, return receipt requested, or confirmed facsimile. Notices shall be addressed as follows:

If to you, to:  
Martin Boyd  
[at the address of record last provided to the Company]

If to the Company, to:

Marc M. Mayo  
FIS Chief Legal Officer  
601 Riverside Avenue  
Jacksonville, FL, USA 32204

and in any case at such other address as the addressee shall have specified by written notice.

- 19.6** The obligations of you pursuant clauses 15, 16 and 17 hereof shall survive any termination of this agreement.
- 19.7** This Agreement constitutes the entire aand understanding between the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements and understandings between you and the Company, or any Company affiliate, whether oral or written, relating to the subject matter hereof.
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- 19.8 This agreement may be signed in counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.
- 19.9 This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).
- 19.10 You agree that each Group Company is an intended, third party beneficiary of this agreement and is entitled to rely upon all rights, representations, warranties and covenants made by you herein to the same extent as if such Group Company were the Company hereunder.
- 19.11 If any provision of this agreement or of a clause hereof is determined to be illegal or unenforceable by any court of law or any competent governmental or other authority, the remaining provisions within that clause and the remainder of this agreement shall be severable and enforceable in accordance with their terms, so long as this agreement, without such terms or provisions, does not fail of its essential purpose. The parties shall negotiate in good faith to replace any such illegal or unenforceable provisions with suitable substitute provisions which will maintain as far as possible the purposes and the effect of this agreement.
- 19.12 If the Company alleges or asserts that any of its obligations under this agreement are illegal, void or unenforceable or fails to make any payment to you within 30 days of such payment being due and payable under the terms of this agreement and following one written reminder then the Company will indemnify you on demand against all legal fees that you incur in any dispute you may have with the Company and each Group Company concerning the termination of your employment and your rights under or in connection with this agreement.

This is **executed as a Deed** and is delivered and takes effect on the date stated at the beginning of it.

Executed by Fidelity Information Services Ltd.

  
.....  
[SIGNATURE OF DIRECTOR]  
Director

Signed by Martin Boyd



[SIGNATURE OF EMPLOYEE]

---

**SCHEDULE 1**

**Power of Attorney**

By this Power of Attorney made on April 24, 2018, I, Martin Boyd, in accordance with the terms of my employment agreement (the "Employment Agreement") with FIS Systems (U.K.) Limited, 25 Canada Square, Floors 38-40, Canary Wharf, London, ENG E14 5LQ (the "Company") dated today HEREBY APPOINT the Company to act as my attorney with authority in my name and on my behalf (so that words and expressions defined in the Employment Agreement shall have the same meaning herein):

- (a) on or after the employment has terminated to do anything and sign any document as may be required under the constitution of the Company and each Group Company to make my resignation as a director from those companies effective; and
- (b) to appoint any substitute and to delegate to that substitute all or any powers conferred by this Power of Attorney.

I declare that this Power of Attorney, having been given by me to secure my obligations under my Employment Agreement, shall be irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.

IN WITNESS whereof this Power of Attorney has been duly executed.

EXECUTED as a deed by

) MARTIN BOYD



in the presence of:

Witness  
Signature:

..... Cindy Chandler

Name:

..... Cindy Chandler

Address:

..... 340 Madison Avenue

..... 7<sup>th</sup> Floor

..... New York NY 10173

.....





August 1, 2019

Via Email [Charles.Drucker@worldpay.com](mailto:Charles.Drucker@worldpay.com)

Mr. Charles Drucker  
8500 Governor's Hill Drive  
Symmes Township, Ohio 45249

Dear Charles:

This will confirm that you have agreed to serve as Vice Chairman of Fidelity National Information Services, Inc. ("FIS" or the "Company"), reporting solely and directly to the Company's Chief Executive Officer for a period of one year (the "Term") commencing at the closing of the merger (the "Closing") by which FIS will have acquired Worldpay, Inc. ("Worldpay"). During the Term and, with respect to Paragraphs 3, 4, 5 and 6 of this letter agreement, during the Term and thereafter, the following terms and conditions will apply:

1. Your base salary will continue to be \$875,000, less applicable withholdings and payroll taxes. Your duties will be commensurate with your position as Vice Chairman and are expected to include meeting with selected customers, meetings with key industry parties (including networks) and assisting with the integration of Worldpay and FIS (including helping with the engagement of legacy Worldpay employees).
2. You will receive an annual bonus for 2019 ("Annual Bonus") based upon your current target under the Worldpay Variable Compensation Plan, which shall be payable at the same time the Company pays annual bonuses to its officers on or before March 15, 2020, which shall be payable regardless of whether your employment with FIS or its affiliate terminates at any time, unless otherwise mutually agreed by the parties. Your target Annual Bonus under the Worldpay Variable Compensation Plan shall be no less than 175% of your then current base salary, with a maximum of up to 2 times target. Your Annual Bonus is subject to the Company's clawback policy, pursuant to which the Company may recoup all or a portion of any bonus paid if, after payment, there is a finding of fraud, a restatement of financial results, or errors or omissions discovered that call into question the business results on which the bonus was based. If your employment amicably terminates prior to the awarding of annual equity awards to officers of the Company in or about March 2020, the Company will consider, in its discretion, the payment of an additional bonus to you in lieu of any such equity award contingent upon your execution of a waiver and release of all claims against the Company and its affiliates (the "Release"), other than claims for (i) payments due under this letter agreement, (ii) vested accrued benefits under Worldpay or FIS compensation and benefits plans, (iii) indemnification in accordance with applicable law and FIS' governance

documentation and (iv) coverage under applicable directors' and officers' liability insurance policies (collectively, "Claim Exceptions").

3. The Company acknowledges that you will have Good Reason to terminate your employment at the Closing based upon a Change of Control and a change of your position and duties and would be entitled to receive severance benefits in accordance with a "Qualifying Termination during Change of Control Protection Period" under the Worldpay, Inc. Executive Severance Plan, as amended and restated on March 17, 2019 (the "ESP") and accelerated vesting under all of your equity award agreements granted during your employment with Worldpay or its predecessor(s) (collectively, the "Closing COC Benefits"). You have agreed to defer receipt of the Closing COC Benefits until after the end of your employment (unless earlier vested in the ordinary course) with FIS and FIS has agreed to waive and cause all relevant affiliated entities to waive any argument that such deferred receipt under the ESP or the applicable equity award agreement after the end of your employment with FIS is untimely under the ESP or the applicable equity award agreement and will honor and cause all relevant entities to honor your right to such deferred receipt at that time. FIS will, or will cause its affiliate to pay, within the time period and conditions set forth in Paragraph no. 4 below (including a Release as required under the ESP, but for avoidance of doubt releasing FIS and its affiliates) after the earliest of (1) the date your employment with FIS or its affiliates ends for any reason on or after December 1, 2019 (including your resignation for any reason or no reason at all), (2) the date FIS terminates your employment without Cause or you resign employment or upon the termination of your employment as a result of your death or Disability (as defined in the Worldpay, Inc. 2012 Equity Incentive Plan) (each a "Qualifying Termination") and (3) July 31, 2020 (except as provided below in this Paragraph No. 3 if you continue to remain employed by the Company following July 31, 2020), the Closing COC Benefits, subject to such payment and settlement dates as provided in the applicable equity award agreements and the Company will work with you to make sure that such payments and settlements are in compliance with Section 409A of the Internal Revenue Code (and the effectiveness of a release of claims as set forth in the ESP) without the necessity of you filing a notice of termination for Good Reason at such time. For the avoidance of doubt, notwithstanding your agreement to serve as Vice Chairman of FIS for the Term, any resignation of employment prior to the end of the Term shall not be regarded as a breach of this letter agreement and shall not impair your right to receive the Closing COC Benefits in accordance with this Paragraph no.3, unless such resignation occurs prior to December 1, 2019 ("Disqualifying Resignation"), in which case you shall not receive the Closing COC Benefits. In the event by mutual agreement of you and FIS your employment with FIS or its affiliate does not terminate at the end of the Term, your right to receive severance benefits in accordance with a "Qualifying Termination during Change of Control Protection Period" under the ESP (which in all cases for the purposes of this letter agreement shall be based on your compensation set forth in Paragraphs no. 1 and 2 hereof, shall vest and be deferred until such time that you experience a "separation from service" as defined under Section 409A. At the time your equity awards are subject to withholding or taxes (including

employment taxes) are otherwise due in respect of any of your equity awards, a portion of your equity awards shall be net-settled to cover the amount of such taxes. For purposes of this letter agreement, "Cause" shall be defined as (i) an indictment or conviction for (or pleading guilty or nolo contendere to) a felony; (ii) a non de minimis act of fraud or misappropriation (or attempted misappropriation) of the Company or any of its affiliates funds or property; (iii) a violation of the restrictive covenants referenced in Paragraph no. 5 hereof within one year of the termination of your employment with FIS for any reason; however, for avoidance of doubt, recovery or clawback rights under this subsection with respect to Closing COC Benefits shall not impact the Company's ability to recover any further damages or equitable relief for the entire length of the restrictive covenants set forth in Paragraph no. 5 hereof; or (iv) the Company or any of its affiliates having been ordered or directed by any federal or state court or regulatory authority with jurisdiction to terminate or suspend your employment and such order has not been vacated or reversed upon appeal.

4. If, at any time between the date of Closing and prior to the first anniversary of the Closing, you experience a Qualifying Termination, then, in addition to your Closing COC Benefits, you shall also be paid by FIS or its affiliates in a lump sum, payable no later than the first full payroll period commencing after the Release required pursuant to this Paragraph and Paragraph nos. 2 and 3 hereof) following your date of termination becomes effective (i.e., after the eight-day revocation period thereunder expires), for the remaining salary under Paragraph no. 1 of this letter agreement that you would have been paid had you continued in employment through the end of the Term in exchange for your execution of a waiver and release of all claims (excluding Claim Exceptions) against the Company and its affiliates.
5. You have entered into a Non-Competition, Non-Solicitation and Confidentiality Agreement on June 30, 2009, as amended on May 16, 2017, with predecessors to Worldpay (the "Agreement"), which, as amended, provides, among other things, for a one year post-termination period in which you agree that you will not compete with Worldpay or solicit its customers or employees, subject to its more specific terms. You also agree to abide by the restrictive covenants set forth in the ESP, and further have entered into equity award agreements with Worldpay ("Worldpay Equity Grant Agreements", together with the Agreement ESP and any other non-competition agreements or other restrictive covenants you have entered into with Worldpay, the "Agreements"), all of which have provisions pursuant to which you have agreed to similar restrictive covenants on behalf of Worldpay. You, Worldpay and the Company agree that the Agreement and the restrictive covenants provisions of the Worldpay Equity Grant Agreements shall be automatically amended as of the Closing to the extent necessary by applicable law to: (i) apply to and be enforceable by FIS as if Worldpay was replaced as a successor or party in the Agreements with FIS; and (ii) extend your obligations under all of the restrictive covenants in the Agreements until July 31, 2021, on which date all such obligations shall expire.

6. The parties agree that no breach by you of any aspect of this letter agreement will result in forfeiture of the Closing COC Benefits, unless such breach (i) is established to have been in bad faith with the intent to harm FIS or (ii) constitutes a Disqualifying Resignation.
7. This letter agreement shall, with respect to the subject matters specified herein, supersede all other written and oral arrangements you may have with Worldpay, FIS or any of their affiliates or predecessors, except that the terms and conditions of the Worldpay, Inc. Executive Severance Plan for purposes of paying out any COC benefits as allowed herein and your existing equity agreements with Worldpay, Inc. shall remain in effect subject to any limitations stated herein.-

*[Remainder of Page Intentionally Left Blank; Signatures on Following Page]*



**EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (the "Agreement") is effective as of August 1, 2019 (the "Effective Date"), by and between **FIDELITY NATIONAL INFORMATION SERVICES, INC.**, a Georgia corporation (the "Company"), and **Mark Heimbouch** (the "Employee"). In consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. **Purpose.** The purpose of this Agreement is to amend and restate all prior agreements between Company, and any of its affiliates and predecessors (except as stated herein), and Employee relating to the subject matter of this Agreement, to recognize Employee's significant contributions to the overall financial performance and success of Company, to protect Company's business interests through the addition of restrictive covenants, and to provide a single, integrated document which shall provide the basis for Employee's continued employment by Company.

2. **Employment and Duties.** Subject to the terms and conditions of this Agreement, Company employs Employee to serve as a Division President, reporting directly to the Chief Executive Officer of the Company, with responsibilities for the lines of business which shall comprise the Merchant Solutions division of the Company, which may change from time to time (including its name), or in such other capacity as may be mutually agreed by the parties. Employee accepts such employment and agrees to undertake and discharge the duties, functions and responsibilities commensurate with the aforesaid position. Employee shall devote substantially all business time, attention and effort to the performance of duties hereunder and shall not engage in any business, profession or occupation, for compensation or otherwise without the express written consent of the Company, other than personal, personal investment, charitable, or civic activities or other matters that do not conflict unreasonably with Employee's duties. Employee's principal office location shall be in Jacksonville, FL but Employee will be expected to travel to the Company's other locations as necessary. Employee shall be permitted to serve on at least one for-profit corporation board of directors subject to the consent of the Board of Directors of the Company or its designated committee.

3. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue for a period of three (3) years ending on the third anniversary of the Effective Date or, if later, ending on the last day of any extension made pursuant to the next sentence, subject to prior termination as set forth in Section 8 (such term, including any extensions pursuant to the next sentence, the "Employment Term"). The Employment Term shall be extended automatically for one (1) additional year on the second anniversary of the Effective Date and for an additional year each anniversary thereafter unless and until either party gives written notice to the other not to extend the Employment Term before such extension would be effectuated.

4. **Salary.** During the Employment Term, Company shall pay Employee an annual base salary, before deducting all applicable withholdings, of \$725,000 per year, payable at the time and in the manner dictated by Company's standard payroll policies. Such minimum annual base salary may be periodically reviewed and increased (but not decreased without Employee's express written

consent except in the case of a salary decrease for all executive officers of the Company at the discretion of the Company (such annual base salary, including any increases, the "Annual Base Salary").

5. Other Compensation and Fringe Benefits. In addition to any executive bonus, pension, deferred compensation and long-term incentive plans which Company or an affiliate of Company may from time to time make available to Employee, Employee shall be entitled to the following during the Employment Term:

- (a) Employee will receive an annual bonus for 2019 under the Worldpay Variable Compensation Plan, which shall be payable at the same time the Company pays annual bonuses to its officers on or before March 15, 2020. Commencing in 2020, Employee will be eligible to receive an annual incentive bonus opportunity under Company's annual officer incentive plan for each calendar year included in the Employment Term, with such opportunity to be earned based upon attainment of performance objectives established by the Company ("Annual Bonus"). Employee's target Annual Bonus shall be no less than 120% of Employee's then current Annual Base Salary, with a maximum of up to 2 times target (collectively, the target and maximum Annual Bonus are referred to as the "Annual Bonus Opportunity"). Employee's Annual Bonus Opportunity may be periodically reviewed and increased by the Company, but may not be decreased without Employee's express written consent. Employee's Annual Bonus is subject to the Company's clawback policy, pursuant to which the Company may recoup all or a portion of any bonus paid if, after payment, there is a finding of fraud, a restatement of financial results, or errors or omissions discovered that call into question the business results on which the bonus was based. If owed pursuant to the terms of the plan, the Annual Bonus shall be paid no later than the March 15<sup>th</sup> first following the calendar year to which the Annual Bonus relates.
- (b) eligibility to participate in Company's equity incentive plans.
- (c) with respect to equity awards granted to Employee while employed by Worldpay prior to the Effective Date ("Worldpay Equity"), such awards shall continue to vest pursuant to their existing vesting schedules; provided, that (i) the stock options granted to Employee on March 1, 2019 and (ii) the performance awards granted to Employee on March 2, 2018 and March 1, 2019 shall each be amended to provide for quarterly vesting (and initial exercisability in respect of the stock options) of unvested amounts in eight substantially equal quarterly installments (instead of annual or cliff vesting provided in such current agreements) commencing on the last day of the month that is three (3) months after the Effective Date with all vesting (and initial exercisability) to be completed on or prior to 24 months following the Effective Date (the last potential vesting installment period falling immediately prior to the second anniversary of the Effective Date) and with settlement in the case of the performance awards pursuant to the terms of the applicable award.

- (d) all other benefits and incentive opportunities made available to similarly situated executives. This would include any relocation assistance required and access to of Company planes for business travel and personal travel subject to availability and Company policy.

6. Compensation Policies. Company has adopted certain compensation related policies and stock ownership guidelines that apply to Employee. Employee acknowledges that, as a corporate officer, he is encouraged to maintain, within a reasonable period of time, an ownership level in Company stock (including option, restricted stock, performance unit or other equity based incentive award value) of at least two (2) times his annual base salary and that following the vesting of any restricted shares granted to him, Employee must hold 50% of those shares for at least six (6) months for as long as Employee is employed by the Company. Employee further represents that he has read and understands the Company's policies regarding insider trading and prohibiting the hedging and pledging of Company stock.

7. Vacation. For and during each calendar year within the Employment Term, Employee shall be entitled to four weeks of paid vacation annually plus recognized Company holidays.

8. Expense Reimbursement. In addition to the compensation and benefits provided herein, Company shall, upon receipt of appropriate documentation, reimburse Employee each month for reasonable travel, lodging, entertainment, promotion and other ordinary and necessary business expenses incurred during the Employment Term to the extent such reimbursement is permitted under Company's expense reimbursement policy.

9. Termination of Employment. Company or Employee may terminate Employee's employment at any time and for any reason in accordance with Subsection (a) below. The Employment Term shall be deemed to have ended on the last day of Employee's employment. The Employment Term shall terminate automatically upon Employee's death.

- (a) Notice of Termination. Any purported termination of Employee's employment (other than by reason of death) shall be communicated by written Notice of Termination (as defined herein) from one party to the other in accordance with the notice provisions contained in this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that indicates the "Date of Termination" and, with respect to a termination due to "Cause", "Disability" or "Good Reason", sets forth in reasonable detail the facts and circumstances that are alleged to provide a basis for such termination. A Notice of Termination from Company shall specify whether the termination is with or without Cause or due to Employee's Disability. A Notice of Termination from Employee shall specify whether the termination is with or without Good Reason.
- (b) Date of Termination. For purposes of this Agreement, "Date of Termination" shall mean the date specified in the Notice of Termination (but in no event shall such date be earlier than the thirtieth (30<sup>th</sup>) day following the date the Notice of Termination



is given) or the date of Employee's death. If the Company disagrees with an Employee's designated Date of Termination, the Company shall have the right to set an alternative earlier final Date of Termination, which, in and of itself, shall not change the characterization of the termination (e.g., from an Employee Termination Without Good Reason to a Company Termination Without Cause).

- (c) No Waiver. The failure to set forth any fact or circumstance in a Notice of Termination, which fact or circumstance was not known to the party giving the Notice of Termination when the notice was given, shall not constitute a waiver of the right to assert such fact or circumstance in an attempt to enforce any right under or provision of this Agreement.
- (d) Cause. For purposes of this Agreement, a termination for "Cause" means a termination by Company based upon Employee's: (i) persistent knowing failure to perform duties consistent with a commercially reasonable standard of care (other than due to a physical or mental impairment or due to an action or inaction directed by Company that would otherwise constitute Good Reason); (ii) willful neglect of duties (other than due to a physical or mental impairment or due to an action or inaction directed by Company that would otherwise constitute Good Reason); (iii) conviction of, or pleading nolo contendere to, criminal activities involving dishonesty or moral turpitude; (iv) material breach of this Agreement; (v) material breach of the Company's business policies, accounting practices or standards of ethics; or (vi) intentional failure to materially cooperate with or impeding an investigation authorized by the Board; provided, however, that no such event described in subsections (i), (ii), (iv), (v), or (vi) above shall constitute Cause unless: (1) Employer gives Notice of Termination to Employee specifying the condition or event relied upon for such termination within ninety (90) days of the initial existence of such event and (2) Employee fails to cure the condition or event constituting Cause within thirty (30) days following receipt of Employer's Notice of Termination. Notwithstanding the foregoing, "Cause" shall have the meaning ascribed to such term in the Worldpay, Inc. Executive Severance Plan, as amended and restated as of March 17, 2019 (the "Plan") for purposes of any Worldpay Equity awards and the severance benefits under Section 10(a)(ii) of this Agreement.
- (e) Disability. For purposes of this Agreement, a termination based upon "Disability" means a termination by Company based upon Employee's entitlement to long-term disability benefits under Company's long-term disability plan or policy, as the case may be, as in effect on the Date of Termination.
- (f) Good Reason. For purposes of this Agreement, a termination for "Good Reason" means a termination by Employee based upon the occurrence (without Employee's express written consent) of any of the following:
  - (i) a material change in the geographic location of Employee's principal working location (Jacksonville, FL) after relocation to Jacksonville of more than thirty-five (35) miles;

- (ii) a material diminution in Employee's Annual Base Salary (except as provided hereinabove) or Annual Bonus Opportunity or a reduction in Employee's reporting line (i.e. not reporting to the Chief Executive officer of the Company) or material reduction in Employee's duties, responsibilities, or authority as they exist on the Effective Date;
- (iii) a demotion in Employee's title to any level below Division President;
- (iv) a material breach by Company of any of its obligations under this Agreement; or
- (v) if Employee receives notice of intent not to renew this Agreement within one year of a Change of Control (as defined in the Company's 2008 Omnibus Incentive Plan, as amended and restated).

Notwithstanding the foregoing, Employee being placed on a paid leave for up to sixty (60) days pending a determination of whether there is a basis to terminate Employee for Cause shall not constitute Good Reason. Employee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder; provided, however, that no such event described above shall constitute Good Reason unless: (1) Employee gives Notice of Termination to Company specifying the condition or event relied upon for such termination within ninety (90) days of the initial existence of such event and (2) Company fails to cure the condition or event constituting Good Reason within thirty (30) days following receipt of Employee's Notice of Termination.

10. Obligations of Company Upon Termination.

(a) Termination by Employee for Good Reason Up to Two Years After the Effective Date.

(i) Notwithstanding the deadlines to terminate Employee's employment for Good Reason in the Plan or in Worldpay Equity grant agreements with Employee, upon ninety (90) days written notice to the Company, which notice is effective during the period commencing six (6) months after the Effective Date up until the second anniversary of the Effective Date, Employee may terminate his employment for Good Reason (a "Worldpay Good Reason") as defined under the Plan (having already met the definition of Good Reason under the Plan), and such a termination would then be treated as a Qualifying Termination during a Change of Control Protection Period (as defined under the Plan) and Employee shall be entitled to the severance benefits for such a Qualifying Termination under the Plan (without taking into account any reductions of base salary under this Agreement) and any vesting acceleration rights granted under the Worldpay Equity grant agreements for termination for Worldpay Good Reason under the Plan definitions. In such instance, Employee shall additionally be entitled to any Accrued Obligations as defined hereunder and those benefits listed in Section 10(b) below except that any FIS equity awards granted to Employee after the Effective Date would vest and accelerate only

for any calendar year or for any longer performance period in which Employee has worked for the Company in excess of six (6) months (at target for any performance criteria). In the event an integration incentive plan is established for senior officers of the Company based upon performance goals related to the integration of Worldpay after its merger with the Company, and Employee terminates his employment for Worldpay Good Reason, the Company would vest and accelerate the payment and settlement of a pro rata amount of Employee's award at target based upon the amount of the Company's target reached at the time of Employee's termination or the closest period thereto which can be confirmed by outside auditors in accordance with such plan's requirements. For avoidance of doubt, any benefits in Section 10(b) for which Employee qualifies under this section shall be granted only to the extent not duplicative (in category or amount) of the benefits to be received under the Plan. All rights of Employee under the Plan and Employee's Worldpay Equity grant agreements to seek a Worldpay Good Reason termination under the Plan shall terminate upon the day after the second anniversary of the Effective Date, and thereafter any such termination by Employee for Good Reason shall be governed solely by this Agreement and events occurring after the Effective Date. For all other purposes (and as stated in the following subsection), this Agreement shall supersede the Plan other than as specifically referenced herein. For avoidance of doubt, during the period prior to the second anniversary of the Effective Date, Employee may terminate his employment for Good Reason under this Agreement, subject to the Company's right to cure, for reasons listed under Sec.9(f) above, but in no event shall Employee receive any benefits in Section 10(b) to the extent they are duplicative (in category or amount) of the benefits to be received under the Plan (e.g., he cannot receive severance and bonus under the Plan and under the Agreement).

(ii) If Employee is terminated by the Company for any reason other than Cause, (except for Death and Disability as governed by Section 10(d) below) or terminates employment for Good Reason (other than due to a Worldpay Good Reason which is covered under Section 10(a)(i) above), during the period ending on the second anniversary of the Effective Date, Employee shall be entitled to those post termination payments and benefits set forth in Section 10(a)(i) above and the equity vesting set forth in Section 10(b)(iv) below.

(iii) Company shall pay Employee the following (collectively, the "Accrued Obligations"): (A) within five (5) business days after the Date of Termination, any earned but unpaid Annual Base Salary; (B) within a reasonable time following submission of all applicable documentation, any expense reimbursement payments owed to Employee for expenses incurred prior to the Date of Termination; (C) any accrued but unused vacation pay; and (D) no later than March 15th of the year in which the Date of Termination occurs, any earned but unpaid Annual Bonus payments relating to the prior calendar year.

(b) Termination by Company for a Reason Other than Cause, Death or Disability and Termination by Employee for Good Reason After the Expiration of the Period

Covered under Section 10(a) Hereof. If Employee's employment is terminated during the Employment Term by: (1) Company for any reason other than Cause, Death or Disability; or (2) Employee for Good Reason - both of which will be considered involuntary terminations:

- (i) Company shall pay Employee the Accrued Obligations;
  - (ii) Company shall pay Employee no later than March 15<sup>th</sup> of the calendar year following the year in which the Date of Termination occurs, a prorated Annual Bonus based upon the actual Annual Bonus that would have been earned by Employee for the year in which the Date of Termination occurs, ignoring any requirement under the Annual Bonus Plan that Employee must be employed on the payment date (using Employee's Annual Bonus Opportunity for the prior year if no Annual Bonus Opportunity has been approved for the year in which the Date of Termination occurs), multiplied by the percentage of the calendar year completed before the Date of Termination;
  - (iii) Subject to Section 26(b) hereof, the Company shall pay Employee as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination, a lump-sum payment equal to 200% of the sum of: (A) Employee's Annual Base Salary in effect immediately prior to the Date of Termination (disregarding any reduction in Annual Base Salary to which Employee did not expressly consent in writing); and (B) the target Annual Bonus in the year in which the Date of Termination occurs;
  - (iv) All stock option, restricted stock, performance unit and other equity-based incentive awards granted by Company that were outstanding but not vested as of the Date of Termination shall become immediately vested and/or payable, as the case may be; and
  - (v) As long as Employee pays the full monthly premiums for COBRA coverage, Company shall provide Employee and, as applicable, Employee's eligible dependents with continued medical and dental coverage, on the same basis as provided to Company's active executives and their dependents until the earlier of: (i) 18 months after the Date of Termination; or (ii) the date Employee is first eligible for medical and dental coverage (without pre-existing condition limitations) with a subsequent employer. In addition, as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination, Company shall pay Employee a lump sum cash payment equal to eighteen monthly medical and dental COBRA premiums based on the level of coverage in effect for the Employee (e.g., employee only or family coverage) on the Date of Termination.
- (c) Termination by Company for Cause and by Employee without Good Reason. If Employee's employment is terminated during the Employment Term by Company

for Cause or by Employee without Good Reason, Company's only obligation under this Agreement shall be payment of any Accrued Obligations

- (d) Termination due to Death or Disability. If Employee's employment is terminated prior to the second anniversary of the Effective Date due to death or disability, Employee shall be entitled to those post termination payments and benefits set forth in Section 10(a)(i) above and vesting and payment of all equity-based incentive awards as provided in Section 10(b)(iv). For the remainder of Employee's employment after the second anniversary after the Effective Date, if Employee's employment is then terminated during the Employment Term due to death or Disability, Company shall pay Employee (or to Employee's estate or personal representative in the case of death), as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination: (i) any Accrued Obligations; plus (ii) a prorated Annual Bonus based upon the target Annual Bonus Opportunity in the year in which the

Date of Termination occurred (or the prior year if no target Annual Bonus Opportunity has yet been determined) multiplied by the percentage of the calendar year completed before the Date of Termination; plus (iii) the unpaid portion of the Annual Base Salary that would have been paid through the remainder of the Employment Term but for the termination due to Disability; plus (iv) vesting and/or payment of all equity-based incentive awards as provided in Section 10(b)(iv); provided that the amount Annual Base Salary due Employee following a termination for Disability shall be reduced by the benefit due for the remainder of the Employment Term under any supplemental disability insurance policy provided under Section 5(c) of this Agreement at the Company's expense.

11. Non-Delegation of Employee's Rights. The obligations, rights and benefits of Employee hereunder are personal and may not be delegated, assigned or transferred in any manner whatsoever, nor are such obligations, rights or benefits subject to involuntary alienation, assignment or transfer.

12. Confidential Information. Employee will occupy a position of trust and confidence and will have access to and learn substantial information about Company and its affiliates and their operations that is confidential or not generally known in the industry including, without limitation, information that relates to purchasing, sales, customers, marketing, and the financial positions and financing arrangements of Company and its affiliates. Employee agrees that all such information is proprietary or confidential, or constitutes trade secrets and is the sole property of Company and/or its affiliates, as the case may be. Employee will keep confidential and, outside the scope of Employee's duties and responsibilities with Company and its affiliates, will not reproduce, copy or disclose to any other person or firm, any such information or any documents or information relating to Company's or its affiliates' methods, processes, customers, accounts, analyses, systems, charts, programs, procedures, correspondence or records, or any other documents used or owned by Company or any of its affiliates, nor will Employee advise, discuss with or in any way assist any other person, firm or entity in obtaining or learning about any of the items described in this section.

Accordingly, during the Employment Term and at all times thereafter Employee will not disclose, or permit or encourage anyone else to disclose, any such information, nor will Employee utilize any such information, either alone or with others, outside the scope of Employee's duties and responsibilities with Company and its affiliates.

13. Non-Competition.

(a)During Employment Term. During the Employment Term, Employee will devote such business time, attention and energies reasonably necessary to the diligent and faithful performance of the services to Company and its affiliates, and will not engage in any way whatsoever, directly or indirectly, in any business that is a direct competitor with Company's or its affiliates' principal business, nor solicit customers, suppliers or employees of Company or affiliates on behalf of, or in any other manner work for or assist any business which is a direct competitor with Company's or its affiliates' principal business. In addition, during the Employment Term, Employee will undertake no planning for or organization of any business activity competitive with the work performed as an employee of Company, and Employee will not combine or conspire with any other employee of Company or any other person for the purpose of organizing any such competitive business activity.

(b)After Employment Term. The parties acknowledge that Employee will acquire substantial knowledge and information concerning the business of Company and its affiliates as a result of employment. The parties further acknowledge that the scope of business in which Company and its affiliates are engaged as of the Effective Date is international and very competitive and one in which few companies can successfully compete. Competition by Employee in that business after the Employment Term would severely injure Company and its affiliates. Accordingly, for a period of one (1) year after Employee's employment terminates for any reason whatsoever, Employee agrees: (1) not to become an employee, consultant, advisor, principal, partner or substantial shareholder of any firm or business that directly competes with Company or its affiliates in their principal products and markets; and (2), on behalf of any such competitive firm or business, not to solicit any person or business that was at the time of such termination and remains a customer or prospective customer, a supplier or prospective supplier, or an employee of Company or an affiliate.

14. Return of Company Documents. Upon termination of the Employment Term, Employee shall return immediately to Company all records and documents of or pertaining to Company or its affiliates and shall not make or retain any copy or extract of any such record or document, or any other property of Company or its affiliates. For the avoidance of doubt, Employee may make an electronic copy and retain his personal correspondence and any information necessary for him to file his personal tax returns.

15. Improvements and Inventions. Any and all improvements or inventions that Employee may make or participate in during the Employment Term, unless wholly unrelated to the business of Company and its affiliates and not produced within the scope of Employee's employment

hereunder, shall be the sole and exclusive property of Company. Employee shall, whenever requested by Company, execute and deliver any and all documents that Company deems appropriate in order to apply for and obtain patents or copyrights in improvements or inventions or in order to assign and/or convey to Company the sole and exclusive right, title and interest in and to such improvements, inventions, patents, copyrights or applications.

16. Actions and Survival. The parties agree and acknowledge that the rights conveyed by this Agreement are of a unique and special nature and that Company will not have an adequate remedy at law in the event of a failure by Employee to abide by its terms and conditions, nor will money damages adequately compensate for such injury. Therefore, in the event of a breach of this Agreement by Employee, Company shall have the right, among other rights, to damages sustained thereby and to seek an injunction or decree of specific performance from a court of competent jurisdiction to restrain or compel Employee to perform as agreed herein. Notwithstanding any termination of this Agreement or Employee's employment, Section 10 shall remain in effect until all obligations and benefits resulting from a termination of Employee's employment during the Employment Term are satisfied. In addition, Sections 11 through 27 shall survive the termination of this Agreement or Employee's employment and shall remain in effect for the periods specified therein or, if no period is specified, until all obligations thereunder have been satisfied. Nothing in this Agreement shall in any way limit or exclude any other right granted by law or equity to Company.

17. Release. Notwithstanding any provision herein to the contrary, Company may require that, prior to payment, distribution or other benefit under this Agreement (other than due to Employee's death), Employee shall have executed a complete release of Company and its affiliates and related parties in such form as attached hereto, and any waiting periods contained in such release shall have expired. With respect to any release required to receive payments, distributions or other benefits owed pursuant to this Agreement, Company must provide Employee with the form of release no later than seven (7) days after the Date of Termination and the release must be signed by Employee and returned to Company, unchanged, effective and irrevocable, no later than sixty (60) days after the Date of Termination.

18. No Mitigation. Company agrees that, if Employee's employment hereunder is terminated during the Employment Term, Employee is not required to seek other employment or to attempt in any way to reduce any amounts payable to Employee by Company hereunder. Further, the amount of any payment or benefit provided for hereunder shall not be reduced by any compensation earned by Employee as the result of employment by another employer, by retirement benefits or otherwise.

19. Entire Agreement and Amendment. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter of this Agreement, and supersedes and replaces all prior agreements, understandings and commitments with respect to such subject matter. This Agreement may be amended only by a written document signed by both parties to this Agreement.

20. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of

another jurisdiction. Any litigation pertaining to this Agreement shall be adjudicated in courts located in Duval County, Florida.

21. Successors. This Agreement may not be assigned by Employee. In addition to any obligations imposed by law upon any successor to Company, Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the stock, business and/or assets of Company, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Company would be required to perform it if no such succession had taken place. Failure of Company to obtain such assumption by a successor shall be a material breach of this Agreement. Employee agrees and consents to any such assumption by a successor of Company, as well as any assignment of this Agreement by Company for that purpose. As used in this Agreement, "Company" shall mean Company as herein before defined as well as any such successor that expressly assumes this Agreement or otherwise becomes bound by all of its terms and provisions by operation of law. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted successors or assigns.

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. Severability. If any section, subsection or provision hereof is found for any reason whatsoever to be invalid or inoperative, that section, subsection or provision shall be deemed severable and shall not affect the force and validity of any other provision of this Agreement. If any covenant herein is determined by a court to be overly broad thereby making the covenant unenforceable, the parties agree and it is their desire that such court shall substitute a reasonable judicially enforceable limitation in place of the offensive part of the covenant and that as so modified the covenant shall be as fully enforceable as if set forth herein by the parties themselves in the modified form. The covenants of Employee in this Agreement shall each be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of Employee against Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Company of the covenants in this Agreement.

24. Notices. Any notice, request, or instruction to be given hereunder shall be in writing and shall be deemed given when personally delivered or three (3) days after being sent by United States Certified Mail, postage prepaid, with Return Receipt Requested, to the parties at their respective addresses set forth below:

To Company:

Fidelity National Information Services, Inc.  
601 Riverside Avenue  
Jacksonville, FL 32204  
Attention: Chief Legal Officer

To Employee:

Mark Heimboch



25. Waiver of Breach. The waiver by any party of any provisions of this Agreement shall not operate or be construed as a waiver of any prior or subsequent breach by the other party.

26. Tax.

- (a) Withholding. Company or an affiliate may deduct from all compensation and benefits payable under this Agreement any taxes or withholdings Company is required to deduct pursuant to state, federal or local laws.
- (b) Section 409A. This Agreement and any payment, distribution or other benefit hereunder shall comply with the requirements of Section 409A of the Code, as well as any related regulations or other guidance promulgated by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"), to the extent applicable. The Company and Employee will cooperate in good faith to revise any provision of this Agreement which is determined to violate Section 409A if necessary in order to comply with 409A while attempting to preserve the original economic intent of the parties to the maximum extent reasonably possible. To the extent Employee is a "specified employee" under Section 409A, no payment, distribution or other benefit described in this Agreement constituting a distribution of deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)) to be paid during the six-month period following a separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)) will be made during such six-month period. Instead, any such deferred compensation shall be paid on the first business day following the six-month anniversary of the separation from service or as soon as practicable following Employee's death. In no event may Employee, directly or indirectly, designate the calendar year of a payment. Any provision that would cause this Agreement or a payment, distribution or other benefit hereunder to fail to satisfy the requirements of Section 409A shall have no force or effect and, to the extent an amendment would be effective for purposes of Section 409A, the parties agree that this Agreement shall be amended to comply with Section 409A. Such amendment shall be retroactive to the extent permitted by Section 409A. For purposes of this Agreement, Employee shall not be deemed to have terminated employment unless and until a separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)) has occurred. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement shall be for expenses incurred during the time period specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made not later than the last day of the Employee's taxable year following the taxable year in which such

expense was incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Excise Taxes. If any payments or benefits paid or provided or to be paid or provided to Employee or for Employee's benefit pursuant to the terms of this Agreement or otherwise in connection with, or arising out of, employment with Company or its subsidiaries or the termination thereof (a "Payment" and, collectively, the "Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then Employee may elect for such Payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Code (the "Scaled Back Amount"). Any such election must be in writing and delivered to Company within thirty (30) days after the Date of Termination. If Employee does not elect to have Payments reduced to the Scaled Back Amount, Employee shall be responsible for payment of any Excise Tax resulting from the Payments and Employee shall not be entitled to a gross-up payment under this Agreement or any other for such Excise Tax. If the Payments are to be reduced, they shall be reduced in the following order of priority: (i) first from cash compensation, (ii) next from equity compensation, then (iii) pro-rated among all remaining payments and benefits. To the extent there is a question as to which Payments within any of the foregoing categories are to be reduced first, the Payments that will produce the greatest present value reduction in the Payments with the least reduction in economic value provided to Employee shall be reduced first. Notwithstanding the foregoing, in the event that any Payments would be subject to Excise Tax as a result of the change in control of Worldpay, the Excise Tax provisions of the Plan shall govern in lieu of this paragraph .

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the date first set forth above.

FIDELITY NATIONAL INFORMATION SERVICES, INC.

By: /s/ Marc M. Mayo

Its: Corporate Executive Vice President and Chief Legal Officer

/s/ MARK HEIMBOUCH

## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is effective as of August 1, 2019 (the "Effective Date"), by and between **FIDELITY NATIONAL INFORMATION SERVICES, INC.**, a Georgia corporation (the "Company"), and **Stephanie Ferris** (the "Employee"). In consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. Purpose. The purpose of this Agreement is to amend and restate all prior agreements between Company, and any of its affiliates and predecessors (except as stated herein), and Employee relating to the subject matter of this Agreement, to recognize Employee's significant contributions to the overall financial performance and success of Company, to protect Company's business interests through the addition of restrictive covenants, and to provide a single, integrated document which shall provide the basis for Employee's continued employment by Company.

2. Employment and Duties. Subject to the terms and conditions of this Agreement, Company employs Employee to serve as a Chief Operating Officer, reporting directly to the Chief Executive Officer of the Company, with responsibilities for various operations and functions of the Company as designated by the Company's Chief Executive Officer, which may change from time to time, or in such other capacity as may be mutually agreed by the parties. Employee accepts such employment and agrees to undertake and discharge the duties, functions and responsibilities commensurate with the aforesaid position. Employee shall devote substantially all business time, attention and effort to the performance of duties hereunder and shall not engage in any business, profession or occupation, for compensation or otherwise without the express written consent of the Company, other than personal, personal investment, charitable, or civic activities or other matters that do not conflict unreasonably with Employee's duties. Employee shall be permitted to serve on the board of directors of Lululemon and may consider other boards of companies that do not create conflicts of interest with the Company or impact the ability of Employee to fulfill her duties hereunder subject to the approval of the Chief Executive Officer.

3. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of three (3) years ending on the third anniversary of the Effective Date or, if later, ending on the last day of any extension made pursuant to the next sentence, subject to prior termination as set forth in Section 8 (such term, including any extensions pursuant to the next sentence, the "Employment Term"). The Employment Term shall be extended automatically for one (1) additional year on the second anniversary of the Effective Date and for an additional year each anniversary thereafter unless and until either party gives written notice to the other not to extend the Employment Term before such extension would be effectuated.

4. Salary. During the Employment Term, Company shall pay Employee an annual base salary, before deducting all applicable withholdings, of \$600,000 per year, payable at the time and in the manner dictated by Company's standard payroll policies. Such minimum annual base salary may be periodically reviewed and increased (but not decreased without Employee's express written consent except in the case of a salary decrease for all executive officers of the Company at the

discretion of the Company (such annual base salary, including any increases, the "Annual Base Salary").

5. Other Compensation and Fringe Benefits. In addition to any executive bonus, pension, deferred compensation and long-term incentive plans which Company or an affiliate of Company may from time to time make available to Employee, Employee shall be entitled to the following during the Employment Term:

- (a) Employee will receive an annual bonus for 2019 under the Worldpay Variable Compensation Plan, which shall be payable at the same time the Company pays annual bonuses to its officers on or before March 15, 2020. Commencing in 2020, Employee will be eligible to receive an annual incentive bonus opportunity under Company's annual officer incentive plan for each calendar year included in the Employment Term, with such opportunity to be earned based upon attainment of performance objectives established by the Company ("Annual Bonus"). Employee's target Annual Bonus shall be no less than 100% of Employee's then current Annual Base Salary, with a maximum of up to 2 times target (collectively, the target and maximum Annual Bonus are referred to as the "Annual Bonus Opportunity"). Employee's Annual Bonus Opportunity may be periodically reviewed and increased by the Company, but may not be decreased without Employee's express written consent. Employee's Annual Bonus is subject to the Company's clawback policy, pursuant to which the Company may recoup all or a portion of any bonus paid if, after payment, there is a finding of fraud, a restatement of financial results, or errors or omissions discovered that call into question the business results on which the bonus was based. If owed pursuant to the terms of the plan, the Annual Bonus shall be paid no later than the March 15<sup>th</sup> first following the calendar year to which the Annual Bonus relates.
- (b) eligibility to participate in Company's equity incentive plans.
- (c) with respect to equity awards granted to Employee while employed by Worldpay prior to the Effective Date ("Worldpay Equity"), such awards shall continue to vest pursuant to their existing vesting schedules; provided, that (i) the stock options granted to Employee on March 1, 2019 and (ii) the performance awards granted to Employee on March 2, 2018 and March 1, 2019 shall each be amended to provide for quarterly vesting (and initial exercisability in respect of the stock options) of unvested amounts in eight substantially equal quarterly installments (instead of annual or cliff vesting provided in such current agreements) commencing on the last day of the month that is three (3) months after the Effective Date with all vesting (and initial exercisability) to be completed on or prior to 24 months following the Effective Date (the last potential vesting installment period falling immediately prior to the second anniversary of the Effective Date) and with settlement in the case of the performance awards pursuant to the terms of the applicable award.
- (d) all other benefits and incentive opportunities made available to similarly situated executives. This would include any relocation assistance required and access to of

6. Compensation Policies. Company has adopted certain compensation related policies and stock ownership guidelines that apply to Employee. Employee acknowledges that, as a corporate officer, he is encouraged to maintain, within a reasonable period of time, an ownership level in Company stock (including option, restricted stock, performance unit or other equity based incentive award value) of at least two (2) times his annual base salary and that following the vesting of any restricted shares granted to him, Employee must hold 50% of those shares for at least six (6) months for as long as Employee is employed by the Company. Employee further represents that he has read and understands the Company's policies regarding insider trading and prohibiting the hedging and pledging of Company stock.

7. Vacation. For and during each calendar year within the Employment Term, Employee shall be entitled to four weeks of paid vacation annually plus recognized Company holidays.

8. Expense Reimbursement. In addition to the compensation and benefits provided herein, Company shall, upon receipt of appropriate documentation, reimburse Employee each month for reasonable travel, lodging, entertainment, promotion and other ordinary and necessary business expenses incurred during the Employment Term to the extent such reimbursement is permitted under Company's expense reimbursement policy.

9. Termination of Employment. Company or Employee may terminate Employee's employment at any time and for any reason in accordance with Subsection (a) below. The Employment Term shall be deemed to have ended on the last day of Employee's employment. The Employment Term shall terminate automatically upon Employee's death.

(a) Notice of Termination. Any purported termination of Employee's employment (other than by reason of death) shall be communicated by written Notice of Termination (as defined herein) from one party to the other in accordance with the notice provisions contained in this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that indicates the "Date of Termination" and, with respect to a termination due to "Cause", "Disability" or "Good Reason", sets forth in reasonable detail the facts and circumstances that are alleged to provide a basis for such termination. A Notice of Termination from Company shall specify whether the termination is with or without Cause or due to Employee's Disability. A Notice of Termination from Employee shall specify whether the termination is with or without Good Reason.

(b) Date of Termination. For purposes of this Agreement, "Date of Termination" shall mean the date specified in the Notice of Termination (but in no event shall such date be earlier than the thirtieth (30<sup>th</sup>) day following the date the Notice of Termination is given) or the date of Employee's death. If the Company disagrees with an Employee's designated Date of Termination, the Company shall have the right to set

an alternative earlier final Date of Termination, which, in and of itself, shall not change the characterization of the termination (e.g., from an Employee Termination Without Good Reason to a Company Termination Without Cause).

- (c) No Waiver. The failure to set forth any fact or circumstance in a Notice of Termination, which fact or circumstance was not known to the party giving the Notice of Termination when the notice was given, shall not constitute a waiver of the right to assert such fact or circumstance in an attempt to enforce any right under or provision of this Agreement.
- (d) Cause. For purposes of this Agreement, a termination for "Cause" means a termination by Company based upon Employee's: (i) persistent knowing failure to perform duties consistent with a commercially reasonable standard of care (other than due to a physical or mental impairment or due to an action or inaction directed by Company that would otherwise constitute Good Reason); (ii) willful neglect of duties (other than due to a physical or mental impairment or due to an action or inaction directed by Company that would otherwise constitute Good Reason); (iii) conviction of, or pleading nolo contendere to, criminal activities involving dishonesty or moral turpitude; (iv) material breach of this Agreement; (v) material breach of the Company's business policies, accounting practices or standards of ethics; or (vi) intentional failure to materially cooperate with or impeding an investigation authorized by the Board; provided, however, that no such event described in subsections (i), (ii), (iv), (v), or (vi) above shall constitute Cause unless: (1) Employer gives Notice of Termination to Employee specifying the condition or event relied upon for such termination within ninety (90) days of the initial existence of such event and (2) Employee fails to cure the condition or event constituting Cause within thirty (30) days following receipt of Employer's Notice of Termination. Notwithstanding the foregoing, "Cause" shall have the meaning ascribed to such term in the Worldpay, Inc. Executive Severance Plan, as amended and restated as of March 17, 2019 (the "Plan") for purposes of any Worldpay Equity awards and the severance benefits under Section 10(a)(ii) of this Agreement.
- (e) Disability. For purposes of this Agreement, a termination based upon "Disability" means a termination by Company based upon Employee's entitlement to long-term disability benefits under Company's long-term disability plan or policy, as the case may be, as in effect on the Date of Termination.
- (f) Good Reason. For purposes of this Agreement, a termination for "Good Reason" means a termination by Employee based upon the occurrence (without Employee's express written consent) of any of the following:
  - (i) a material diminution in Employee's Annual Base Salary (except as provided hereinabove) or Annual Bonus Opportunity or a reduction in Employee's reporting line (i.e. not reporting to the Chief Executive officer of the Company) or material reduction in Employee's duties, responsibilities, or authority as they exist on the Effective Date;

- (ii) a demotion in Employee's title to any level below Chief Operating Officer;
- (iii) a material breach by Company of any of its obligations under this Agreement;
- (iv) a material change in the geographic location of Employee's principal working location (Cincinnati, Ohio) of more than thirty-five (35) miles; or
- (v) if Employee receives notice of intent not to renew this Agreement within one year of a Change of Control (as defined in the Company's 2008 Omnibus Incentive Plan, as amended and restated).

Notwithstanding the foregoing, Employee being placed on a paid leave for up to sixty (60) days pending a determination of whether there is a basis to terminate Employee for Cause shall not constitute Good Reason. Employee's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder; provided, however, that no such event described above shall constitute Good Reason unless: (1) Employee gives Notice of Termination to Company specifying the condition or event relied upon for such termination within ninety (90) days of the initial existence of such event and (2) Company fails to cure the condition or event constituting Good Reason within thirty (30) days following receipt of Employee's Notice of Termination.

10. Obligations of Company Upon Termination.

(a) Termination by Employee for Good Reason Up to Two Years After the Effective Date.

(i) Notwithstanding the deadlines to terminate Employee's employment for Good Reason in the Plan or in Worldpay Equity grant agreements with Employee, upon ninety (90) days written notice to the Company, which notice is effective during the period commencing six (6) months after the Effective Date up until the second anniversary of the Effective Date, Employee may terminate his employment for Good Reason (a "Worldpay Good Reason") as defined under the Plan (having already met the definition of Good Reason under the Plan), and such a termination would then be treated as a Qualifying Termination during a Change of Control Protection Period (as defined under the Plan) and Employee shall be entitled to the severance benefits for such a Qualifying Termination under the Plan (without taking into account any reductions of base salary under this Agreement) and any vesting acceleration rights granted under the Worldpay Equity grant agreements for termination for Worldpay Good Reason under the Plan definitions. In such instance, Employee shall additionally be entitled to any Accrued Obligations as defined hereunder and those benefits listed in Section 10(b) below except that any FIS equity awards granted to Employee after the Effective Date would vest and accelerate only for any calendar year or for any longer performance period in which Employee has worked for the Company in excess of six (6) months (at target for any performance criteria). In the event an integration incentive plan is established for senior officers of the Company based upon performance goals related to the integration of Worldpay

after its merger with the Company, and Employee terminates his employment for Worldpay Good Reason, the Company would vest and accelerate the payment and settlement of a pro rata amount of Employee's award at target based upon the amount of the Company's target reached at the time of Employee's termination or the closest period thereto which can be confirmed by outside auditors in accordance with such plan's requirements. For avoidance of doubt, any benefits in Section 10(b) for which Employee qualifies under this section shall be granted only to the extent not duplicative (in category or amount) of the benefits to be received under the Plan. All rights of Employee under the Plan and Employee's Worldpay Equity grant agreements to seek a Worldpay Good Reason termination under the Plan shall terminate upon the day after the second anniversary of the Effective Date, and thereafter any such termination by Employee for Good Reason shall be governed solely by this Agreement and events occurring after the Effective Date. For all other purposes (and as stated in the following subsection), this Agreement shall supersede the Plan other than as specifically referenced herein. For avoidance of doubt, during the period prior to the second anniversary of the Effective Date, Employee may terminate his employment for Good Reason under this Agreement, subject to the Company's right to cure, for reasons listed under Sec.9(f) above, but in no event shall Employee receive any benefits in Section 10(b) to the extent they are duplicative (in category or amount) of the benefits to be received under the Plan (e.g., he cannot receive severance and bonus under the Plan and under the Agreement).

(ii) If Employee is terminated by the Company for any reason other than Cause, (except for Death and Disability as governed by Section 10(d) below) or terminates employment for Good Reason (other than due to a Worldpay Good Reason which is covered under Section 10(a)(i) above), during the period ending on the second anniversary of the Effective Date, Employee shall be entitled to those post termination payments and benefits set forth in Section 10(a)(i) above and the equity vesting set forth in Section 10(b)(iv) below.

(iii) Company shall pay Employee the following (collectively, the "Accrued Obligations"): (A) within five (5) business days after the Date of Termination, any earned but unpaid Annual Base Salary; (B) within a reasonable time following submission of all applicable documentation, any expense reimbursement payments owed to Employee for expenses incurred prior to the Date of Termination; (C) any accrued but unused vacation pay; and (D) no later than March 15th of the year in which the Date of Termination occurs, any earned but unpaid Annual Bonus payments relating to the prior calendar year.

(b) Termination by Company for a Reason Other than Cause, Death or Disability and Termination by Employee for Good Reason After the Expiration of the Period Covered under Section 10(a) Hereof. If Employee's employment is terminated during the Employment Term by: (1) Company for any reason other than Cause, Death or Disability; or (2) Employee for Good Reason - both of which will be considered involuntary terminations:



- (i) Company shall pay Employee the Accrued Obligations;
  - (ii) Company shall pay Employee no later than March 15<sup>th</sup> of the calendar year following the year in which the Date of Termination occurs, a prorated Annual Bonus based upon the actual Annual Bonus that would have been earned by Employee for the year in which the Date of Termination occurs, ignoring any requirement under the Annual Bonus Plan that Employee must be employed on the payment date (using Employee's Annual Bonus Opportunity for the prior year if no Annual Bonus Opportunity has been approved for the year in which the Date of Termination occurs), multiplied by the percentage of the calendar year completed before the Date of Termination;
  - (iii) Subject to Section 26(b) hereof, the Company shall pay Employee as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination, a lump-sum payment equal to 200% of the sum of: (A) Employee's Annual Base Salary in effect immediately prior to the Date of Termination (disregarding any reduction in Annual Base Salary to which Employee did not expressly consent in writing); and (B) the target Annual Bonus in the year in which the Date of Termination occurs;
  - (iv) All stock option, restricted stock, performance unit and other equity-based incentive awards granted by Company that were outstanding but not vested as of the Date of Termination shall become immediately vested and/or payable, as the case may be; and
  - (v) As long as Employee pays the full monthly premiums for COBRA coverage, Company shall provide Employee and, as applicable, Employee's eligible dependents with continued medical and dental coverage, on the same basis as provided to Company's active executives and their dependents until the earlier of: (i) 18 months after the Date of Termination; or (ii) the date Employee is first eligible for medical and dental coverage (without pre-existing condition limitations) with a subsequent employer. In addition, as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination, Company shall pay Employee a lump sum cash payment equal to eighteen monthly medical and dental COBRA premiums based on the level of coverage in effect for the Employee (e.g., employee only or family coverage) on the Date of Termination.
- (c) Termination by Company for Cause and by Employee without Good Reason. If Employee's employment is terminated during the Employment Term by Company for Cause or by Employee without Good Reason, Company's only obligation under this Agreement shall be payment of any Accrued Obligations
- (d) Termination due to Death or Disability. If Employee's employment is terminated prior to the second anniversary of the Effective Date due to death or disability, Employee shall be entitled to those post termination payments and benefits set forth

in Section 10(a)(i) above and vesting and payment of all equity-based incentive awards as provided in Section 10(b)(iv). For the remainder of Employee's employment after the second anniversary after the Effective Date, if Employee's employment is then terminated during the Employment Term due to death or Disability, Company shall pay Employee (or to Employee's estate or personal representative in the case of death), as soon as practicable, but not later than the sixty-fifth (65th) day after the Date of Termination: (i) any Accrued Obligations; plus (ii) a prorated Annual Bonus based upon the target Annual Bonus Opportunity in the year in which the

Date of Termination occurred (or the prior year if no target Annual Bonus Opportunity has yet been determined) multiplied by the percentage of the calendar year completed before the Date of Termination; plus (iii) the unpaid portion of the Annual Base Salary that would have been paid through the remainder of the Employment Term but for the termination due to Disability; plus (iv) vesting and/or payment of all equity-based incentive awards as provided in Section 10(b)(iv); provided that the amount Annual Base Salary due Employee following a termination for Disability shall be reduced by the benefit due for the remainder of the Employment Term under any supplemental disability insurance policy provided under Section 5(c) of this Agreement at the Company's expense.

11. Non-Delegation of Employee's Rights. The obligations, rights and benefits of Employee hereunder are personal and may not be delegated, assigned or transferred in any manner whatsoever, nor are such obligations, rights or benefits subject to involuntary alienation, assignment or transfer.

12. Confidential Information. Employee will occupy a position of trust and confidence and will have access to and learn substantial information about Company and its affiliates and their operations that is confidential or not generally known in the industry including, without limitation, information that relates to purchasing, sales, customers, marketing, and the financial positions and financing arrangements of Company and its affiliates. Employee agrees that all such information is proprietary or confidential, or constitutes trade secrets and is the sole property of Company and/or its affiliates, as the case may be. Employee will keep confidential and, outside the scope of Employee's duties and responsibilities with Company and its affiliates, will not reproduce, copy or disclose to any other person or firm, any such information or any documents or information relating to Company's or its affiliates' methods, processes, customers, accounts, analyses, systems, charts, programs, procedures, correspondence or records, or any other documents used or owned by Company or any of its affiliates, nor will Employee advise, discuss with or in any way assist any other person, firm or entity in obtaining or learning about any of the items described in this section. Accordingly, during the Employment Term and at all times thereafter Employee will not disclose, or permit or encourage anyone else to disclose, any such information, nor will Employee utilize any such information, either alone or with others, outside the scope of Employee's duties and responsibilities with Company and its affiliates.

13. Non-Competition.

(a)During Employment Term. During the Employment Term, Employee will devote such business time, attention and energies reasonably necessary to the diligent and faithful performance of the services to Company and its affiliates, and will not engage in any way whatsoever, directly or indirectly, in any business that is a direct competitor with Company's or its affiliates' principal business, nor solicit customers, suppliers or employees of Company or affiliates on behalf of, or in any other manner work for or assist any business which is a direct competitor with Company's or its affiliates' principal business. In addition, during the Employment Term, Employee will undertake no planning for or organization of any business activity competitive with the work performed as an employee of Company, and Employee will not combine or conspire with any other employee of Company or any other person for the purpose of organizing any such competitive business activity.

(b)After Employment Term. The parties acknowledge that Employee will acquire substantial knowledge and information concerning the business of Company and its affiliates as a result of employment. The parties further acknowledge that the scope of business in which Company and its affiliates are engaged as of the Effective Date is international and very competitive and one in which few companies can successfully compete. Competition by Employee in that business after the Employment Term would severely injure Company and its affiliates. Accordingly, for a period of one (1) year after Employee's employment terminates for any reason whatsoever, Employee agrees: (1) not to become an employee, consultant, advisor, principal, partner or substantial shareholder of any firm or business that directly competes with Company or its affiliates in their principal products and markets; and (2), on behalf of any such competitive firm or business, not to solicit any person or business that was at the time of such termination and remains a customer or prospective customer, a supplier or prospective supplier, or an employee of Company or an affiliate.

14. Return of Company Documents. Upon termination of the Employment Term, Employee shall return immediately to Company all records and documents of or pertaining to Company or its affiliates and shall not make or retain any copy or extract of any such record or document, or any other property of Company or its affiliates. For the avoidance of doubt, Employee may make an electronic copy and retain his personal correspondence and any information necessary for him to file his personal tax returns.

15. Improvements and Inventions. Any and all improvements or inventions that Employee may make or participate in during the Employment Term, unless wholly unrelated to the business of Company and its affiliates and not produced within the scope of Employee's employment hereunder, shall be the sole and exclusive property of Company. Employee shall, whenever requested by Company, execute and deliver any and all documents that Company deems appropriate in order to apply for and obtain patents or copyrights in improvements or inventions or in order to assign

and/or convey to Company the sole and exclusive right, title and interest in and to such improvements, inventions, patents, copyrights or applications.

16. Actions and Survival. The parties agree and acknowledge that the rights conveyed by this Agreement are of a unique and special nature and that Company will not have an adequate remedy at law in the event of a failure by Employee to abide by its terms and conditions, nor will money damages adequately compensate for such injury. Therefore, in the event of a breach of this Agreement by Employee, Company shall have the right, among other rights, to damages sustained thereby and to seek an injunction or decree of specific performance from a court of competent jurisdiction to restrain or compel Employee to perform as agreed herein. Notwithstanding any termination of this Agreement or Employee's employment, Section 10 shall remain in effect until all obligations and benefits resulting from a termination of Employee's employment during the Employment Term are satisfied. In addition, Sections 11 through 27 shall survive the termination of this Agreement or Employee's employment and shall remain in effect for the periods specified therein or, if no period is specified, until all obligations thereunder have been satisfied. Nothing in this Agreement shall in any way limit or exclude any other right granted by law or equity to Company.

17. Release. Notwithstanding any provision herein to the contrary, Company may require that, prior to payment, distribution or other benefit under this Agreement (other than due to Employee's death), Employee shall have executed a complete release of Company and its affiliates and related parties in such form as attached hereto, and any waiting periods contained in such release shall have expired. With respect to any release required to receive payments, distributions or other benefits owed pursuant to this Agreement, Company must provide Employee with the form of release no later than seven (7) days after the Date of Termination and the release must be signed by Employee and returned to Company, unchanged, effective and irrevocable, no later than sixty (60) days after the Date of Termination.

18. No Mitigation. Company agrees that, if Employee's employment hereunder is terminated during the Employment Term, Employee is not required to seek other employment or to attempt in any way to reduce any amounts payable to Employee by Company hereunder. Further, the amount of any payment or benefit provided for hereunder shall not be reduced by any compensation earned by Employee as the result of employment by another employer, by retirement benefits or otherwise.

19. Entire Agreement and Amendment. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter of this Agreement, and supersedes and replaces all prior agreements, understandings and commitments with respect to such subject matter. This Agreement may be amended only by a written document signed by both parties to this Agreement.

20. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction. Any litigation pertaining to this Agreement shall be adjudicated in courts located in Duval County, Florida.

21. Successors. This Agreement may not be assigned by Employee. In addition to any obligations imposed by law upon any successor to Company, Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the stock, business and/or assets of Company, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Company would be required to perform it if no such succession had taken place. Failure of Company to obtain such assumption by a successor shall be a material breach of this Agreement. Employee agrees and consents to any such assumption by a successor of Company, as well as any assignment of this Agreement by Company for that purpose. As used in this Agreement, "Company" shall mean Company as herein before defined as well as any such successor that expressly assumes this Agreement or otherwise becomes bound by all of its terms and provisions by operation of law. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted successors or assigns.

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. Severability. If any section, subsection or provision hereof is found for any reason whatsoever to be invalid or inoperative, that section, subsection or provision shall be deemed severable and shall not affect the force and validity of any other provision of this Agreement. If any covenant herein is determined by a court to be overly broad thereby making the covenant unenforceable, the parties agree and it is their desire that such court shall substitute a reasonable judicially enforceable limitation in place of the offensive part of the covenant and that as so modified the covenant shall be as fully enforceable as if set forth herein by the parties themselves in the modified form. The covenants of Employee in this Agreement shall each be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of Employee against Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Company of the covenants in this Agreement.

24. Notices. Any notice, request, or instruction to be given hereunder shall be in writing and shall be deemed given when personally delivered or three (3) days after being sent by United States Certified Mail, postage prepaid, with Return Receipt Requested, to the parties at their respective addresses set forth below:

To Company:

Fidelity National Information Services, Inc.  
601 Riverside Avenue  
Jacksonville, FL 32204  
Attention: Chief Legal Officer

To Employee:

Stephanie Ferris  
[at address last provided by Employee in WorkDay]

25. Waiver of Breach. The waiver by any party of any provisions of this Agreement shall not operate or be construed as a waiver of any prior or subsequent breach by the other party.

26. Tax.

- (a) Withholding. Company or an affiliate may deduct from all compensation and benefits payable under this Agreement any taxes or withholdings Company is required to deduct pursuant to state, federal or local laws.
- (b) Section 409A. This Agreement and any payment, distribution or other benefit hereunder shall comply with the requirements of Section 409A of the Code, as well as any related regulations or other guidance promulgated by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"), to the extent applicable. The Company and Employee will cooperate in good faith to revise any provision of this Agreement which is determined to violate Section 409A if necessary in order to comply with 409A while attempting to preserve the original economic intent of the parties to the maximum extent reasonably possible. To the extent Employee is a "specified employee" under Section 409A, no payment, distribution or other benefit described in this Agreement constituting a distribution of deferred compensation (within the meaning of Treasury Regulation Section 1.409A-1(b)) to be paid during the six-month period following a separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)) will be made during such six-month period. Instead, any such deferred compensation shall be paid on the first business day following the six-month anniversary of the separation from service or as soon as practicable following Employee's death. In no event may Employee, directly or indirectly, designate the calendar year of a payment. Any provision that would cause this Agreement or a payment, distribution or other benefit hereunder to fail to satisfy the requirements of Section 409A shall have no force or effect and, to the extent an amendment would be effective for purposes of Section 409A, the parties agree that this Agreement shall be amended to comply with Section 409A. Such amendment shall be retroactive to the extent permitted by Section 409A. For purposes of this Agreement, Employee shall not be deemed to have terminated employment unless and until a separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)) has occurred. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement shall be for expenses incurred during the time period specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made not later than the last day of the Employee's taxable year following the taxable year in which such expense was incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Excise Taxes. If any payments or benefits paid or provided or to be paid or provided to Employee or for Employee's benefit pursuant to the terms of this Agreement or otherwise in connection with, or arising out of, employment with Company or its subsidiaries or the termination thereof (a "Payment" and, collectively, the "Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then Employee may elect for such Payments to be reduced to one dollar less than the amount that would constitute a "parachute payment" under Section 280G of the Code (the "Scaled Back Amount"). Any such election must be in writing and delivered to Company within thirty (30) days after the Date of Termination. If Employee does not elect to have Payments reduced to the Scaled Back Amount, Employee shall be responsible for payment of any Excise Tax resulting from the Payments and Employee shall not be entitled to a gross-up payment under this Agreement or any other for such Excise Tax. If the Payments are to be reduced, they shall be reduced in the following order of priority: (i) first from cash compensation, (ii) next from equity compensation, then (iii) pro-rated among all remaining payments and benefits. To the extent there is a question as to which Payments within any of the foregoing categories are to be reduced first, the Payments that will produce the greatest present value reduction in the Payments with the least reduction in economic value provided to Employee shall be reduced first. Notwithstanding the foregoing, in the event that any Payments would be subject to Excise Tax as a result of the change in control of Worldpay, the Excise Tax provisions of the Plan shall govern in lieu of this paragraph .

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the date first set forth above.

FIDELITY NATIONAL INFORMATION SERVICES, INC.

By: /s/ Marc M. Mayo

Its: Corporate Executive Vice President and Chief Legal Officer

/s/ STEPHANIE FERRIS

## CONSULTING AGREEMENT

This **CONSULTING AGREEMENT** (the "Agreement") dated August 1, 2019 (the "Effective Date") is by and between Fidelity National Information Services, Inc., a Georgia corporation (the "Company"), and Stephan A. James (the "Consultant").

**Preliminary Statement.** The Company desires to engage the Consultant to provide transition consulting support to the Chair of the Risk and Technology Committee (the "Risk Chair") of the Company's Board of Directors, and the Consultant has agreed to accept such engagement, upon the terms set forth herein.

**NOW, THEREFORE**, in consideration of the mutual promises and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Consultant hereby agree as follows:

1. **Engagement.** During the Term of this Agreement, Consultant agrees to provide transition consulting support to the Risk Chair on matters related to the Risk Committee of the Company's Board of Directors as the Risk Chair may reasonably request from Consultant, including, without limitation, answering questions and assisting in the orderly transition of the Risk Chair.

2. **Term.** Consultant's services hereunder shall commence as of the Effective Date, shall continue for a period of six (6) months, and shall terminate at the close of business on January 31, 2020 (the "Term").

3. **Compensation.** In consideration for the services to be rendered by Consultant during the Term, Company shall pay Consultant an aggregate amount equal to \$90,000.00, payable in monthly installments of \$15,000.00 per month.

4. **Expenses.** In accordance with the Company's policies and procedures, the Company will reimburse the Consultant for all reasonable and necessary out-of-pocket expenses incurred by the Consultant in the performance of Consultant's duties under this Agreement.

5. **Confidential Information.** Consultant acknowledges that he will occupy a position of trust and confidence and will have access to and continue to learn substantial information about the Company and its affiliates and their operations that is confidential or not generally known in the industry, including material nonpublic information. Consultant agrees that all such information is proprietary or confidential or constitutes trade secrets and is the sole property of the Company and/or its affiliates, as the case may be. Consultant will keep confidential, and will not reproduce, copy or disclose to any other person or firm, any such information relating to the Company's or its affiliates' confidential information, nor will Consultant advise, discuss with or in any way assist any other person, firm or entity in obtaining or learning about any of the Company's or its affiliates' confidential information. Accordingly, Consultant agrees that (i) during the Term and at all times



thereafter he will not disclose, or permit or encourage anyone else to disclose, any such information, nor will he utilize any such information, either alone or with others, outside the scope of his duties and responsibilities with the Company and its affiliates pursuant to this Agreement and (ii) to the extent Consultant obtains material nonpublic information during the course of providing the consulting services described herein, he will not trade in Company securities while aware of material nonpublic information concerning the Company. Consultant further agrees to comply with all applicable securities laws, including laws, rules and regulations related to the U.S. Securities and Exchange Commission.

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to the conflicts of laws principles thereof.

7. **Independent Contractor Status.** The parties intend that the relationship between them created by this Agreement is that of an independent contractor. Consultant shall be solely responsible for all income and other taxes arising as a result of the consulting relationship created hereunder.

8. **Assignment.** Neither party may assign this Agreement without the prior written consent of the other party.

9. **Counterparts.** This Agreement may be executed in one or more counterparts, including by facsimile, each of which will be deemed an original and all of which together will constitute one and the same instrument.

10. **Entire Agreement; Amendment.** Except as otherwise specified herein, this Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter of this Agreement, and, except as expressly provided otherwise in this Agreement supersedes and replaces all prior agreements, understandings and commitments with respect to such subject matter. This Agreement may be amended only by a written document signed by both parties to this Agreement.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the parties have executed this Consulting Agreement as of the date first above written.

CONSULTANT

/s/ Stephan A. James

Stephan A. James

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FIDELITY NATIONAL INFORMATION SERVICES, INC.

By:

/s/ Marc M. Mayo

Print Name:

Marc M. Mayo

Title:

Corporate Executive Vice President and Chief Legal Officer

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## CERTIFICATIONS

I, Gary A Norcross, certify that:

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

Date: August 6, 2019

By: /s/ GARY A. NORCROSS

Gary A. Norcross

President and Chief Executive Officer

## CERTIFICATIONS

I, James W. Woodall, certify that:

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

Date: August 6, 2019

By: /s/ JAMES W. WOODALL

James W. Woodall

Corporate Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Executive Officer of Fidelity National Information Services, Inc., a Georgia corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: August 6, 2019

By: /s/ GARY A. NORCROSS  
Gary A. Norcross  
President and Chief Executive Officer

**CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO 18 U.S.C. §1350**

The undersigned hereby certifies that he is the duly appointed and acting Chief Financial Officer of Fidelity National Information Services, Inc., a Georgia corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
  2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.
- In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: August 6, 2019

By: /s/ JAMES W. WOODALL  
James W. Woodall  
Corporate Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)