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

**For the quarterly period ended March 31, 2015  
or**

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

**Commission File Number: 001-35462**

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**Vantiv, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of incorporation or organization)

**26-4532998**

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

**8500 Governor's Hill Drive**

**Symmes Township, OH 45249**

(Address of principal executive offices)

**(513) 900-5250**

(Registrant's telephone number, including area code)

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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 x No o

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

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

Large accelerated filer x

Accelerated filer o

Non-accelerated filer o

Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

As of March 31, 2015, there were 145,954,701 shares of the registrant's Class A common stock outstanding and 43,042,826 shares of the registrant's Class B common stock outstanding.

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VANTIV, INC.  
FORM 10-Q

For the Quarterly Period Ended March 31, 2015

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## NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors," contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, our objectives for future operations, and any statements of a general economic or industry specific nature, are forward-looking statements. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "continue," "could," "should," "can have," "likely," or the negative or plural of these words and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe, based on information currently available to our management, may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the "Risk Factors" section of our most recent Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations and assumptions reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We undertake no obligation to publicly update any forward-looking statement after the date of this report, whether as a result of new information, future developments or otherwise, or to conform these statements to actual results or revised expectations, except as may be required by law.

**PART I — FINANCIAL INFORMATION**
**Item 1. Financial Statements**

**Vantiv, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**Unaudited**  
(In thousands, except share data)

	Three Months Ended March 31,	
	2015	2014
Revenue:		
External customers	\$ 686,376	\$ 518,312
Related party revenues	19,235	19,266
Total revenue	705,611	537,578
Network fees and other costs	331,146	249,046
Sales and marketing	116,055	78,444
Other operating costs	68,739	60,369
General and administrative	47,843	32,606
Depreciation and amortization	67,802	49,846
Income from operations	74,026	67,267
Interest expense—net	(26,011)	(10,554)
Non-operating expenses	(8,766)	—
Income before applicable income taxes	39,249	56,713
Income tax expense	12,253	15,622
Net income	26,996	41,091
Less: Net income attributable to non-controlling interests	(8,007)	(12,955)
Net income attributable to Vantiv, Inc.	\$ 18,989	\$ 28,136
Net income per share attributable to Vantiv, Inc. Class A common stock:		
Basic	\$ 0.13	\$ 0.20
Diluted	\$ 0.13	\$ 0.18
Shares used in computing net income per share of Class A common stock:		
Basic	144,530,704	138,228,839
Diluted	200,715,138	198,949,977

See Notes to Unaudited Consolidated Financial Statements.

**Vantiv, Inc.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**Unaudited**  
**(In thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Net income	\$ 26,996	\$ 41,091
Other comprehensive income, net of tax:		
Loss on cash flow hedges and other	(7,370)	(1,653)
Comprehensive income	19,626	39,438
Less: Comprehensive income attributable to non-controlling interests	(5,632)	(12,379)
Comprehensive income attributable to Vantiv, Inc.	\$ 13,994	\$ 27,059

See Notes to Unaudited Consolidated Financial Statements.

**Vantiv, Inc.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**Unaudited**  
**(In thousands, except share data)**

	March 31, 2015	December 31, 2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 239,538	\$ 411,568
Accounts receivable—net	566,603	607,674
Related party receivable	6,654	6,164
Settlement assets	146,951	135,422
Prepaid expenses	28,068	26,906
Other	31,063	27,002
Total current assets	1,018,877	1,214,736
Customer incentives	39,124	39,210
Property, equipment and software—net	276,521	281,715
Intangible assets—net	987,585	1,034,692
Goodwill	3,293,687	3,291,366
Deferred taxes	426,847	429,623
Other assets	41,782	44,741
Total assets	\$ 6,084,423	\$ 6,336,083
<b>Liabilities and equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 253,185	\$ 299,771
Related party payable	2,684	2,035
Settlement obligations	488,128	501,042
Current portion of note payable to related party	10,353	10,353
Current portion of note payable	106,148	106,148
Current portion of tax receivable agreement obligations to related parties	33,650	22,789
Current portion of tax receivable agreement obligations	20,814	—
Deferred income	9,084	5,480
Current maturities of capital lease obligations	8,916	8,158
Other	9,181	7,557
Total current liabilities	942,143	963,333
Long-term liabilities:		
Note payable to related party	188,933	191,521
Note payable	2,860,359	3,085,716
Tax receivable agreement obligations to related parties	563,607	597,273
Tax receivable agreement obligations	138,615	152,420
Capital lease obligations	12,533	14,779
Deferred taxes	31,980	24,380
Other	14,940	6,075
Total long-term liabilities	3,810,967	4,072,164
Total liabilities	4,753,110	5,035,497
Commitments and contingencies (See Note 7 - Commitments, Contingencies and Guarantees)		
Equity:		
Class A common stock, \$0.00001 par value; 890,000,000 shares authorized; 145,954,701 shares outstanding at March 31, 2015; 145,455,008 shares outstanding at December 31, 2014	1	1
Class B common stock, no par value; 100,000,000 shares authorized; 43,042,826 shares issued and outstanding at March 31, 2015 and December 31, 2014	—	—
Preferred stock, \$0.00001 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Paid-in capital	658,684	629,353
Retained earnings	347,347	328,358
Accumulated other comprehensive loss	(8,763)	(3,768)
Treasury stock, at cost; 2,569,125 shares at March 31, 2015 and 2,173,793 shares at December 31, 2014	(66,549)	(50,931)
Total Vantiv, Inc. equity	930,720	903,013
Non-controlling interests	400,593	397,573
Total equity	1,331,313	1,300,586
Total liabilities and equity	\$ 6,084,423	\$ 6,336,083



**Vantiv, Inc.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Unaudited**  
**(In thousands)**

	Three Months Ended March 31,	
	2015	2014
<b>Operating Activities:</b>		
Net income	\$ 26,996	\$ 41,091
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	67,802	49,846
Amortization of customer incentives	3,872	1,894
Amortization and write-off of debt issuance costs	3,606	1,170
Share-based compensation expense	11,623	8,939
Excess tax benefit from share-based compensation	(11,594)	(7,845)
Tax receivable agreements non-cash items	7,009	—
Change in operating assets and liabilities:		
Accounts receivable and related party receivable	40,577	(1,038)
Net settlement assets and obligations	(24,443)	(6,065)
Customer incentives	(5,651)	(3,873)
Prepaid and other assets	(4,644)	1,524
Accounts payable and accrued expenses	(17,569)	(1,303)
Payable to related party	649	(592)
Other liabilities	3,608	948
Net cash provided by operating activities	101,841	84,696
<b>Investing Activities:</b>		
Purchases of property and equipment	(15,669)	(28,941)
Acquisition of customer portfolios and related assets	(1,425)	(17,394)
Net cash used in investing activities	(17,094)	(46,335)
<b>Financing Activities:</b>		
Repayment of debt and capital lease obligations	(230,823)	(24,607)
Proceeds from exercise of Class A common stock options	6,030	236
Repurchase of Class A common stock	—	(34,366)
Repurchase of Class A common stock (to satisfy tax withholding obligations)	(15,618)	(13,289)
Payments under tax receivable agreements	(22,805)	(8,639)
Excess tax benefit from share-based compensation	11,594	7,845
Distributions to non-controlling interests	(2,528)	—
Decrease in cash overdraft	(2,627)	—
Net cash used in financing activities	(256,777)	(72,820)
Net decrease in cash and cash equivalents	(172,030)	(34,459)
Cash and cash equivalents—Beginning of period	411,568	171,427
Cash and cash equivalents—End of period	\$ 239,538	\$ 136,968
<b>Cash Payments:</b>		
Interest	\$ 24,548	\$ 9,518
Taxes	4,561	12,756

See Notes to Unaudited Consolidated Financial Statements.



**Vantiv, Inc.**  
**CONSOLIDATED STATEMENT OF EQUITY**  
**Unaudited**  
**(In thousands)**

										Accumulated		
	Total	Common Stock				Treasury Stock	Paid-in	Retained	Other	Non-		
		Class A		Class B							Comprehensive	Controlling
		Equity	Shares	Amount	Shares						Amount	Shares
Beginning Balance, January 1, 2015	\$ 1,300,586	145,455	\$ 1	43,043	\$ —	2,174	\$(50,931)	\$ 629,353	\$ 328,358	\$ (3,768)	\$ 397,573	
Net income	26,996	—	—	—	—	—	—	—	18,989	—	8,007	
Issuance of Class A common stock under employee stock plans, net of forfeitures	6,030	895	—	—	—	—	—	6,030	—	—	—	
Tax benefit from employee share-based compensation	11,594	—	—	—	—	—	—	11,594	—	—	—	
Repurchase of Class A common stock (to satisfy tax withholding obligation)	(15,618)	(395)	—	—	—	395	(15,618)	—	—	—	—	
Unrealized loss on hedging activities and other, net of tax	(7,370)	—	—	—	—	—	—	—	—	(4,995)	(2,375)	
Distributions to non-controlling interests	(2,528)	—	—	—	—	—	—	—	—	—	(2,528)	
Share-based compensation	11,623	—	—	—	—	—	—	8,975	—	—	2,648	
Reallocation of non-controlling interests of Vantiv Holding due to change in ownership	—	—	—	—	—	—	—	2,732	—	—	(2,732)	
Ending Balance, March 31, 2015	\$ 1,331,313	145,955	\$ 1	43,043	\$ —	2,569	\$(66,549)	\$ 658,684	\$ 347,347	\$ (8,763)	\$ 400,593	

See Notes to Unaudited Consolidated Financial Statements.

**Vantiv, Inc.**  
**CONSOLIDATED STATEMENT OF EQUITY**  
**Unaudited**  
**(In thousands)**

	Accumulated										
	Total Equity	Common Stock				Treasury Stock	Paid-in Capital	Retained Earnings	Other	Non-	
		Class A		Class B					Comprehensive	Controlling	
		Shares	Amount	Shares	Amount				Income (Loss)	Interests	
Beginning Balance, January 1, 2014	\$ 1,176,322	141,759	\$ 1	48,823	\$ —	1,607	\$(33,130)	\$597,730	\$ 203,066	\$ 264	\$ 408,391
Net income	41,091	—	—	—	—	—	—	—	28,136	—	12,955
Issuance of Class A common stock under employee stock plans, net of forfeitures	236	44	—	—	—	—	—	236	—	—	—
Tax benefit from employee share-based compensation	7,845	—	—	—	—	—	—	7,845	—	—	—
Repurchase of Class A common stock (to satisfy tax withholding obligation)	(13,289)	(419)	—	—	—	419	(13,289)	—	—	—	—
Repurchase of Class A common stock	(34,366)	(1,109)	—	—	—	—	—	(34,366)	—	—	—
Unrealized loss on hedging activities, net of tax	(1,653)	—	—	—	—	—	—	—	—	(1,077)	(576)
Share-based compensation	8,939	—	—	—	—	—	—	6,637	—	—	2,302
Reallocation of non-controlling interests of Vantiv Holding due to change in ownership	—	—	—	—	—	—	—	9,541	—	—	(9,541)
Ending Balance, March 31, 2014	\$ 1,185,125	140,275	\$ 1	48,823	\$ —	2,026	\$(46,419)	\$587,623	\$ 231,202	\$ (813)	\$ 413,531

See Notes to Unaudited Consolidated Financial Statements.

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Description of Business***

Vantiv, Inc., a Delaware corporation, is a holding company that conducts its operations through its majority-owned subsidiary, Vantiv Holding, LLC ("Vantiv Holding"). Vantiv, Inc. and Vantiv Holding are referred to collectively as the "Company," "Vantiv," "we," "us" or "our," unless the context requires otherwise.

The Company provides electronic payment processing services to merchants and financial institutions throughout the United States of America. The Company markets its services through diverse distribution channels, including national, regional and mid-market sales teams, third-party reseller clients and a telesales operation. The Company also has relationships with a broad range of referral partners that include merchant banks, independent software vendors ("ISVs"), value-added resellers ("VARs"), payment facilitators, independent sales organizations ("ISOs") and trade associations as well as arrangements with core processors.

***Segments***

The Company's segments consist of the Merchant Services segment and the Financial Institution Services segment. The Company's Chief Executive Officer ("CEO"), who is the chief operating decision maker ("CODM"), evaluates the performance and allocates resources based on the operating results of each segment. Below is a summary of each segment:

- *Merchant Services*—Provides merchant acquiring and payment processing services to large national merchants, regional and small-to-mid sized businesses. Merchant services are sold to small to large businesses through diverse distribution channels. Merchant Services includes all aspects of card processing including authorization and settlement, customer service, chargeback and retrieval processing and interchange management.
- *Financial Institution Services*—Provides card issuer processing, payment network processing, fraud protection, card production, prepaid program management, automated teller machine ("ATM") driving and network gateway and switching services that utilize the Company's proprietary Jeanie debit payment network to a diverse set of financial institutions, including regional banks, community banks, credit unions and regional personal identification number ("PIN") networks. Financial Institution Services also provides statement production, collections and inbound/outbound call centers for credit transactions, and other services such as credit card portfolio analytics, program strategy and support, fraud and security management and chargeback and dispute services.

***Basis of Presentation and Consolidation***

The accompanying consolidated financial statements include those of Vantiv, Inc. and all subsidiaries thereof, including its majority-owned subsidiary, Vantiv Holding, LLC. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and should be read in connection with the Company's 2014 audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K. The accompanying consolidated financial statements are unaudited; however, in the opinion of management they include all normal and recurring adjustments necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the periods presented. Results of operations reported for interim periods are not necessarily indicative of results for the entire year. All intercompany balances and transactions have been eliminated.

As of March 31, 2015, Vantiv, Inc. and Fifth Third Bank ("Fifth Third") owned interests in Vantiv Holding of 77.23% and 22.77%, respectively (see Note 6 - Controlling and Non-controlling Interests for changes in non-controlling interests).

The Company accounts for non-controlling interests in accordance with Accounting Standards Codification ("ASC") 810, *Consolidation*. Non-controlling interests primarily represent Fifth Third's minority share of net income or loss of and equity in Vantiv Holding. Net income attributable to non-controlling interests does not include expenses incurred directly by Vantiv, Inc., including income tax expense attributable to Vantiv, Inc. All of the Company's non-controlling interests are presented after Vantiv Holding income tax expense in the accompanying consolidated statements of income as "Net income

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

attributable to non-controlling interests." Non-controlling interests are presented as a component of equity in the accompanying consolidated statements of financial position.

***Share Repurchase Program***

In February 2014, our board of directors authorized a program to repurchase up to \$300 million of our Class A common stock. We have approximately \$275 million of share repurchase authority remaining as of March 31, 2015 under this authorization. Purchases under the repurchase program are allowed from time to time in the open market, in privately negotiated transactions, or otherwise. The manner, timing, and amount of any purchases are determined by management based on an evaluation of market conditions, stock price, and other factors. The share repurchase program has no expiration date and the Company may discontinue purchases at any time that management determines additional purchases are not warranted.

***Sponsorship***

In order to provide electronic payment processing services, Visa, MasterCard and other payment networks require sponsorship of non-financial institutions by a member clearing bank. In June 2009, the Company entered into a ten-year agreement with Fifth Third (the "Sponsoring Member") to provide sponsorship services to the Company. The Company also has agreements with certain other banks that provide sponsorship into the card networks.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

***Revenue Recognition***

The Company has contractual agreements with its clients that set forth the general terms and conditions of the relationship including line item pricing, payment terms and contract duration. Revenues are recognized as earned (i.e., for transaction based fees, when the underlying transaction is processed) in conjunction with ASC 605, *Revenue Recognition*. ASC 605, *Revenue Recognition*, establishes guidance as to when revenue is realized or realizable and earned by using the following criteria: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the seller's price is fixed or determinable; and (4) collectibility is reasonably assured.

The Company follows guidance provided in ASC 605-45, *Principal Agent Considerations*. ASC 605-45, *Principal Agent Considerations*, which states that whether a company should recognize revenue based on the gross amount billed to a customer or the net amount retained is a matter of judgment that depends on the facts and circumstances of the arrangement and that certain factors should be considered in the evaluation. The Company recognizes processing revenues net of interchange fees, which are assessed to the Company's merchant customers on all processed transactions. Interchange rates are not controlled by the Company, which effectively acts as a clearing house collecting and remitting interchange fee settlement on behalf of issuing banks, debit networks, credit card associations and its processing customers. All other revenue is reported on a gross basis, as the Company contracts directly with the end customer, assumes the risk of loss and has pricing flexibility.

The Company generates revenue primarily by processing electronic payment transactions. Set forth below is a description of the Company's revenue by segment.

***Merchant Services***

The Company's Merchant Services segment revenue is primarily derived from processing credit and debit card transactions. Merchant Services revenue is primarily comprised of fees charged to businesses, net of interchange fees, for payment processing services, including authorization, capture, clearing, settlement and information reporting of electronic transactions. The fees charged consist of either a percentage of the dollar volume of the transaction or a fixed fee, or both, and are recognized at the time of the transaction. Merchant Services revenue also includes a number of revenue items that are incurred by the Company and are reimbursable as the costs are passed through to and paid by the Company's clients. These items primarily consist of Visa, MasterCard and other payment network fees. In addition, for sales through ISOs and certain other referral sources in which the Company is the primary party to the contract with the merchant, the Company records the

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

full amount of the fees collected from the merchant as revenue. Merchant Services segment revenue also includes revenue from ancillary services such as fraud management, equipment sales and terminal rent. Merchant Services revenue is recognized as services are performed.

#### *Financial Institution Services*

The Company's Financial Institution Services segment revenues are primarily derived from debit, credit and ATM card transaction processing, ATM driving and support, and PIN debit processing services. Financial Institution Services revenue associated with processing transactions includes per transaction and account related fees, card production fees and fees generated from the Company's Jeanie network. Financial Institution Services revenue related to card transaction processing is recognized when consumers use their client-issued cards to make purchases. Financial Institution Services also generates revenue through other services, including statement production, collections and inbound/outbound call centers for credit transactions and other services such as credit card portfolio analytics, program strategy and support, fraud and security management and chargeback and dispute services. Financial Institution Services revenue is recognized as services are performed.

Financial Institution Services provides certain services to Fifth Third. Revenues related to these services are included in the accompanying statements of income as related party revenues.

#### *Expenses*

Set forth below is a brief description of the components of the Company's expenses:

- *Network fees and other costs* primarily consist of certain expenses incurred by the Company in connection with providing processing services to its clients which are passed through to its clients, including Visa and MasterCard network association fees, payment network fees, third party processing fees, telecommunication charges, postage and card production costs.
- *Sales and marketing* expense primarily consists of salaries and benefits paid to sales personnel, sales management and other sales and marketing personnel, residual payments made to ISOs and referral partners, and advertising and promotional costs.
- *Other operating costs* primarily consist of salaries and benefits paid to operational and IT personnel, costs associated with operating the Company's technology platform and data centers, information technology costs for processing transactions, product development costs, software consulting fees and maintenance costs.
- *General and administrative* expenses primarily consist of salaries and benefits paid to executive management and administrative employees, including finance, human resources, product development, legal and risk management, share-based compensation costs, equipment and occupancy costs and consulting costs.
- *Non-operating expenses* during the three months ended March 31, 2015 primarily relate to the change in fair value of a tax receivable agreement (see Note 8 - Fair Value Measurements) and the write-off of deferred financing fees and original issue discount ("OID") associated with a \$200 million early principal payment on the term B loan in January 2015 (see Note 4 - Long-Term Debt).

#### *Share-Based Compensation*

The Company expenses employee share-based payments under ASC 718, *Compensation—Stock Compensation*, which requires compensation cost for the grant-date fair value of share-based payments to be recognized over the requisite service period. The Company estimates the grant date fair value of the share-based awards issued in the form of options using the Black-Scholes option pricing model. The fair value of restricted stock awards and performance awards is measured based on the market price of the Company's stock on the grant date. For the three months ended March 31, 2015 and 2014 total share-based compensation expense was \$11.6 million and \$8.9 million, respectively.

#### *Earnings Per Share*

Basic earnings per share is computed by dividing net income attributable to Vantiv, Inc. by the weighted average shares outstanding during the period. Diluted earnings per share is computed by dividing net income attributable to Vantiv, Inc.,

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

adjusted as necessary for the impact of potentially dilutive securities, by the weighted-average shares outstanding during the period and the impact of securities that would have a dilutive effect on earnings per share. See Note 9 - Net Income Per Share for further discussion.

***Dividend Restrictions***

The Company does not intend to pay cash dividends on its Class A common stock in the foreseeable future. Vantiv, Inc. is a holding company that does not conduct any business operations of its own. As a result, Vantiv, Inc.'s ability to pay cash dividends on its common stock, if any, is dependent upon cash dividends and distributions and other transfers from Vantiv Holding, which are subject to certain Fifth Third consent rights in the Amended and Restated Vantiv Holding Limited Liability Company Agreement. These consent rights require the approval of Fifth Third for certain significant matters, including the payment of all distributions by Vantiv Holding other than certain permitted distributions, which relate primarily to the payment of tax distributions and tax-related obligations. The amounts available to Vantiv, Inc. to pay cash dividends are also subject to the covenants and distribution restrictions in its subsidiaries' loan agreements. As a result of the restrictions on distributions from Vantiv Holding and its subsidiaries, essentially all of the Company's consolidated net assets are held at the subsidiary level and are restricted as of March 31, 2015.

***Income Taxes***

Vantiv, Inc. is taxed as a C corporation for U.S. income tax purposes and is therefore subject to both federal and state taxation at a corporate level.

Income taxes are computed in accordance with ASC 740, *Income Taxes*, and reflect the net tax effects of temporary differences between the financial reporting carrying amounts of assets and liabilities and the corresponding income tax amounts. The Company has deferred tax assets and liabilities and maintains valuation allowances where it is more likely than not that all or a portion of deferred tax assets will not be realized. To the extent the Company determines that it will not realize the benefit of some or all of its deferred tax assets, such deferred tax assets will be adjusted through the Company's provision for income taxes in the period in which this determination is made. As of March 31, 2015 and December 31, 2014, the Company had recorded no valuation allowances against deferred tax assets.

The Company's consolidated interim effective tax rate is based upon expected annual income from operations, statutory tax rates and tax laws in the various jurisdictions in which the Company operates. Significant or unusual items, including adjustments to accruals for tax uncertainties, are recognized in the quarter in which the related event occurs.

The Company's effective tax rates were 31.2% and 27.5%, respectively, for the three months ended March 31, 2015 and 2014. The effective tax rate for each period reflects the impact of the Company's non-controlling interests.

***Cash and Cash Equivalents***

Cash on hand and investments with original maturities of three months or less (that are readily convertible to cash) are considered to be cash equivalents. Cash equivalents consist primarily of overnight EuroDollar sweep accounts which are maintained at reputable financial institutions with high credit quality and therefore are considered to bear minimal credit risk.

***Accounts Receivable—net***

Accounts receivable primarily represent processing revenues earned but not collected. For a majority of its customers, the Company has the authority to debit the client's bank accounts through the Federal Reserve's Automated Clearing House; as such, collectibility is reasonably assured. The Company records a reserve for doubtful accounts when it is probable that the accounts receivable will not be collected. The Company reviews historical loss experience and the financial position of its customers when estimating the allowance. As of March 31, 2015 and December 31, 2014, the allowance for doubtful accounts was not material to the Company's statements of financial position.

***Customer Incentives***

Customer incentives represent signing bonuses paid to customers. Customer incentives are paid in connection with the acquisition or renewal of customer contracts, and are therefore deferred and amortized using the straight-line method based on the contractual agreement. Related amortization is recorded as contra-revenue.

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

***Property, Equipment and Software—net***

Property, equipment and software consists of the Company's facilities, furniture and equipment, software, land and leasehold improvements. These assets are depreciated on a straight-line basis over their respective useful lives, which are 15 to 40 years for the Company's facilities and related improvements, 2 to 10 years for furniture and equipment, 3 to 5 years for software and 3 to 10 years for leasehold improvements or the lesser of the estimated useful life of the improvement or the term of lease. Also included in property, equipment and software is work in progress consisting of costs associated with software developed for internal use which has not yet been placed in service. Accumulated depreciation as of March 31, 2015 and December 31, 2014 was \$208.0 million and \$202.8 million, respectively.

The Company capitalizes certain costs related to computer software developed for internal use and amortizes such costs on a straight-line basis over an estimated useful life of 3 to 5 years. Research and development costs incurred prior to establishing technological feasibility are charged to operations as such costs are incurred. Once technological feasibility has been established, costs are capitalized until the software is placed in service.

***Goodwill and Intangible Assets***

In accordance with ASC 350, *Intangibles—Goodwill and Other*, the Company tests goodwill for impairment for each reporting unit on an annual basis, or when events occur or circumstances indicate the fair value of a reporting unit is below its carrying value. If the fair value of a reporting unit is less than its carrying value, an impairment loss is recorded to the extent that fair value of the goodwill within the reporting unit is less than its carrying value. The Company performed its most recent annual goodwill impairment test for all reporting units as of July 31, 2014 using market data and discounted cash flow analyses. Based on this analysis, it was determined that the fair value of all reporting units were substantially in excess of the carrying value. There have been no other events or changes in circumstances subsequent to the testing date that would indicate impairment of these reporting units as of March 31, 2015.

Intangible assets consist of acquired customer relationships, trade names and customer portfolios and related assets that are amortized over their estimated useful lives. The Company reviews finite lived intangible assets for possible impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. As of March 31, 2015, there have been no such events or circumstances that would indicate potential impairment of finite lived intangible assets.

***Settlement Assets and Obligations***

Settlement assets and obligations result from Financial Institution Services when funds are transferred from or received by the Company prior to receiving or paying funds to a different entity. This timing difference results in a settlement asset or obligation. The amounts are generally collected or paid the following business day.

The settlement assets and obligations recorded by Merchant Services represent intermediary balances due to differences between the amount the Sponsoring Member receives from the card associations and the amount funded to the merchants. Such differences arise from timing differences, interchange expenses, merchant reserves and exception items. In addition, certain card associations limit the Company from accessing or controlling merchant settlement funds and, instead, require that these funds be controlled by the Sponsoring Member. The Company follows a net settlement process whereby, if the settlement received from the card associations precedes the funding obligation to the merchant, the Company temporarily records a corresponding liability. Conversely, if the funding obligation to the merchant precedes the settlement from the card associations, the amount of the net receivable position is recorded by the Company, or in some cases, the Sponsoring Member may cover the position with its own funds in which case a receivable position is not recorded by the Company.

***Derivatives***

The Company accounts for derivatives in accordance with ASC 815, *Derivatives and Hedging*. This guidance establishes accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the statement of financial position at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item will be recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portion of the change in the fair value of the derivative will be recorded in accumulated other comprehensive income ("AOCI") and will be recognized in the statement of income when the hedged item affects earnings. The Company does not enter into derivative financial instruments for speculative purposes.

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Tax Receivable Agreements**

As of March 31, 2015, the Company is party to tax receivable agreements ("TRAs") with Fifth Third, which were executed in connection with its initial public offering ("IPO"). One provides for the payment by the Company to Fifth Third of 85% of the amount of cash savings, if any, in U.S. federal, state, local and foreign income tax that the Company actually realizes as a result of the increases in tax basis that may result from the purchase of Vantiv Holding units from Fifth Third or from the future exchange of units by Fifth Third for cash or shares of the Company's Class A common stock, as well as the tax benefits attributable to payments made under such tax receivable agreement. Any actual increase in tax basis, as well as the amount and timing of any payments under the agreement, will vary depending upon a number of factors, including the timing of exchanges, the price of shares of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, and the amount and timing of the Company's income. The other tax receivable agreement provides for the payment by the Company to Fifth Third of 85% of the amount of cash savings according to Fifth Third's respective ownership interests in Vantiv Holding immediately prior to our initial public offering, if any, in U.S. federal, state, local and foreign income tax that National Processing Company ("NPC") actually realizes as a result of its use of its net operating losses ("NOLs") and other tax attributes.

Simultaneously and in connection with the completion of the acquisition of Mercury Payment Systems, LLC ("Mercury"), the Company entered into a TRA (the "Mercury TRA") with pre-acquisition owners of Mercury (the "Mercury TRA Holders"). The Mercury TRA generally provides for the payment by the Company to the Mercury TRA Holders of 85% of the value of the amount of cash savings, if any, in U.S. federal, state, local and foreign income tax that the Company actually realizes as a result of the increase in tax basis of the assets of Mercury and the use of the net operating losses and other tax attributes of Mercury. The Mercury TRA is considered contingent consideration under ASC 805, *Business Combinations* ("ASC 805") as it is part of the consideration payable to the former owners of Mercury. In accordance with ASC 805, the contingent consideration is initially measured at fair value at the acquisition date and recorded as a liability. The Mercury TRA liability is therefore recorded at fair value based on estimates of discounted future cash flows associated with estimated payments to the Mercury TRA Holders. The liability recorded by the Company for the Mercury TRA obligations will be re-measured at fair value at each reporting date with the change in fair value recognized in earnings as a non-operating expense.

All TRA obligations are recorded based on the full and undiscounted amount of the expected future payments, except for the Mercury TRA which represents contingent consideration relating to an acquired business, and is recorded at fair value for financial reporting purposes (See Note 8 - Fair Value Measurements).

Payments under each of the TRAs discussed above are required to the extent the Company realizes cash savings as a result of the underlying tax attributes. The cash savings realized by the Company are computed by comparing the Company's actual income tax liability to the amount of such taxes the Company would have been required to pay had there been no deductions related to the tax attributes discussed above. The Company retains the benefit of the remaining 15% of these tax savings.

The timing and/or amount of aggregate payments due under the TRAs may vary based on a number of factors, including the amount and timing of the taxable income the Company generates in the future and the tax rate then applicable, the use of loss carryovers and amortizable basis. Payments under the TRAs, if necessary, are required to be made no later than January 5th of the second year immediately following the current taxable year. A payment under the TRA obligations of approximately \$22.8 million was paid during January 2015. The term of the TRAs will continue until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the TRAs for an amount based on the agreed payments remaining to be made under the agreements.

**New Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2014-09, "Revenue From Contracts With Customers." The ASU supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. The amendment provides a five-step analysis of transactions to determine when and how revenue is recognized, based upon the core principal that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendment also requires additional disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amendment is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016, with early adoption prohibited. The amendment allows companies to use either a full retrospective or a modified retrospective approach to adopt this ASU. In April 2015, the FASB proposed a one-



**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

year deferral of this standard. The Company is currently evaluating which transition approach to use and assessing the impact of the adoption of this principle on the Company's consolidated financial statements.

## **2. BUSINESS COMBINATIONS**

### ***Acquisition of Mercury Payment Systems, LLC***

On June 13, 2014, the Company completed the acquisition of Mercury, acquiring all of the outstanding voting interest. Mercury was a payment technology and service leader whose solutions are integrated into point-of-sale software applications and brought to market through dealer and developer partners. This acquisition helps to accelerate the Company's growth in the integrated payments channel.

The acquisition was accounted for as a business combination under ASC 805. The purchase price was allocated to the assets acquired and the liabilities assumed based on the estimated fair value at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill, a significant portion of which is deductible for tax purposes. Goodwill, assigned to Merchant Services, consists primarily of the acquired workforce and growth opportunities, none of which qualify as an intangible asset. The table below presents an updated purchase price allocation from the preliminary amounts reported as of December 31, 2014 (in thousands):

Cash acquired	\$	22,485
Current assets		47,417
Property, equipment and software		32,257
Intangible assets		391,100
Goodwill		1,350,074
Deferred tax assets		16,626
Other non-current assets		1,176
Current and non-current liabilities		(42,096)
Total purchase price	\$	1,819,039

The above estimated fair values of assets acquired and liabilities assumed are preliminary and are based on the information that was available as of the reporting date to estimate the fair value of assets acquired and liabilities assumed. The Company believes that the information provides a reasonable basis for estimating the fair values of the acquired assets and assumed liabilities, but the potential for measurement period adjustments exists based on the Company's continuing review of matters related to the acquisition. The Company expects to complete the purchase price allocation as soon as practicable, but no later than one year from the acquisition date.

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

The following pro forma information shows the Company's results of operations for the three months ended March 31, 2014 as if the Mercury acquisition had occurred January 1, 2013. The pro forma information is presented for informational purposes only and is not necessarily indicative of what would have occurred if the acquisition had been made as of that date, nor is it intended to be indicative of future operating results.

	<b>Three Months Ended March 31, 2014</b>
	<b>(Pro forma)</b>
	<b>(in thousands, except share data)</b>
Total revenue	\$ 616,268
Income from operations	66,187
Net income including non-controlling interests	31,365
Net income attributable to Vantiv, Inc.	20,914
Net income per share attributable to Vantiv, Inc. Class A common stock:	
Basic	\$ 0.15
Diluted	\$ 0.13
Shares used in computing net income per share of Class A common stock:	
Basic	138,228,839
Diluted	198,949,977

The pro forma results include certain pro forma adjustments that were directly attributable to the business combination as follows:

- additional amortization expense that would have been recognized relating to the acquired intangible assets, and
- an adjustment of interest expense to reflect the additional borrowings of the Company in conjunction with the acquisition and removal of Mercury historical debt.

### 3. GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill, by business segment, are as follows (in thousands):

	<b>Merchant Services</b>	<b>Financial Institution Services</b>	<b>Total</b>
Balance as of December 31, 2014	\$ 2,716,516	\$ 574,850	\$ 3,291,366
Goodwill attributable to acquisition of Mercury (1)	2,321	—	2,321
Balance as of March 31, 2015	\$ 2,718,837	\$ 574,850	\$ 3,293,687

- (1) Amount represents adjustments to goodwill associated with the acquisition of Mercury as a result of an update to the purchase price allocation, primarily related to revisions of certain estimates from the preliminary amounts reported as of December 31, 2014.

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

As of March 31, 2015 and December 31, 2014, the Company's intangible assets consisted of the following (in thousands):

	March 31, 2015	December 31, 2014
Customer relationship intangible assets	\$ 1,596,581	\$ 1,596,581
Trade names - finite lived	65,833	65,833
Customer portfolios and related assets	59,508	57,383
	1,721,922	1,719,797
Less accumulated amortization on:		
Customer relationship intangible assets	697,566	655,017
Trade names - finite lived	7,502	5,105
Customer portfolios and related assets	29,269	24,983
	734,337	685,105
	\$ 987,585	\$ 1,034,692

Customer portfolios and related assets acquired during the three months ended March 31, 2015 have a weighted-average amortization period of 4.4 years. Amortization expense on intangible assets for the three months ended March 31, 2015 and 2014 was \$49.2 million and \$33.3 million, respectively.

The estimated amortization expense of intangible assets for the next five years is as follows (in thousands):

Nine months ending December 31, 2015	\$ 141,911
2016	176,702
2017	163,045
2018	155,074
2019	147,671
2020	82,735

#### 4. LONG-TERM DEBT

As of March 31, 2015 and December 31, 2014, the Company's debt consisted of the following:

	March 31, 2015	December 31, 2014
	(in thousands)	
\$2,050.0 million term A loan, maturing on June 13, 2019, and bearing interest at a variable base rate (LIBOR) plus a spread rate (200 basis points) (total rate of 2.17% at March 31, 2015) and amortizing on a basis of 1.25% per quarter during each of the first twelve quarters, 1.875% per quarter during the next four quarters and 2.50% during the next three quarters with a balloon payment due at maturity	\$ 1,973,125	\$ 1,998,750
\$1,400.0 million term B loan, maturing on June 13, 2021, and bearing interest at a variable base rate (LIBOR) with a floor of 75 basis points plus a spread rate (300 basis points) (total rate of 3.75% at March 31, 2015) and amortizing on a basis of 0.25% per quarter, with a balloon payment due at maturity	1,189,500	1,393,000
\$10.1 million leasehold mortgage, expiring on August 10, 2021 and bearing interest payable monthly at a fixed rate (rate of 6.22% at March 31, 2015)	10,131	10,131
Less: Current portion of note payable and current portion of note payable to related party	(116,501)	(116,501)
Less: Original issue discount	(6,963)	(8,143)
Note payable and note payable to related party	\$ 3,049,292	\$ 3,277,237

#### 2014 Debt Refinancing

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

On June 13, 2014, Vantiv, LLC completed a debt refinancing by entering into an amended and restated loan agreement ("Amended Loan Agreement"). The Amended Loan Agreement provides for senior secured credit facilities comprised of a \$2.05 billion term A loan, a \$1.4 billion term B loan and a \$425 million revolving credit facility. Proceeds from the refinancing were primarily used to fund the Mercury acquisition and repay the prior term A loan with an outstanding balance of approximately \$1.8 billion as of the date of refinancing. The prior revolving credit facility was also terminated. The maturity date and debt service requirements relating to the new term A and term B loans are listed in the table above. The new revolving credit facility matures in June 2019 and includes a \$100 million swing line facility and a \$40 million letter of credit facility. The commitment fee rate for the unused portion of the revolving credit facility is 0.375% per year. There were no outstanding borrowings on the revolving credit facility at March 31, 2015.

As of March 31, 2015 and December 31, 2014, Fifth Third held \$199.3 million and \$201.9 million, respectively, of the term A loans.

On January 6, 2015, the Company made an early principal payment of \$200 million on the term B loan. The Company expensed approximately \$1.8 million in non-operating expenses related to the write-off of deferred financing fees and OID in connection with the early principal payment.

### ***Guarantees and Security***

The Company's debt obligations at March 31, 2015 are unconditional and are guaranteed by Vantiv Holding and certain of Vantiv Holding's existing and subsequently acquired or organized domestic subsidiaries. The refinanced debt and related guarantees are secured on a first-priority basis (subject to liens permitted under the Amended Loan Agreement) by substantially all the capital stock (subject to a 65% limitation on pledges of capital stock of foreign subsidiaries and domestic holding companies of foreign subsidiaries) and personal property of Vantiv Holding and any obligors as well as any real property in excess of \$10 million in the aggregate held by Vantiv Holding or any obligors (other than Vantiv Holding), subject to certain exceptions.

### ***Covenants***

There are certain financial and non-financial covenants contained in the Amended Loan Agreement for the refinanced debt, which are tested on a quarterly basis. The financial covenants require maintenance of certain leverage and interest coverage ratios. At March 31, 2015, the Company was in compliance with these financial covenants.

## **5. DERIVATIVES AND HEDGING ACTIVITIES**

### ***Risk Management Objective of Using Derivatives***

The Company enters into derivative financial instruments to manage differences in the amount, timing and duration of its known or expected cash payments related to its variable-rate debt. As of March 31, 2015 and December 31, 2014, the Company's derivative instruments consisted of interest rate swaps, which hedged the variable rate debt by converting floating-rate payments to fixed-rate payments. These swaps are designated as cash flow hedges for accounting purposes.

### ***Accounting for Derivative Instruments***

The Company recognizes derivatives in other current and non-current assets or liabilities in the accompanying consolidated statements of financial position at their fair values. Refer to Note 8 - Fair Value Measurements for a detailed discussion of the fair value of its derivatives. The Company designates its interest rate swaps as cash flow hedges of forecasted interest rate payments related to its variable-rate debt.

The Company formally documents all relationships between hedging instruments and underlying hedged transactions, as well as its risk management objective and strategy for undertaking hedge transactions. This process includes linking all derivatives that are designated as cash flow hedges to forecasted transactions. A formal assessment of hedge effectiveness is performed both at inception of the hedge and on an ongoing basis to determine whether the hedge is highly effective in offsetting changes in cash flows of the underlying hedged item. Hedge effectiveness is assessed using a regression analysis. If it

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

is determined that a derivative ceases to be highly effective during the term of the hedge, the Company will discontinue hedge accounting for such derivative.

The Company's interest rate swaps qualify for hedge accounting under ASC 815, *Derivatives and Hedging*. Therefore, the effective portion of changes in fair value were recorded in AOCI and will be reclassified into earnings in the same period during which the hedged transactions affected earnings.

**Cash Flow Hedges of Interest Rate Risk**

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company uses interest rate swaps as part of its interest rate risk management strategy. As of March 31, 2015, the Company had a total of 18 outstanding interest rate swaps that were designated as cash flow hedges of interest rate risk. Of the 18 outstanding interest rate swaps, 12 of them cover an exposure period from June 2014 through June 2017 and have a combined notional balance of \$1.3 billion (amortizing to \$1.1 billion). The remaining 6 interest rate swaps cover an exposure period from January 2016 through January 2019 and have a combined notional balance of \$500 million. Fifth Third is the counterparty to 7 of the 18 outstanding interest rate swaps with notional balances ranging from \$318.8 million to \$250.0 million.

The Company does not offset derivative positions in the accompanying consolidated financial statements. The table below presents the fair value of the Company's derivative financial instruments designated as cash flow hedges included within the accompanying consolidated statements of financial position (in thousands):

	Consolidated Statement of Financial Position Location	March 31, 2015	December 31, 2014
Interest rate swaps	Other long-term assets	\$ —	\$ 104
Interest rate swaps	Other current liabilities	6,714	5,205
Interest rate swaps	Other long-term liabilities	11,063	2,283

Any ineffectiveness associated with such derivative instruments will be recorded immediately as interest expense in the accompanying consolidated statements of income. As of March 31, 2015, the Company estimates that \$7.0 million will be reclassified from accumulated other comprehensive income as an increase to interest expense during the next 12 months.

The table below presents the effect of the Company's interest rate swaps on the accompanying consolidated statements of income for the three months ended March 31, 2015 and 2014 (in thousands):

	Three Months Ended March 31,	
	2015	2014
<b>Derivatives in cash flow hedging relationships:</b>		
Amount of loss recognized in OCI (effective portion) (1)	\$ (11,435)	\$ (2,599)
Amount of loss reclassified from accumulated OCI into earnings (effective portion)	(1,041)	(335)
Amount of loss recognized in earnings (2)	(1)	(158)

(1) "OCI" represents other comprehensive income.

(2) Amount represents hedge ineffectiveness and is recorded as a component of interest expense-net in the accompanying consolidated statement of income.

**Credit Risk Related Contingent Features**

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company defaults on any of its indebtedness, then the Company could also be declared in default on its derivative obligations.

As of March 31, 2015, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, related to these agreements was \$19.3 million. As of March 31, 2015, the Company has not posted any collateral related to these agreements. If the Company had breached any of these provisions at March 31, 2015, it could have been required to settle its obligations under the agreements at their termination value of \$19.3 million.

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

## 6. CONTROLLING AND NON-CONTROLLING INTERESTS

The Company has various non-controlling interests that are accounted for in accordance with ASC 810, *Consolidation* ("ASC 810"). As discussed in Note 1 - Basis of Presentation and Summary of Significant Accounting Policies, Vantiv, Inc. owns a controlling interest in Vantiv Holding, and therefore consolidates the financial results of Vantiv Holding and its subsidiaries and records non-controlling interest for the economic interests in Vantiv Holding held by Fifth Third. In addition, the Company and People's United Bank ("PUB") formed People's United Merchant Services ("PUMS") during May 2014, which represents a joint venture that provides customers a comprehensive suite of payment solutions. Vantiv Holding owns 51% of PUMS and PUB owns 49%. PUMS will be consolidated by the Company in accordance with ASC 810 and records non-controlling interest for the economic interests in PUMS held by PUB.

As of March 31, 2015, Vantiv, Inc.'s interest in Vantiv Holding was 77.23%. Changes in units and related ownership interest in Vantiv Holding are summarized as follows:

	Vantiv, Inc.	Fifth Third	Total
<b>As of December 31, 2014</b>	145,455,008	43,042,826	188,497,834
% of ownership	77.17%	22.83%	
Equity plan activity (a)	499,693	—	499,693
<b>As of March 31, 2015</b>	145,954,701	43,042,826	188,997,527
% of ownership	77.23%	22.77%	

- (a) Includes stock issued under the equity plans less Class A common stock withheld to satisfy employee tax withholding obligations upon vesting or exercise of employee equity awards and forfeitures of restricted Class A common stock awards.

As a result of the changes in ownership interests in Vantiv Holding, an adjustment of \$2.7 million was recognized during the three months ended March 31, 2015 in order to reflect the portion of net assets of Vantiv Holding attributable to non-controlling unit holders based on changes in the proportionate ownership interests in Vantiv Holding since December 31, 2014.

The table below provides a reconciliation of net income attributable to non-controlling interests based on relative ownership interests as discussed above (in thousands):

	Three Months Ended March 31,	
	2015	2014
Net income	\$ 26,996	\$ 41,091
Items not allocable to non-controlling interests:		
Vantiv, Inc. expenses (a)	7,810	9,192
Vantiv Holding net income	\$ 34,806	\$ 50,283
Net income attributable to non-controlling interests of Fifth Third (b)	\$ 7,903	\$ 12,955
Net income attributable to PUMS non-controlling interest (c)	104	—
Total net income attributable to non-controlling interests	\$ 8,007	\$ 12,955

- (a) Primarily represents income tax expense related to Vantiv, Inc.
- (b) Net income attributable to non-controlling interests of Fifth Third reflects the allocation of Vantiv Holding's net income based on the proportionate ownership interests in Vantiv Holding held by the non-controlling unit holders. The net income attributable to non-controlling unit holders reflects the changes in ownership interests summarized in the table above.
- (c) Reflects net income attributable to the non-controlling interest of PUMS.

In connection with the separation from Fifth Third, Fifth Third received a warrant that allows for the purchase of up to 20.4 million Class C Non-Voting Units of Vantiv Holding. The warrant is exercisable, in whole or in part, and from time to time, but not during a restricted period. A restricted period means a period during which Vantiv Holding (or any successor thereto) is treated as a partnership for U.S. federal income tax purposes; provided that the restricted period shall terminate upon the earlier of (i) a change of control, and (ii) in the event Vantiv, Inc. is no longer a public company owning Vantiv Holding, both as defined in

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

the warrant agreement. The warrant expires upon the earliest to occur of the 20th anniversary of the issue date or a change of control where the price paid per unit in such change of control minus the exercise price of the warrant is less than zero. Fifth Third is entitled to purchase the underlying Units of the warrant at a price of \$15.98 per unit. The warrant was valued at approximately \$65.4 million at June 30, 2009, the issuance date, using a Black-Scholes option valuation model using probability weighted scenarios. The warrant is recorded as a component of the non-controlling interest on the accompanying statements of financial position as of March 31, 2015 and December 31, 2014.

## 7. COMMITMENTS, CONTINGENCIES AND GUARANTEES

### *Legal Reserve*

From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. While it is impossible to ascertain the ultimate resolution or range of financial liability with respect to these contingent matters, management believes none of these matters, either individually or in the aggregate, would have a material effect upon the Company's consolidated financial statements.

## 8. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the hierarchy prescribed in ASC 820, *Fair Value Measurement*, based upon the available inputs to the valuation and the degree to which they are observable or not observable in the market. The three levels in the hierarchy are as follows:

- *Level 1 Inputs*—Quoted prices (unadjusted) for identical assets or liabilities in active markets that are accessible as of the measurement date.
- *Level 2 Inputs*—Inputs other than quoted prices within Level 1 that are observable either directly or indirectly, including but not limited to quoted prices in markets that are not active, quoted prices in active markets for similar assets or liabilities and observable inputs other than quoted prices such as interest rates or yield curves.
- *Level 3 Inputs*—Unobservable inputs reflecting the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

The following table summarizes assets and liabilities measured at fair value on a recurring basis as of March 31, 2015 and December 31, 2014 (in thousands):

	March 31, 2015			December 31, 2014		
				Fair Value Measurements Using		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets:</b>						
Interest rate swaps	\$ —	\$ —	\$ —	\$ —	\$ 104	\$ —
<b>Liabilities:</b>						
Interest rate swaps	\$ —	\$ 17,777	\$ —	\$ —	\$ 7,488	\$ —
Mercury TRA	—	—	159,429	—	—	152,420

The following table summarizes carrying amounts and estimated fair values for financial assets and liabilities, excluding assets and liabilities measured at fair value on a recurring basis, as of March 31, 2015 and December 31, 2014 (in thousands):

	March 31, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Liabilities:</b>				
Note payable	\$ 3,165,793	\$ 3,149,238	\$ 3,393,738	\$ 3,310,181

We consider that the carrying value of cash and cash equivalents, receivables, accounts payable and accrued expenses approximates fair value (Level 1) given the short-term nature of these items. The fair value of the Company's note payable was

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

estimated based on rates currently available to the Company for bank loans with similar terms and maturities and is classified in Level 2 of the fair value hierarchy.

### ***Interest Rate Swaps***

The Company uses interest rate swaps to manage interest rate risk. The fair value of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on the expectation of future interest rates (forward curves) derived from observed market interest rate curves. In addition, to comply with the provisions of ASC 820, *Fair Value Measurements*, credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, are incorporated in the fair values to account for potential nonperformance risk. In adjusting the fair value of its interest rate swaps for the effect of nonperformance risk, the Company has considered any applicable credit enhancements such as collateral postings, thresholds, mutual puts, and guarantees.

Although the Company determined that the majority of the inputs used to value its interest rate swaps fell within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its interest rate swaps utilized Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of March 31, 2015 and December 31, 2014, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its interest rate swaps and determined that the credit valuation adjustment was not significant to the overall valuation of its interest rate swaps. As a result, the Company classified its interest rate swap valuations in Level 2 of the fair value hierarchy. See Note 5 - Derivatives and Hedging Activities for further discussion of the Company's interest rate swaps.

### ***Mercury TRA***

The Mercury TRA is considered contingent consideration as it is part of the consideration payable to the former owners of Mercury. Such contingent consideration is measured at fair value and is based on significant inputs not observable in the market, which is classified in Level 3 of the fair value hierarchy. The Mercury TRA is recorded at fair value based on estimates of discounted future cash flows associated with the estimated payments to the Mercury TRA Holders. The significant unobservable inputs used in the fair value measurement of the Mercury TRA are the discount rate, projections of Mercury taxable income and effective tax rates for Mercury. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. The liability recorded is re-measured at fair value at each reporting period with the change in fair value recognized in earnings as a non-operating expense. The Company recorded non-operating expenses of \$7.0 million related to the change in fair value during the three months ended March 31, 2015. See Note 1 - Basis of Presentation and Summary of Significant Accounting Policies for further discussion of the Mercury TRA.

## **9. NET INCOME PER SHARE**

Basic net income per share is calculated by dividing net income attributable to Vantiv, Inc. by the weighted-average shares of Class A common stock outstanding during the period.

Diluted net income per share is calculated assuming that Vantiv Holding is a wholly-owned subsidiary of Vantiv, Inc., therefore eliminating the impact of Fifth Third's non-controlling interest. Pursuant to the Exchange Agreement, the Class B units of Vantiv Holding ("Class B units"), which are held by Fifth Third and represent the non-controlling interest in Vantiv Holding, are convertible into shares of Class A common stock on a one-for-one basis. Based on this conversion feature, diluted net income per share is calculated assuming the conversion of the Class B units on an "if-converted" basis. Due to the Company's structure as a C corporation and Vantiv Holding's structure as a pass-through entity for tax purposes, the numerator in the calculation of diluted net income per share is adjusted accordingly to reflect the Company's income tax expense assuming the conversion of the Fifth Third non-controlling interest into Class A common stock. The adjusted effective tax rate used in the calculation was 36.0% for the three months ended March 31, 2015 and 36.5% for the three months ended March 31, 2014. As of March 31, 2015 and 2014, there were approximately 43.0 million and 48.8 million Class B units outstanding, respectively.

In addition to the Class B units discussed above, potentially dilutive securities during the three months ended March 31, 2015 and 2014 included restricted stock awards, the warrant held by Fifth Third which allows for the purchase of Class C units of Vantiv Holding, stock options and performance share awards.

The shares of Class B common stock do not share in the earnings or losses of the Company and are therefore not participating securities. Accordingly, basic and diluted net income per share of Class B common stock has not been presented.



**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

The following table sets forth the computation of basic and diluted net income per share (in thousands, except share data):

	Three Months Ended March 31,	
	2015	2014
<b>Basic:</b>		
Net income attributable to Vantiv, Inc.	\$ 18,989	\$ 28,136
Shares used in computing basic net income per share:		
Weighted-average Class A common shares	144,530,704	138,228,839
Basic net income per share	\$ 0.13	\$ 0.20
<b>Diluted:</b>		
Consolidated income before applicable income taxes	\$ 39,249	\$ 56,713
Income tax expense excluding impact of non-controlling interest	14,130	20,700
Net income attributable to Vantiv, Inc.	\$ 25,119	\$ 36,013
Shares used in computing diluted net income per share:		
Weighted-average Class A common shares	144,530,704	138,228,839
Weighted-average Class B units of Vantiv Holding	43,042,826	48,822,826
Warrant	11,377,450	10,007,028
Restricted stock awards	1,206,484	1,826,035
Stock options	557,674	65,249
Diluted weighted-average shares outstanding	200,715,138	198,949,977
Diluted net income per share	\$ 0.13	\$ 0.18

# 10. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The activity of the components of accumulated other comprehensive income (loss) related to cash flow hedging and other activities for the three months ended March 31, 2015 and 2014 is presented below (in thousands):

	AOCI Beginning Balance	Total Other Comprehensive Income (Loss)					AOCI Ending Balance
		Pretax Activity	Tax Effect	Net Activity	Attributable to non- controlling interests	Attributable to Vantiv, Inc.	
Three months ended March 31, 2015							
Net change in fair value recorded in accumulated OCI	\$ (5,288)	\$ (11,435)	\$ 3,329	\$ (8,106)	\$ 2,612	\$ (5,494)	\$ (10,782)
Net realized loss reclassified into earnings (a)	1,732	1,041	(305)	736	(237)	499	2,231
Other	(212)	—	—	—	—	—	(212)
Net change	<u>\$ (3,768)</u>	<u>\$ (10,394)</u>	<u>\$ 3,024</u>	<u>\$ (7,370)</u>	<u>\$ 2,375</u>	<u>\$ (4,995)</u>	<u>\$ (8,763)</u>
Three months ended March 31, 2014							
Net change in fair value recorded in accumulated OCI	\$ (5)	\$ (2,599)	\$ 704	\$ (1,895)	\$ 663	\$ (1,232)	\$ (1,237)
Net realized loss reclassified into earnings (a)	269	335	(93)	242	(87)	155	424
Net change	<u>\$ 264</u>	<u>\$ (2,264)</u>	<u>\$ 611</u>	<u>\$ (1,653)</u>	<u>\$ 576</u>	<u>\$ (1,077)</u>	<u>\$ (813)</u>

**Vantiv, Inc.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

- (a) The reclassification adjustment on cash flow hedge derivatives affected the following lines in the accompanying consolidated statements of income:

OCI Component	Affected line in the accompanying consolidated statements of income
Pretax activity(1)	Interest expense-net
Tax effect	Income tax expense
OCI Attributable to non-controlling interests	Net income attributable to non-controlling interests

(1) The three months ended March 31, 2015 and 2014 reflect amounts of losses reclassified from AOCI into earnings, representing the effective portion of the hedging relationships, and is recorded in interest expense-net.

## 11. SEGMENT INFORMATION

Segment operating results are presented below (in thousands). The results reflect revenues and expenses directly related to each segment. The Company does not evaluate performance or allocate resources based on segment asset data, and therefore such information is not presented.

Segment profit reflects total revenue less network fees and other costs and sales and marketing costs of the segment. The Company's CODM evaluates this metric in analyzing the results of operations for each segment.

Three Months Ended March 31, 2015			
	Merchant Services	Financial Institution Services	Total
Total revenue	\$ 586,712	\$ 118,899	\$ 705,611
Network fees and other costs	296,030	35,116	331,146
Sales and marketing	110,175	5,880	116,055
Segment profit	\$ 180,507	\$ 77,903	\$ 258,410

Three Months Ended March 31, 2014			
	Merchant Services	Financial Institution Services	Total
Total revenue	\$ 418,766	\$ 118,812	\$ 537,578
Network fees and other costs	213,440	35,606	249,046
Sales and marketing	71,751	6,693	78,444
Segment profit	\$ 133,575	\$ 76,513	\$ 210,088

A reconciliation of total segment profit to the Company's income before applicable income taxes is as follows (in thousands):

Three Months Ended March 31,		
	2015	2014
Total segment profit	\$ 258,410	\$ 210,088
Less: Other operating costs	(68,739)	(60,369)
Less: General and administrative	(47,843)	(32,606)
Less: Depreciation and amortization	(67,802)	(49,846)
Less: Interest expense—net	(26,011)	(10,554)
Less: Non-operating expenses	(8,766)	—
Income before applicable income taxes	\$ 39,249	\$ 56,713

\* \* \* \* \*

**Vantiv, Inc.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

This management's discussion and analysis provides a review of the results of operations, financial condition and liquidity and capital resources of Vantiv, Inc. ("Vantiv", "we", "us", "our", or the "company" refer to Vantiv, Inc. and its consolidated subsidiaries) and outlines the factors that affected recent results, as well as factors that may affect future results. Our actual results in the future may differ materially from those anticipated in these forward looking statements as a result of many factors, including those set forth under "Risk Factors," "Forward Looking Statements" and elsewhere in this report, as well as in our 10-K filed with the SEC on February 12, 2015. The following discussion should be read in conjunction with our unaudited consolidated financial statements and related notes appearing elsewhere in this report, as well as management's discussion and analysis and consolidated financial statements for the year ended December 31, 2014 included in our most recent Annual Report on Form 10-K.

**General**

We are the second largest merchant acquirer and the largest PIN debit acquirer by transaction volume, according to the Nilson Report, and a leading payment processor in the United States differentiated by our integrated technology platform, breadth of distribution and superior cost structure. Our integrated technology platform enables us to efficiently provide a comprehensive suite of services to both merchants and financial institutions of all sizes as well as to innovate, develop and deploy new services, while providing us with significant economies of scale. Our broad and varied distribution provides us with a growing and diverse client base of merchants and financial institutions.

We offer a broad suite of payment processing services that enable our clients to meet their payment processing needs through a single provider, including in omni-channel environments that span point-of-sale, ecommerce and mobile devices. We enable merchants of all sizes to accept and process credit, debit and prepaid payments and provide them supporting value-added services, such as security solutions and fraud management, information solutions, and interchange management. We also provide mission critical payment services to financial institutions, such as card issuer processing, payment network processing, fraud protection, card production, prepaid program management, ATM driving and network gateway and switching services that utilize our proprietary Jeanie PIN debit payment network.

Our integrated technology platform provides our merchant and financial institution clients with differentiated payment processing solutions and provides us with significant strategic and operational benefits. Our clients access our processing solutions primarily through a single point of service, which is easy to use and enables our clients to acquire additional services as their business needs evolve. Small and mid-sized merchants are able to easily connect to our integrated technology platform using our application process interfaces, or APIs, software development kits, or SDKs, and other tools we make available to technology partners, which we believe enhances our capacity to sell to such merchants. Our integrated technology platform allows us to collect, manage and analyze data across both our Merchant Services and our Financial Institution Services segments that we can then package into information solutions for our clients. It provides insight into market trends and opportunities as they emerge, which enhances our ability to innovate and develop new value-added services, including security solutions and fraud management, and it allows us to easily deploy new solutions that span the payment processing value chain, such as ecommerce and mobile services, which are high growth market opportunities. It is highly scalable, which enables us to efficiently manage, update and maintain our technology, increase capacity and speed, and realize significant operating leverage. We believe our integrated technology platform is a key differentiator from payment processors that operate on multiple technology platforms and provides us with a significant competitive advantage.

We distribute our services through multiple sales channels that enable us to efficiently and effectively target a broad range of merchants and financial institutions. Our sales channels include direct and indirect sales forces as well as referral partner relationships, which provide us with a growing and diverse client base. We have a national sales force that targets financial institutions and large national merchants, a regional and mid-market sales team that sell solutions to merchants and third-party reseller clients and a telesales operation that targets small and mid-sized merchants. Our indirect sales force includes Independent Sales Organizations, or ISOs, that target small and mid-sized merchants. We have referral partner relationships with merchant banks, independent software vendors, or ISVs, value-added resellers, or VARs, payment facilitators, and trade associations that target a broad range of merchants, including difficult to reach small and mid-sized merchants. We also have relationships with third-party reseller partners and arrangements with core processors that target small and mid-sized financial institutions.

## Executive Overview

Revenue for the three months ended March 31, 2015 increased 31% to \$705.6 million from \$537.6 million in 2014.

Income from operations for the three months ended March 31, 2015 increased 10% to \$74.0 million from \$67.3 million in 2014.

Net income for the three months ended March 31, 2015 decreased 34% to \$27.0 million from \$41.1 million in 2014. Net income attributable to Vantiv, Inc. for the three months ended March 31, 2015 decreased 33% to \$19.0 million from \$28.1 million in 2014. See the "Results of Operations" section of this management's discussion and analysis for a discussion of our financial results.

In February 2014, our board of directors authorized a program to repurchase up to \$300 million of our Class A common stock. We have approximately \$275 million of share repurchase authority remaining as of March 31, 2015 under this authorization.

On June 13, 2014, Vantiv, LLC completed a debt refinancing by entering into an amended and restated loan agreement, or Amended Loan Agreement. The Amended Loan Agreement provides for senior secured credit facilities comprised of a \$2.05 billion term A loan maturing in June 2019, a \$1.4 billion term B loan maturing in June 2021 and a \$425 million revolving credit facility that matures in June 2019. Proceeds from the refinancing were primarily used to fund the acquisition of Mercury Payment Systems, LLC, or Mercury, as further discussed below, and repay the prior term A loan with an outstanding balance of approximately \$1.8 billion. On January 6, 2015, we made an early principal payment of \$200 million on the term B loan.

## Recent Acquisitions

On June 13, 2014, we acquired Mercury for approximately \$1.68 billion in cash and \$137.9 million in contingent consideration related to a tax receivable agreement, or Mercury TRA, entered into with pre-acquisition owners of Mercury, or Mercury TRA Holders, in connection with the Mercury acquisition. We funded the acquisition by borrowing an additional \$1.7 billion through an amendment and refinancing of our senior secured credit facilities as discussed above. Mercury is a payment technology and service leader whose solutions are integrated into point-of-sale software applications and brought to market through dealer and developer partners. This acquisition helps to accelerate our growth in the integrated payments channel. The operations of Mercury are included in our Merchant Services segment operating results.

## Our Segments, Revenue and Expenses

### Segments

We report our results of operations in two segments, Merchant Services and Financial Institution Services. We evaluate segment performance based upon segment profit, which is defined as net revenue, which represents total revenue less network fees and other costs, less sales and marketing expense attributable to that segment.

### Merchant Services

We provide a comprehensive suite of payment processing services to our merchant services clients. We authorize, clear, settle and provide reporting for electronic payment transactions, as further discussed below. Our merchant client base includes over 600,000 merchant locations across the United States and is heavily-weighted in non-discretionary everyday spend categories where spending has generally been more resilient during economic downturns.

*Acquiring and Processing.* We provide merchants with a broad range of credit, debit and prepaid payment processing services. We give them the ability to accept and process Visa, MasterCard, American Express, Discover and PIN debit network card transactions originated at the point of sale as well as for ecommerce and mobile transactions. This service includes all aspects of card processing, including authorization and settlement, customer service, chargeback and retrieval processing and network fee and interchange management.

*Value-added Services.* We offer value-added services that help our clients operate and manage their businesses including omni-channel acceptance, prepaid services and gift card solutions. We also provide security solutions such as point-to-point encryption and tokenization both at the point of sale and for ecommerce transactions.

We provide our services to merchants of varying sizes, which provides us with a number of key benefits. Due to the large transaction volume that they generate, large national merchants provide us with significant operating scale efficiencies and recurring revenues. Small and mid-sized merchants are more difficult to reach on an individual basis, but generally generate higher per transaction fees.

We distribute our comprehensive suite of services to a broad range of merchants through multiple sales channels, as further described below.

- *Direct*: Includes a national sales force that targets large national merchants, a regional and mid-market sales team that sells solutions to merchants and third party reseller clients, and a telesales operation that targets small and mid-sized merchants.
- *Indirect*: Includes ISOs that target small and mid-sized merchants.
- *Merchant Bank*: Includes referral partner relationships with financial institutions that target their financial services customers as merchant referrals to us.
- *Integrated Payments, or IP*: Includes referral partner relationships with ISVs, VARs, and payment facilitators that target their technology customers as merchant referrals to us.
- *eCommerce*: Includes a sales force that targets internet retail, online services and direct marketing merchants.

These sales channels utilize multiple strategies and leverage relationships with referral partners that sell our business solutions to small and mid-sized merchants. We believe our sales structure provides us with broad geographic coverage and access to various industries and verticals.

### **Financial Institution Services**

We provide integrated card issuer processing, payment network processing and value-added services to our financial institution services clients, as further discussed below. Our financial institution client base is generally well diversified and includes approximately 1,400 financial institutions, including regional banks, community banks, credit unions and regional PIN debit networks. We generally focus on small to mid-sized financial institutions with less than \$15 billion in assets. Smaller financial institutions generally do not have the scale or infrastructure typical of large financial institutions and are more likely to outsource payment processing needs. We provide a turnkey solution to such institutions to enable them to offer payment processing solutions.

*Integrated Card Issuer and Processing.* We process and service credit, debit, ATM and prepaid transactions. We process and provide statement production, collections and inbound/outbound call centers. Our card processing solution includes processing and other services such as card portfolio analytics, program strategy and support, fraud and security management and chargeback and dispute services. We also offer processing for specialized accounts, such as business cards, home equity lines of credit and health savings accounts. We provide authorization support in the form of online or batch settlement, as well as real-time transaction research capability and archiving and daily and monthly cardholder reports for statistical analysis. Our call center handles inbound and outbound calls and billing issues for customers of our financial institution clients.

*Value-added Services.* We provide additional services to our financial institution clients that complement our issuing and processing services. These services include fraud protection, card production, prepaid cards, ATM driving, portfolio optimization, data analytics and card program marketing. We also provide network gateway and switching services that utilize our Jeanie PIN network. Our Jeanie network offers real-time electronic payment, network bill payment, single point settlement, shared deposit taking and customer select PINs.

We distribute our financial institution services by utilizing direct sales forces as well as a diverse group of referral partner relationships. These sales channels utilize multiple strategies and leverage relationships with core processors that sell our solutions to small and mid-sized financial institutions.

### **Revenue**

We generate revenue primarily by processing electronic payment transactions. Set forth below is a description of our revenues by segment and factors impacting segment revenues.

Our Merchant Services segment revenues are primarily derived from processing credit and debit card transactions. Merchant Services revenue is primarily comprised of fees charged to businesses, net of interchange fees, for payment processing services, including authorization, capture, clearing, settlement and information reporting of electronic transactions. The fees charged consist of either a percentage of the dollar volume of the transaction or a fixed fee, or both, and are

recognized at the time of the transaction. Merchant Services revenue also includes a number of revenue items that are incurred by us and are reimbursable as the costs are passed through to and paid by our clients. These items primarily consist of Visa, MasterCard and other payment network fees. In addition, for sales through referral partners in which we are the primary party to the contract with the merchant, we record the full amount of the fees collected from the merchant as revenue. Associated residual payments made to referral partners are included in sales and marketing expenses. Merchant Services revenue also includes revenue from ancillary services such as fraud management, equipment sales and terminal rent. Revenue in our Merchant Services segment is impacted primarily by transaction volume, average transaction size, the mix of merchant types in our client portfolio, the performance of our merchant clients and the effectiveness of our distribution channels.

Our Financial Institution Services revenues are primarily derived from debit, credit and ATM card transaction processing, ATM driving and support, and PIN debit processing services. Financial Institution Services revenue associated with processing transactions includes per transaction and account related fees, card production fees and fees generated from our Jeanie network. Financial Institution Services revenue is impacted by the number of financial institutions using our services as well as their transaction volume. The number of financial institutions in the United States has declined as a result of prevailing economic conditions and consolidation, as well as other market and regulatory pressures. These factors have contributed to industry-wide pricing compression of the fees that financial institutions are willing to pay for payment processing. Since 2011, pricing compression in the Financial Institution Services segment has represented on average 3% or less of segment net revenue on an annual basis.

### ***Network Fees and Other Costs***

Network fees and other costs primarily consist of certain expenses incurred by us in connection with providing processing services to our clients which we pass through to our clients, including Visa and MasterCard network association fees, payment network fees, third party processing expenses, telecommunication charges, postage and card production costs.

### ***Net Revenue***

Net revenue is revenue, less network fees and other costs and reflects revenue generated from the services we provide to our clients. Management uses net revenue to assess our operating performance. We believe that net revenue, when reviewed together with revenue, is meaningful to our investors in order to understand our performance.

### ***Expenses***

Set forth below is a brief description of the components of our expenses, aside from the network fees and other costs discussed above:

- *Sales and marketing* expense primarily consists of salaries and benefits paid to sales personnel, sales management and other sales and marketing personnel, residual payments made to ISOs and referral partners, and advertising and promotional costs.
- *Other operating costs* primarily consist of salaries and benefits paid to operational and IT personnel, costs associated with operating our technology platform and data centers, information technology costs for processing transactions, product development costs, software consulting fees and maintenance costs.
- *General and administrative* expenses primarily consist of salaries and benefits paid to executive management and administrative employees, including finance, human resources, product development, legal and risk management, share-based compensation costs, equipment and occupancy costs and consulting costs.
- *Depreciation and amortization* expense consists of our depreciation expense related to investments in property, equipment and software as well as our amortization of intangible assets, principally customer relationships acquired in connection with the acquisition of a majority interest in Vantiv Holding in June 2009 and our subsequent acquisitions.
- *Interest expense—net* consists primarily of interest on borrowings under our senior secured credit facilities less interest income earned on our cash and cash equivalents.
- *Income tax expense* represents federal, state and local taxes based on income in multiple jurisdictions.

- *Non-operating expenses* during the three months ended March 31, 2015 primarily relate to the change in fair value of the Mercury TRA and the write-off of deferred financing fees and original issue discount, or OID, associated with a \$200 million early principal payment on the term B loan in January 2015.

### ***Non-Controlling Interest***

As a result of the non-controlling ownership interests in Vantiv Holding held by Fifth Third, our results of operations include net income attributable to non-controlling interests. Future sales or redemptions of ownership interests in Vantiv Holding by Fifth Third will continue to reduce the amount recorded as non-controlling interest and increase net earnings attributable to our Class A stockholders. In addition, net income attributable to non-controlling interests includes the non-controlling interest in the People's United Merchant Services, or PUMS, joint venture held by People's United Bank, or PUB. Net income attributable to non-controlling interests for the three months ended March 31, 2015 and 2014 was \$8.0 million and \$13.0 million, respectively.

### **Factors and Trends Impacting Our Business and Results of Operations**

We expect a number of factors will impact our business, results of operations and financial condition. In general, our revenue is impacted by the number and dollar volume of card based transactions which in turn are impacted by general economic conditions, consumer spending and the emergence of new technologies and payment types, such as ecommerce, mobile payments, and prepaid cards. In our Merchant Services segment, our net revenues are impacted by the mix of the size of merchants that we provide services to as well as the mix of transaction volume by merchant category. In our Financial Institution Services segment, our net revenues are also impacted by the mix of the size of financial institutions to which we provide services as well as consolidation and market and industry pressures, which have contributed and are expected to continue to contribute to pricing compression of payment processing fees in this segment. See "Results of Operations" below for a discussion of factors impacting our results in the three months ended March 31, 2015.

### **Pro Forma Adjusted Net Income**

We use pro forma adjusted net income for financial and operational decision making as a means to evaluate period-to-period comparisons of our performance and results of operations. Pro forma adjusted net income is also incorporated into performance metrics underlying certain share-based payments issued under the 2012 Vantiv, Inc. Equity Incentive Plan and our annual incentive plan. We believe pro forma adjusted net income provides useful information about our performance and operating results, enhances the overall understanding of past financial performance and future prospects and allows for greater transparency with respect to key metrics used by management in its financial and operational decision making.

In calculating pro forma adjusted net income, we make certain non-GAAP adjustments, as well as pro forma adjustments, to adjust our GAAP operating results for the items discussed below. This non-GAAP measure should be considered together with GAAP operating results.

### ***Non-GAAP Adjustments***

#### ***Transition, Acquisition and Integration Costs***

In connection with our acquisitions, we incurred costs associated with the acquisitions and related integration activities, consisting primarily of consulting fees for advisory, conversion and integration services and related personnel costs. Also included are certain costs associated with our separation from Fifth Third in June 2009. In addition, these expenses include costs related to employee termination benefits and other transition activities. These transition, acquisition and integration costs are included in other operating costs and general and administrative expenses.

#### ***Share-Based Compensation***

We have granted share-based awards to certain employees and members of our board of directors and intend to continue to grant additional share-based awards in the future. Share-based compensation is included in general and administrative expense.

### *Intangible Amortization Expense*

These expenses represent amortization of intangible assets acquired through business combinations and customer portfolio and related asset acquisitions.

### *Non-operating Expenses*

Non-operating expenses were \$8.8 million for the three months ended March 31, 2015, which consisted of the change in fair value of the Mercury TRA and the write-off of deferred financing fees and OID associated with a \$200 million early principal payment on the term B loan in January 2015.

## **Pro Forma Adjustments**

### *Income Tax Expense Adjustments*

Our effective tax rate reported in our results of operations reflects the impact of our non-controlling interest not being taxed at the statutory corporate tax rate. For purposes of calculating pro forma adjusted net income, income tax expense is adjusted to reflect an effective tax rate assuming conversion of Fifth Third's non-controlling interests into shares of Class A common stock, including the income tax effect of the non-GAAP adjustments described above. The adjusted effective tax rate was 36.0% for the three months ended March 31, 2015 and 36.5% for the three months ended March 31, 2014.

### *Tax Adjustments*

In addition to the adjustment described above, income tax expense is also adjusted for the cash tax benefits resulting from certain tax attributes, primarily the amortization of tax intangible assets resulting from or acquired with our acquisitions, the tax basis step up associated with our separation from Fifth Third and the purchase or exchange of Class B units of Vantiv Holding, net of payment obligations under TRAs established at the time of our IPO and in connection with our acquisition of Mercury. The estimate of the cash tax benefits is based on the consistent and highly predictable realization of the underlying tax attributes.

The table below provides a reconciliation of pro forma adjusted net income to GAAP income before applicable income taxes for the three months ended March 31, 2015 and 2014:

	Three Months Ended March 31,	
	2015	2014
	(in thousands)	
Income before applicable taxes	\$ 39,249	\$ 56,713
Non-GAAP Adjustments:		
Transition, acquisition and integration costs	14,674	7,601
Share-based compensation	11,623	8,939
Intangible amortization	47,225	32,248
Non-operating expenses	8,766	—
Non-GAAP Adjusted Income Before Applicable Taxes	121,537	105,501
Pro Forma Adjustments:		
Income tax expense adjustment	(43,753)	(38,508)
Tax adjustments	11,692	10,629
Less: JV non-controlling interest	(68)	—
Pro Forma Adjusted Net Income	\$ 89,408	\$ 77,622



## Results of Operations

The following tables set forth our statements of income in dollars and as a percentage of net revenue for the periods presented.

	Three Months Ended March 31,			
	2015	2014	\$ Change	% Change
	(dollars in thousands)			
Revenue	\$ 705,611	\$ 537,578	\$ 168,033	31%
Network fees and other costs	331,146	249,046	82,100	33%
Net revenue	374,465	288,532	85,933	30%
Sales and marketing	116,055	78,444	37,611	48%
Other operating costs	68,739	60,369	8,370	14%
General and administrative	47,843	32,606	15,237	47%
Depreciation and amortization	67,802	49,846	17,956	36%
Income from operations	\$ 74,026	\$ 67,267	\$ 6,759	10%
Non-financial data:				
Transactions (in millions)	5,363	4,217		27%

<u>As a Percentage of Net Revenue</u>	Three Months Ended March 31,	
	2015	2014
Net revenue	100.0%	100.0%
Sales and marketing	31.0%	27.2%
Other operating costs	18.3%	20.9%
General and administrative	12.8%	11.3%
Depreciation and amortization	18.1%	17.3%
Income from operations	19.8%	23.3%

### Three Months Ended March 31, 2015 Compared to Three Months Ended March 31, 2014

#### **Revenue**

Revenue increased 31% to \$705.6 million for the three months ended March 31, 2015 from \$537.6 million for the three months ended March 31, 2014. The increase was due primarily to transaction growth of 27%, including the impact of the Mercury acquisition, which expanded our integrated payments channel and contributed to higher revenue per transaction.

#### **Network Fees and Other Costs**

Network fees and other costs increased 33% to \$331.1 million for the three months ended March 31, 2015 from \$249.0 million for the three months ended March 31, 2014. The increase was due primarily to transaction growth of 27%, including the impact of the Mercury acquisition, and to a lesser extent an increase in third party processing costs.

#### **Net Revenue**

Net revenue, which is revenue less network fees and other costs, increased 30% to \$374.5 million for the three months ended March 31, 2015 from \$288.5 million for the three months ended March 31, 2014 due to the factors discussed above.

#### **Sales and Marketing**

Sales and marketing expense increased 48% to \$116.1 million for the three months ended March 31, 2015 from \$78.4 million for the three months ended March 31, 2014. The increase was primarily attributable to the Mercury acquisition, higher sales and marketing personnel and related costs and higher residual payments to referral partners as a result of increased revenue.

***Other Operating Costs***

Other operating costs increased 14% to \$68.7 million for the three months ended March 31, 2015 from \$60.4 million for the three months ended March 31, 2014. The increase was primarily attributable to the Mercury acquisition and an increase in information technology infrastructure in support of growth initiatives.

***General and Administrative***

General and administrative expenses increased 47% to \$47.8 million for the three months ended March 31, 2015 from \$32.6 million for the three months ended March 31, 2014. The increase was primarily attributable to the Mercury acquisition, continued investment in our infrastructure in support of growth initiatives, and increases in acquisition and integration costs and share-based compensation of \$7.2 million and \$2.7 million, respectively.

***Depreciation and Amortization***

Depreciation expense associated with our property, equipment and software increased 12% to \$18.6 million for the three months ended March 31, 2015 from \$16.5 million for the three months ended March 31, 2014. The increase during the period reflects depreciation expense associated with increased capital expenditures during the last year largely related to our continued investment in information technology infrastructure in support of growth initiatives, as well as assets acquired in connection with the Mercury acquisition.

Amortization expense associated with intangible assets, which consist primarily of customer relationship intangible assets, increased 48% to \$49.2 million for the three months ended March 31, 2015 from \$33.3 million for the three months ended March 31, 2014. The increase during the period was primarily attributable to intangible assets acquired in connection with the Mercury acquisition.

***Income from Operations***

Income from operations increased 10% to \$74.0 million for the three months ended March 31, 2015 from \$67.3 million for the three months ended March 31, 2014.

***Interest Expense—Net***

Interest expense—net increased to \$26.0 million for the three months ended March 31, 2015 from \$10.6 million for the three months ended March 31, 2014. The increase in interest expense—net is primarily attributable to our June 2014 debt refinancing, which resulted in an increase in the amount of outstanding debt, as well as an increase in the applicable interest rates.

***Non-Operating Expenses***

Non-operating expenses were \$8.8 million for the three months ended March 31, 2015, which consisted of the change in fair value of the Mercury TRA of \$7.0 million and a \$1.8 million write-off of deferred financing fees and OID associated with a \$200 million early principal payment on the term B loan in January 2015.

***Income Tax Expense***

Income tax expense for the three months ended March 31, 2015 was \$12.3 million compared to \$15.6 million for the three months ended March 31, 2014, reflecting effective rates of 31.2% and 27.5%, respectively. Our effective rate reflects the impact of our non-controlling interest not being taxed at the statutory corporate tax rates. Further, as our non-controlling interest declines to the point Vantiv Holding is a wholly-owned subsidiary, we expect our effective rate to increase to approximately 36.0%.

We are currently party to TRAs with Fifth Third which obligate us to make payments to Fifth Third equal to 85% of the amount of cash savings, if any, in income taxes that we realize as a result of certain tax basis increases and net operating losses. We retain the remaining 15% of cash savings. As we purchase units of Vantiv Holding from Fifth Third or as Fifth Third exchanges units of Vantiv Holding for cash or shares of Vantiv, Inc. Class A common stock in the future, we expect the associated cash savings and the related TRA liability to increase as a result of additional tax basis increases.

Simultaneously and in connection with the Mercury acquisition, we entered into the Mercury TRA. The Mercury TRA obligates us to make payments to the Mercury TRA Holders equal to 85% of the amount of cash savings, if any, in income taxes that we realize as a result of certain tax basis increases and net operating losses. We retain the remaining 15% of cash savings. Unlike the TRAs with Fifth Third, which are recorded based on the full undiscounted amount of the expected future payments, the Mercury TRA represents contingent consideration relating to an acquired business, which is recorded at fair value for financial reporting purposes.

In the fourth quarter of 2013, we entered into an agreement to terminate and settle in full our obligations to Advent International Corporation, or Advent, and JPDN Enterprises, LLC, or JPDN, under the TRAs. As a result, the full amount of the cash tax benefits resulting from the realization of the tax attributes underlying the respective TRAs are reflected in pro forma adjusted net income.

During the three months ended March 31, 2015, the cash savings associated with the TRAs discussed above and retained by us were approximately \$9.1 million. The TRAs do not have an impact on our effective tax rate; however, savings retained by us are reflected in pro forma adjusted net income discussed above.

Additionally, as a result of the acquisition of Litle, we generated tax benefits to be recognized over a period of 15 years from the date of the acquisition. During the three months ended March 31, 2015, these benefits were approximately \$2.6 million. This benefit does not have an impact on our effective tax rate; however, these tax benefits are reflected in pro forma adjusted net income discussed above.

### Segment Results

The following tables provide a summary of the components of segment profit for our two segments for the three months ended March 31, 2015 and 2014.

#### Merchant Services

	Three Months Ended March 31,			
	2015	2014	\$ Change	% Change
	(dollars in thousands)			
Total revenue	\$ 586,712	\$ 418,766	\$ 167,946	40%
Network fees and other costs	296,030	213,440	82,590	39%
Net revenue	290,682	205,326	85,356	42%
Sales and marketing	110,175	71,751	38,424	54%
Segment profit	\$ 180,507	\$ 133,575	\$ 46,932	35%
Non-financial data:				
Transactions (in millions)	4,407	3,310		33%

#### Net Revenue

Net revenue in this segment increased 42% to \$290.7 million for the three months ended March 31, 2015 from \$205.3 million for the three months ended March 31, 2014. The increase during the three months ended March 31, 2015 was due primarily to transaction growth of 33%, including the impact of the Mercury acquisition, which expanded our integrated payments channel and contributed to higher net revenue per transaction.

#### Sales and Marketing

Sales and marketing expense increased 54% to \$110.2 million for the three months ended March 31, 2015 from \$71.8 million for the three months ended March 31, 2014. The increase was primarily attributable to the Mercury acquisition, higher sales and marketing personnel and related costs and higher residual payments to referral partners as a result of increased revenue.

## Financial Institution Services

	Three Months Ended March 31,			
	2015	2014	\$ Change	% Change
	(dollars in thousands)			
Total revenue	\$ 118,899	\$ 118,812	\$ 87	— %
Network fees and other costs	35,116	35,606	(490)	(1)%
Net revenue	83,783	83,206	577	1 %
Sales and marketing	5,880	6,693	(813)	(12)%
Segment profit	\$ 77,903	\$ 76,513	\$ 1,390	2 %
Non-financial data:				
Transactions (in millions)	956	907		5 %

### Net Revenue

Net revenue in this segment increased slightly to \$83.8 million for the three months ended March 31, 2015 from \$83.2 million for the three months ended March 31, 2014. The slight increase during the three months ended March 31, 2015 was due primarily to an increase in transactions and value-added services revenue. This increase was partially offset by a decrease in net revenue per transaction, which was driven by continued pricing compression and a continuing shift in the mix of our client portfolio, resulting in a lower rate per transaction.

### Sales and Marketing

Sales and marketing expense decreased 12% to \$5.9 million for the three months ended March 31, 2015 from \$6.7 million for the three months ended March 31, 2014.

## Liquidity and Capital Resources

Our liquidity is funded primarily through cash provided by operations, debt and a line of credit, which is generally sufficient to fund our operations, planned capital expenditures, tax distributions made to our non-controlling interest holders, required payments under TRAs, debt service and acquisitions. However, because payments under the TRAs are determined based on realized cash savings resulting from the underlying tax attributes, a period of declining profitability would result in a corresponding reduction in our TRA payments, thus resulting in the TRA having a minimal effect on our liquidity and capital resources. On January 6, 2015, the Company made an early principal payment of \$200 million on the term B loan. As of March 31, 2015, our principal sources of liquidity consisted of \$239.5 million of cash and cash equivalents and \$425.0 million of availability under the revolving portion of our senior secured credit facilities. Our total indebtedness, including capital leases, was \$3.2 billion as of March 31, 2015.

In February 2014, our board of directors authorized a program to repurchase up to \$300 million of our Class A common stock. We have approximately \$275 million of share repurchase authority remaining as of March 31, 2015 under this authorization. Purchases under the repurchase program are allowed from time to time in the open market, in privately negotiated transactions, or otherwise. The manner, timing, and amount of any purchases are determined by management based on an evaluation of market conditions, stock price, and other factors. The share repurchase program has no expiration date and we may discontinue purchases at any time that management determines additional purchases are not warranted.

In connection with our IPO, we entered into the Exchange Agreement with Fifth Third, under which Fifth Third has the right, from time to time, to exchange their units in Vantiv Holding for shares of our Class A common stock or, at our option, cash. If we choose to satisfy the exchange in cash, we anticipate that we will fund such exchange through cash from operations, funds available under the revolving portion of our senior secured credit facilities, equity financings or a combination thereof.

We do not intend to pay cash dividends on our Class A common stock in the foreseeable future. Vantiv, Inc. is a holding company that does not conduct any business operations of its own. As a result, Vantiv, Inc.'s ability to pay cash dividends on its common stock, if any, is dependent upon cash dividends and distributions and other transfers from Vantiv Holding, which are subject to certain Fifth Third consent rights in the Amended and Restated Vantiv Holding Limited Liability Company Agreement. These consent rights require the approval of Fifth Third for certain significant matters, including the payment of all distributions by Vantiv Holding other than certain permitted distributions, which relate primarily to the payment

of tax distributions and tax-related obligations. The amounts available to Vantiv, Inc. to pay cash dividends are also subject to the covenants and distribution restrictions in its subsidiaries' loan agreements.

In addition to principal needs for liquidity discussed above, our strategy includes investing in and leveraging our integrated business model and technology platform, broadening and deepening our distribution channels, entry into new geographic markets and development of additional payment processing services. Our near-term priorities for capital allocation include investing in our operations to support organic growth and debt reduction. Long-term priorities remain unchanged and include investing for growth through strategic acquisitions and returning excess capital to shareholders.

We anticipate that to the extent that we require additional liquidity, it will be funded through the incurrence of other indebtedness, equity financings or a combination thereof. We cannot assure you that we will be able to obtain this additional liquidity on reasonable terms, or at all. Additionally, our liquidity and our ability to meet our obligations and fund our capital requirements are also dependent on our future financial performance, which is subject to general economic, financial and other factors that are beyond our control. Accordingly, we cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available under our credit facilities or otherwise to meet our liquidity needs. If we decide to pursue one or more significant acquisitions, we may incur additional debt or sell additional equity to finance such acquisitions.

### **Cash Flows**

The following table presents a summary of cash flows from operating, investing and financing activities for the three months ended March 31, 2015 and 2014 (in thousands).

	Three Months Ended March 31,	
	2015	2014
Net cash provided by operating activities	\$ 101,841	\$ 84,696
Net cash used in investing activities	(17,094)	(46,335)
Net cash used in financing activities	(256,777)	(72,820)

#### *Cash Flow from Operating Activities*

Net cash provided by operating activities was \$101.8 million for the three months ended March 31, 2015 as compared to \$84.7 million for the three months ended March 31, 2014. The increase is due primarily to changes in working capital, principally due to the favorable impact of year-over-year changes in accounts receivable, partially offset by the unfavorable impact of accounts payable and accrued expenses and net settlement assets and obligations. Settlement assets and obligations can fluctuate due to seasonality as well as the day of the month end.

#### *Cash Flow from Investing Activities*

Net cash used in investing activities was \$17.1 million for the three months ended March 31, 2015 as compared to \$46.3 million for the three months ended March 31, 2014. The decrease was primarily due to a decrease in capital expenditures and the acquisition of customer portfolios and related assets.

#### *Cash Flow from Financing Activities*

Net cash used in financing activities was \$256.8 million for the three months ended March 31, 2015 as compared to \$72.8 million for the three months ended March 31, 2014. Cash used in financing activities during the three months ended March 31, 2015 consisted primarily of the repayment of debt and capital leases, including the early principal payment of \$200 million on the term B loan on January 6, 2015, payments under the tax receivable agreements and distributions to non-controlling interests. Cash used in financing activities during the three months ended year ended March 31, 2014 consisted primarily of the repayment of debt and capital leases, repurchases of Class A common stock and payments under the tax receivable agreements.

### **Credit Facilities**

On June 13, 2014, Vantiv, LLC completed a debt refinancing by entering into the Amended Loan Agreement. The Amended Loan Agreement provides for senior secured credit facilities comprised of a \$2.05 billion term A loan, a \$1.4 billion term B loan and a \$425 million revolving credit facility. Proceeds from the refinancing were primarily used to fund the

Mercury acquisition and repay the prior term A loan. On January 6, 2015, we made an early principal payment of \$200 million on the term B loan. At March 31, 2015, the Company has \$2.0 billion and \$1.2 billion outstanding under the term A and term B loans, respectively, and there were no outstanding borrowings on the Company's revolving credit facility. See additional discussion in Note 4 - Long-Term Debt to the Notes to Unaudited Consolidated Financial Statements.

The Amended Loan Agreement requires us to maintain a leverage ratio no greater than established thresholds (based upon the ratio of total funded debt to consolidated EBITDA, as defined in the loan agreement) and a minimum interest coverage ratio (based upon the ratio of consolidated EBITDA to interest expense), which are tested quarterly based on the last four fiscal quarters. The required financial ratios become more restrictive over time, with the specific ratios required by period set forth in the below table.

Period	Leverage Ratio (must not exceed)	Interest Coverage Ratio (must exceed)
September 30, 2014 to March 31, 2015	6.50 to 1.00	4.00 to 1.00
June 30, 2015 to September 30, 2016	6.25 to 1.00	4.00 to 1.00
December 31, 2016 to September 30, 2017	5.50 to 1.00	4.00 to 1.00
December 31, 2017 to September 30, 2018	4.75 to 1.00	4.00 to 1.00
December 31, 2018 and thereafter	4.25 to 1.00	4.00 to 1.00

As of March 31, 2015, we were in compliance with these covenants with a leverage ratio of 4.38 to 1.00 and an interest coverage ratio of 8.32 to 1.00.

### ***Interest Rate Swaps***

As of March 31, 2015, the Company had a total of 18 outstanding interest rate swaps that were designated as cash flow hedges of interest rate risk. Of the 18 outstanding interest rate swaps, 12 of them cover an exposure period from June 2014 through June 2017 and have a combined notional balance of \$1.3 billion (amortizing to \$1.1 billion). The remaining six interest rate swaps cover an exposure period from January 2016 through January 2019 and have a combined notional balance of \$500 million. Fifth Third is the counterparty to 7 of the 18 outstanding interest rate swaps with notional balances ranging from \$318.8 million to \$250.0 million.

### **Contractual Obligations**

There have been no significant changes to contractual obligations and commitments compared to those disclosed in our Annual Report on Form 10-K as of December 31, 2014, except as noted below.

### ***Borrowings***

As a result of the early principal payment of \$200 million on the term B loan on January 6, 2015, total principal and variable interest payments due under our senior secured credit facilities and our loan agreement for our corporate headquarters are as follows: \$154.2 million for the remainder of 2015, \$428.4 million during 2016 and 2017, \$1,835.7 million during 2018 and 2019, and \$1,197.4 million thereafter.

### **Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations are based upon our unaudited consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our critical estimates giving consideration to a combination of factors, including historical experience, current conditions and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

During the three months ended March 31, 2015, we have not adopted any new critical accounting policies, have not changed any critical accounting policies and have not changed the application of any critical accounting policies from the year ended December 31, 2014. Our critical accounting policies and estimates are described fully within Management's Discussion and Analysis of Financial Condition and Results of Operations included within our Annual Report on Form 10-K filed with the SEC on February 12, 2015.

## **Off-Balance Sheet Arrangements**

We have no off-balance sheet financing arrangements.

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

We are exposed to interest rate risk in connection with our senior secured credit facilities, which are subject to variable interest rates.

As of March 31, 2015 we had a total of 18 outstanding interest rate swaps. Of the 18 outstanding swaps, 12 of them cover an exposure period from June 2014 through June 2017 and have a combined notional balance of \$1.3 billion (amortizing to \$1.1 billion). The remaining six interest rate swaps cover an exposure period from January 2016 through January 2019 and have a combined notional balance of \$500 million. As of March 31, 2015, we had \$1.9 billion of variable rate debt not subject to a fixed rate swap effective at March 31, 2015.

Based on the amount outstanding under our senior secured credit facilities at March 31, 2015, a change in one percentage point in variable interest rates, after the effect of our interest rate swaps effective at March 31, 2015, would cause an increase or decrease in interest expense of \$18.9 million on an annual basis.

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

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2015. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Based on the evaluation of our disclosure controls and procedures as of March 31, 2015, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II - OTHER INFORMATION****Item 1. Legal Proceedings**

From time to time, we are involved in various litigation matters arising in the ordinary course of our business. While it is impossible to ascertain the ultimate resolution or range of financial liability with respect to these contingent matters, management believes none of these matters, either individually or in the aggregate, would have a material adverse effect on us.

**Item 1A. Risk Factors**

You should carefully consider the risks described under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014. These risks could materially affect our business, results of operations or financial condition, cause the trading price of our common stock to decline materially or cause our actual results to differ materially from those expected or those expressed in any forward looking statements made by or on behalf of Vantiv. These risks are not exclusive, and additional risks to which we are subject include, but are not limited to, the risks of our businesses described elsewhere in this Quarterly Report on Form 10-Q. There have been no material changes from the risk factors disclosed in Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

The following table sets forth information regarding shares of Class A common stock repurchased by us during the three months ended March 31, 2015:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) (2)
January 1, 2015 to January 31, 2015	13,092	\$ 33.87	—	\$ 275.0
February 1, 2015 to February 28, 2015	15,019	\$ 36.55	—	\$ 275.0
March 1, 2015 to March 31, 2015	367,221	\$ 38.92	—	\$ 275.0

(1) Represents shares of Class A common stock surrendered to us to satisfy tax withholding obligations in connection with the vesting of restricted stock awards.

(2) In February 2014, our board of directors authorized a program to repurchase up to \$300 million of our Class A common stock. During the three months ended March 31, 2015, no share repurchases have been transacted under the February 2014 authorization. We have approximately \$275 million of share repurchase authority remaining as of March 31, 2015 under this authorization. Purchases under the repurchase program are allowed from time to time in the open market, in privately negotiated transactions, or otherwise. The manner, timing, and amount of any purchases are determined by management based on an evaluation of market conditions, stock price, and other factors. The share repurchase program has no expiration date and we may discontinue purchases at any time that management determines additional purchases are not warranted.

**Item 5. Other Information**

On April 28, 2015, Thomas Ryan resigned from our board of directors (the “Board”). Mr. Ryan, an operating partner with Advent International, had served as a director of the Company since our initial public offering. There were no disagreements between the Company and Mr. Ryan that led to his decision to resign. Following Mr. Ryan’s resignation, the Board decreased its size from 12 to 11 members.

**Item 6. Exhibits**

See the Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.



**SIGNATURES**

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

**VANTIV, INC.**

April 30, 2015

By: /s/ Mark L. Heimbouch  
Mark. L. Heimbouch  
Sr. Executive Vice President and Chief Operating & Financial Officer

/s/ Christopher Thompson  
Christopher Thompson  
SVP, Controller and Chief Accounting Officer

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
10.1+	Offer Letter, dated August 9, 2013, by and between Vantiv, LLC and Daniela Mielke
10.2+	Agreement and General Release by and between Vantiv, LLC and Carlos Lima
10.3+	Form of Restricted Share Grant Notice and Restricted Share Agreement under the Vantiv, Inc. 2012 Equity Incentive Plan
10.4+	Form of Performance Share Grant Notice and Performance Share Agreement under the Vantiv, Inc. 2012 Equity Incentive Plan
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	Interactive Data Files

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+ Indicates a management contract or compensatory plan.

[VANTIV LETTERHEAD]

August 9, 2013

Daniela Mielke  
2570 Purisima Creek Road  
Half Moon Bay, CA 94019

Dear Daniela:

This letter agreement contains the terms of your employment with Vantiv, LLC (together with Vantiv Holding, LLC and Vantiv, Inc., the "Company"), in the position of Chief Strategy Officer, reporting to the Company's President and Chief Executive Officer, Charles Drucker. The terms of your employment, including the initial equity awards described below and your appointment as an Executive Officer of Vantiv, Inc., are subject to the approval of the Board of Directors (the "Board") of Vantiv, Inc. and/or its Compensation Committee (the "Committee"). This offer has been discussed with the Board and the Committee and I do not anticipate any issues regarding obtaining formal approvals.

**Start Date:** Your start date is Monday, September 23, 2013.

**Base Salary:** Your base salary will be \$350,000 per year ("Base Salary"). Your Base Salary shall be payable in regular installments consistent with the Company's payroll practices in effect from time to time, and the Company shall withhold from your Base Salary all applicable deductions required by law and as elected by you. Your Base Salary is subject to annual review and adjustments by the Board or the Committee.

**Annual Bonus:** You are eligible to participate in the Company's annual incentive plan, with a current target annual bonus opportunity equal to seventy-five percent (75%) of your Base Salary, pro-rated for 2013 based on your Start Date. The actual payout, if any, for any given year will be at the sole discretion of the Board or the Committee and subject to the terms and conditions of the Company's incentive plan for that given year and the applicable performance measures, and will be further based upon the extent to which the applicable performance goals established by the Board or the Committee are satisfied. For 2013 you will be guaranteed a minimum bonus payout of \$175,000 which could be higher based on the Company's and your individual performance.

**Equity Awards:** Initial Awards. You will receive a restricted stock unit award with a value equal to \$1,000,000 on the date of the grant. The award will vest in four equal annual installments beginning on the first anniversary of the grant date, subject to your continued service on each such date. The grant date of this award will be the date of the first regular meeting of the Compensation Committee occurring after your first day of employment. The Committee's next regular meeting is scheduled for October 2013. You will receive a second restricted stock unit award with a value equal to \$400,000 on the date of the Committee's first regular meeting in 2014. This award will also vest in four equal annual installments beginning on the first anniversary of its grant date. The awards will be made pursuant to the Vantiv, Inc. 2012 Equity Incentive Plan or successor plan and are further conditioned upon your review and acceptance of Vantiv's electronic RSU Agreement that will be delivered via Vantiv's stock plan administrator, UBS. The RSU Agreement will include non-solicitation and non-compete provisions.

Subsequent Awards. Commencing with the award cycle in 2014, you will be eligible for annual grants of equity awards or other long-term incentive awards in amounts and on terms and conditions approved by the Board or the Committee. While there can be no guarantee, it is expected that positions at your level will typically be eligible to receive additional equity grants on an annual basis.

**Severance Pay:** You will be a participant in the Company's Executive Severance Plan. The Executive Severance Plan will provide you a severance benefit of up to 1 year of salary plus target bonus, subject to certain conditions and compliance with certain restrictive covenants. The terms and conditions of your participation in the Executive Severance Plan are set forth more fully in the plan document as in effect from time to time. Your execution of this offer letter shall constitute your acceptance and agreement to the restrictive covenants set forth in the Executive Severance Plan.

**Benefits:** You will become eligible for employee benefits with Vantiv after 30 days of employment. Information regarding benefits and enrollment information will be provided to you on or shortly after your first day of employment.

You will be eligible to defer 1 percent to 80 percent of your eligible earnings to our 401 (k) Plan after 30 days of employment, subject to IRS limitations. Vantiv will match 100 percent of the first 3 percent deferred on a pre-tax basis and 50 percent of the next 3 percent deferred on a pre-tax basis. Additional information on this 401 (k) Plan is explained in our benefits summary. The

401 (k) Plan, compensation plans, and benefits discussed above are governed and controlled by the formal plan documents.

**Paid Time Off (PTO):** You will be eligible for 22 PTO days annually pursuant to the Vantiv’s PTO policy. Current year PTO will be prorated accordingly. Use of PTO is governed by the Vantiv’s PTO policy.

**Employment Screening Process:** This offer of employment and continued employment is contingent upon you completing Vantiv’s employment screening process. The screening process includes, but is not limited to, the Vantiv application, a background investigation, a drug screen within 48 hours of receipt of this offer packet, and completion of an 1-9 form (Employment Eligibility Verification form) upon hire, along with any applicable supporting documentation. A list of acceptable documents can be found at <http://uscis.gov/graphics/formsfee/forms/files-9.pdf>. Vantiv reserves the right to run additional background and/or credit checks during your employment in accordance with applicable state and federal laws.

**At-Will Statement:** As with all positions at Vantiv, each of us is employed on an at-will basis and no part of this letter should be construed as a contract or guarantee of continued employment for any period of time. Vantiv and each employee may terminate employment at any time. No statement in this letter or otherwise should be considered a contract of employment unless it is made in writing and signed by the Chief Executive Officer of the Company.

**Acceptance:** By accepting this offer, you acknowledge and agree that you are not under any contractual restrictions that would impact your ability to perform the job for which you are being hired. You further acknowledge that no one at Vantiv has made any representations or assurances to this effect. You also acknowledge and understand that the use or disclosure of any confidential information or trade secret of any former employer is strictly prohibited.

Daniela, we are truly excited that you will be joining the Vantiv team. If you have any questions please do not hesitate to call me or Charles.

Sincerely,

/s/ PAULETTE SASSO  
\_\_\_\_\_  
Paulette Sasso  
Chief Human Capital Officer

/s/ DANIELA MIELKE  
\_\_\_\_\_  
Daniela Mielke

8/13/2013  
\_\_\_\_\_  
Date

### **AGREEMENT AND GENERAL RELEASE**

Vantiv, its parent corporation, affiliates, subsidiaries, divisions, successors and assigns and the employees, officers, directors, shareholders, and agents thereof (collectively referred to throughout this Agreement and General Release as “Vantiv” or the “Company”), and Carlos Lima, his heirs, executors, administrators, successors, and assigns (collectively referred to throughout this Agreement and General Release as “Employee”); hereafter collectively referred to as the “Parties”, agree that:

1. **Last Day of Employment.** Employee will be on a Non-Working Notice through March 31, 2015 (“Separation Date”), during which time Employee must be available for consultation on a reasonable basis as requested by the Company.

2. **Consideration.** In consideration for signing this Agreement and General Release (hereinafter “Agreement”), and complying with its terms, Vantiv agrees:

(a) to pay to Employee a one-time lump sum payment in the amount of Three Hundred Eighty-Seven Thousand Seven Hundred Thirty-Nine Dollars and Seventy-Two Cents (\$387,739.72), less applicable local, state and federal income tax and social security withholding and other legally permitted deductions, entitled to Employee, less lawful deductions, within 60 days of the Separation Date, contingent upon Vantiv receiving a signed original of this Agreement and General Release.

(b) Employee will also receive a one-time lump sum payment in the amount of Three Hundred Eighteen Thousand Seven Hundred and Fifty Dollars and Zero Cents (\$318,750.00), less applicable local, state and federal income tax and social security withholding and other legally permitted deductions, representing the amount of incentive compensation under the annual incentive plan applicable to Employee for the fiscal year preceding the Separation Date. Such payment shall be made at the same time and in accordance with the same terms as bonuses are paid to active employees.

(c) Employee will also receive a second one-time lump sum payment in the amount of Three Hundred Eighteen Thousand Seven Hundred and Fifty Dollars and Zero Cents (\$318,750.00), less applicable local, state and federal income tax and social security withholding and other legally permitted deductions, representing the bonus that would have been earned and payable under the annual incentive plan applicable to Employee during the fiscal year of the Separation Date if Employee had remained employed for the full fiscal year. Such payment shall be made in the fiscal year following the Separation Date at the same time and in accordance with the same terms as bonuses are paid to active employees.

(d) Employee will also receive a lump sum payment for any accrued, but unused, paid time off on Employee’s final payroll check. Employee will not be entitled to accrue any paid time off and/or other benefits following Employee’s Separation Date.

(e) Employee will be entitled to outplacement services (“Outplacement”) commencing on employee’s Separation Date. Such Outplacement shall be provided by Vantiv at no cost to the employee and additional information will be provided to employee by Vantiv Human Resources.

3. **No Consideration Absent Execution of this Agreement.** Employee understands and agrees that Employee would not receive the monies and/or benefits specified in Paragraph 2 above, except for Employee’s execution of this Agreement and the fulfillment of the promises contained herein.

4. **Non-Disparagement.** Employee agrees not to take any action or to make any statement, written or oral, that disparages or criticizes the business or management of Vantiv or any of its subsidiaries or affiliates, or any of their respective directors, officers, agents, or employees. Notwithstanding the foregoing or anything else in this Agreement, nothing in this Agreement is intended to or shall preclude Employee from providing truthful testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law, in which event Employee shall notify Vantiv in writing as promptly as practicable after receiving any such request of the anticipated testimony and at least ten (10) business days prior to providing such testimony (or, if such notice is not possible under the circumstances, with as much prior notice as is possible). Upon any inquiries by potential future employers of Employee, Vantiv shall only state the following: Employee’s last position and dates of employment.

5. **General Release of Claims; Claims Not Released; and Related Provisions.**

(a) **General Release of Claims.** Employee knowingly and voluntarily releases and forever discharges Vantiv, its parent corporation, affiliates, subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries (collectively referred to throughout the remainder of this Agreement as “Releasees”), of and from any and all claims, known and unknown, asserted or unasserted, which the Employee has or may have against Releasees as of the date of execution of this Agreement, including, but not limited to, any alleged violation of:

- Title VII of the Civil Rights Act of 1964;
- The Civil Rights Act of 1991;
- Sections 1981 through 1988 of Title 42 of the United States Code, as amended;
- The Employee Retirement Income Security Act of 1974 (“ERISA”);
- The Immigration Reform and Control Act;
- The Americans with Disabilities Act of 1990;
- The Age Discrimination in Employment Act of 1967 (“ADEA”);
- The Workers Adjustment and Retraining Notification Act;
- The Occupational Safety and Health Act;
- The Sarbanes-Oxley Act of 2002;
- The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010;
- The Fair Credit Reporting Act;
- The Family and Medical Leave Act;
- The Equal Pay Act;
- The Genetic Information Nondiscrimination Act of 2008;
- Ohio Civil Rights Act, Ohio Rev. Code § 4112.01 et seq.;
- Ohio Age Discrimination in Employment Act, Ohio Rev. Code § 4112.14;
- Ohio Whistleblower Protection Act, Ohio Rev. Code § 4113.51 et seq.;
- Ohio Statutory Provisions Regarding Retaliation/Discrimination for Pursuing a Workers Compensation Claim, Ohio Rev. Code § 4123.90;
- Ohio Minimum Fair Wages Act, Ohio Rev. Code § 4111.01 et seq.;
- Ohio Wage Payment Act, Ohio Rev. Code § 4113.15;
- Ohio Uniformed Services Employment and Reemployment Act, Ohio Rev. Code §§ 5903.01, 5903.02;
- any other federal, state or local law, rule, regulation, or ordinance;
- any public policy, contract, tort, or common law; or
- any basis for recovering costs, fees, or other expenses including attorney’s fees incurred in these matters.

(b) **Claims Not Released.** Employee is not waiving any rights he may have to: (i) his own vested accrued employee benefits under Vantiv’s health, welfare, or retirement benefit plans as of the Separation Date; (ii) benefits and/or the right to seek benefits under applicable workers’ compensation and/or unemployment compensation statutes; (iii) pursue claims which by law cannot be waived by signing this Agreement; (iv) enforce this Agreement; and/or (v) challenge the validity of this Agreement.

(c) **Governmental Agencies.** Nothing in this Agreement prohibits or prevents Employee from filing a charge with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before any federal, state, or local government agency. However, to the maximum extent permitted by law, Employee agrees that if such an administrative claim is made, Employee shall not be entitled to recover any individual monetary relief or other individual remedies.

(d) **Collective/Class Action Waiver.** If any claim is not subject to release, to the extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Vantiv or any other Releasee identified in this Agreement is a party.

6. **Acknowledgments and Affirmations.**

(a) Employee affirms that Employee has not filed, caused to be filed, and is not presently a party to any claim against Vantiv.

(b) Employee also affirms that Employee has been paid and/or has received all compensation, wages, bonuses, commissions, and/or benefits to which Employee may be entitled, other than the consideration set forth in Paragraph 2 of this Agreement.

(c) Employee affirms that Employee has been granted any leave to which Employee was entitled under the Family and Medical Leave Act or related state or local leave or disability accommodation laws.

(d) Employee affirms that Employee has no known workplace injuries or occupational diseases.

(e) Employee affirms that Employee has not divulged any proprietary or confidential information of Vantiv and will continue to maintain the confidentiality of such information consistent with Vantiv's policies and Employee's agreement(s) with Vantiv and/or common law. Employee further acknowledges and agrees that in the course of Employee's employment with Company, Employee has acquired: (i) confidential information including without limitation information received by Company from third parties, under confidential conditions; (ii) other technical, product, business, financial or development information from Company, the use or disclosure of which reasonably might be construed to be contrary to the interest of Company; or (iii) any other proprietary information or data, including but not limited to customer lists, which Employee may have acquired during Employee's employment (hereafter collectively referred to as "Company Information"). Employee understands and agrees that such Company Information was disclosed to Employee in confidence and for use only by Company. Employee understands and agrees that Employee: (i) will keep such Company Information confidential at all times, (ii) will not disclose or communicate Company Information to any third party, and (iii) will not make use of Company Information on Employee's own behalf, or on behalf of any third party. In view of the nature of Employee's employment and the nature of Company Information Employee received during the course of Employee's employment, Employee agrees that any unauthorized disclosure to third parties of Company Information or other violation, or threatened violation, of this Agreement would cause irreparable damage to the confidential or trade secret status of Company Information and to Company, and that, therefore, Company, and each person constituting Company hereunder, shall be entitled to an injunction prohibiting Employee from any such disclosure, attempted disclosure, violation or threatened violation.

(f) Employee affirms that Employee has not been retaliated against for reporting any allegations of wrongdoing by Vantiv or its officers, directors or employees, including but not limited to any allegations of corporate fraud or securities law violations.

(g) Employee affirms that all of Vantiv's decisions regarding Employee's pay and benefits through the date of Employee's execution of this Agreement were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law.

(h) Employee acknowledges that Employee already has attained the age of 40 and understands that this is a full release of all existing claims whether currently known or unknown including, but not limited to, claims for age discrimination under the Age Discrimination in Employment Act. Employee further acknowledges that Employee has been advised to consult with an attorney of Employee's own choosing before signing this Agreement, in which Employee waives important rights, including those under the Age Discrimination in Employment Act.

7. **Limited Disclosure and Return of Property.** Employee agrees not to disclose any information regarding the underlying facts leading up to or the existence or substance of this Agreement, except to Employee's spouse, tax advisor, and/or an attorney with whom Employee chooses to consult regarding Employee's consideration of this Agreement. As to such persons, Employee agrees that he shall inform them of the strict confidentiality and nondisclosure obligation relative to the existence and terms of this Agreement and advise them that they, too, are expected to observe such obligation.

Employee affirms that Employee has returned all of Vantiv's property, documents, and/or any confidential information in Employee's possession or control. Employee also affirms that Employee is in possession of all of Employee's property that Employee had at Vantiv's premises and that Vantiv is not in possession of any of Employee's property.

8. **Breach of Agreement.** Employee acknowledges and agrees that his breach of any provision of this Agreement shall constitute a material breach of this Agreement and shall entitle the Company immediately to stop payment of any severance benefits, and recover any severance benefits previously provided, to Employee under this Agreement, to the extent permitted by law.

9. **Governing Law and Interpretation.** This Agreement shall be governed and conformed in accordance with the laws of the state of Ohio without regard to its conflict of laws provision. In the event of a breach of any provision of this Agreement, either party may institute an action specifically to enforce any term or terms of this Agreement and/or seek any damages

for breach. Any action, suit or proceeding over any matter related to or arising from this Agreement or the performance or lack thereof, its terms and/or conditions, shall be brought in the Court of Common Pleas, Hamilton County, Ohio or the United States District Court for the Southern District of Ohio. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

10. **Non-admission of Wrongdoing.** The Parties agree that neither this Agreement nor the furnishing of the consideration for this Agreement shall be deemed or construed at any time for any purpose as an admission by Releasees of wrongdoing or evidence of any liability or unlawful conduct of any kind.

11. **Amendment.** This Agreement may not be modified, altered or changed except in writing and signed by both Parties wherein specific reference is made to this Agreement.

12. **Effective Date.** This Agreement is effective after it has been signed by both Parties and after eight calendar days have passed since Employee has signed the Agreement (the "**Effective Date**"), unless revoked by Employee within seven calendar days after the date the Agreement was signed by Employee. Employee understands that he has at least twenty-one (21) calendar days within which to consider, execute and deliver this Agreement to the Company by delivering it to Nelson Greene, Interim Chief Human Resources Officer, at 8500 Governors Hill Drive, Symmes Township, OH 45249. In no event shall this Agreement be returned later than March 2, 2015.

13. **Miscellaneous.**

(a) This Agreement may be signed in counterparts, both of which shall be deemed an original, but both of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically mailed copy of the Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(b) The section headings used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

(c) This Agreement was the result of negotiations between the Parties. In the event of vagueness, ambiguity or uncertainty, this Agreement shall not be construed against the Party preparing it, but shall be construed as if both Parties prepared it jointly.

(d) If Employee or the Company fails to enforce this Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Agreement. The Agreement remains in full force and effect anyway.

14. **Entire Agreement.** This Agreement sets forth the entire agreement between the Parties hereto, and fully supersedes any prior agreements or understandings between the Parties, except for the following: Restricted Stock Award Agreement, Restricted Stock Unit Award Agreement, Nonqualified Stock Option Award Agreement, Performance Share Unit Award Agreement under the Vantiv, Inc. 2012 Equity Incentive Plan, and Section 9 of the Vantiv, LLC Executive Severance Plan, which are incorporated herein by reference. Employee acknowledges that Employee has not relied on any representations, promises, or agreements of any kind made to Employee in connection with Employee's decision to accept this Agreement, except for those set forth in this Agreement.

**EMPLOYEE IS ADVISED THAT EMPLOYEE HAS AT LEAST TWENTY-ONE (21) CALENDAR DAYS TO CONSIDER THIS AGREEMENT. EMPLOYEE ALSO IS ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO EMPLOYEE'S SIGNING OF THIS AGREEMENT.**

**EMPLOYEE MAY REVOKE THIS AGREEMENT FOR A PERIOD OF SEVEN (7) CALENDAR DAYS FOLLOWING THE DAY EMPLOYEE SIGNS THIS AGREEMENT. ANY REVOCATION WITHIN THIS PERIOD MUST BE SUBMITTED, IN WRITING, TO CHIEF LEGAL OFFICER AND SECRETARY NELSON GREENE AND STATE, "I HEREBY REVOKE MY ACCEPTANCE OF OUR AGREEMENT." THE REVOCATION MUST BE PERSONALLY DELIVERED TO CHIEF LEGAL OFFICER AND SECRETARY NELSON GREENE OR HIS DESIGNEE, OR MAILED TO NELSON GREENE AT 8500 GOVERNORS HILL DRIVE, MD 1GH4YE, SYMMES TOWNSHIP, OH 45249 AND POSTMARKED WITHIN SEVEN (7) CALENDAR DAYS AFTER EMPLOYEE SIGNS THIS AGREEMENT.**



EMPLOYEE AGREES THAT ANY MODIFICATIONS, MATERIAL OR OTHERWISE, MADE TO THIS AGREEMENT, DO NOT RESTART OR AFFECT IN ANY MANNER THE ORIGINAL AT LEAST TWENTY-ONE (21) CALENDAR DAY CONSIDERATION PERIOD.

EMPLOYEE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS EMPLOYEE HAS OR MIGHT HAVE AGAINST RELEASEES.

The Parties knowingly and voluntarily sign this Agreement as of the date(s) set forth below:

By: /s/ CARLOS LIMA  
Carlos Lima

Vantiv, LLC  
By: /s/ NELSON GREENE  
Nelson Greene  
Interim Chief Human Resources Officer

**VANTIV, INC.**  
**2012 EQUITY INCENTIVE PLAN**  
**NOTICE OF RESTRICTED SHARE AWARD**

You (“**Participant**”) have been granted an award (“**Award**”) of restricted shares (“**Restricted Shares**”) of Class A common stock, par value \$0.00001 per share, of Vantiv, Inc. (the “**Company**”) as set forth below. The Award is granted under the Company’s 2012 Equity Incentive Plan (the “**Plan**”) and is subject to the terms and conditions of the Plan, this Notice of Restricted Share Award (“**Notice**”) and the Restricted Share Award Agreement (“**Agreement**”) attached to this Notice. Unless otherwise defined in this Notice or the Agreement, the terms defined in the Plan shall have the same meanings in this Notice and the Agreement.

**Participant Name:**

**Number of Restricted Shares:**

**Date of Grant:**

**Grant ID:**

**Vesting Schedule:** Subject to the limitations set forth in this Notice, the Plan and the Agreement, the Restricted Shares will vest in 25% annual increments beginning on the first anniversary of the Date of Grant.

**Additional Terms/Acknowledgements:** By accepting (whether in writing, electronically or otherwise) the Award, Participant acknowledges and agrees to the following:

Participant understands that Participant’s employment with the Company is for an unspecified duration, can be terminated at any time (i.e., is “at-will”), and that nothing in this Notice, the Agreement or the Plan changes the at-will nature of that relationship. Participant acknowledges that the vesting of the Restricted Shares pursuant to this Notice is earned only by continuing service as an Employee, Director or Consultant of the Company or an Affiliate of the Company. Participant also understands that this Notice is subject to the terms and conditions of both the Agreement and the Plan, both of which are incorporated herein by reference. Participant has read the Agreement, the Plan and the Plan prospectus, and agrees to be bound by the terms of such documents, including the restrictive covenants contained therein. By accepting this Award, Participant consents to the electronic delivery as set forth in the Agreement and to participate in the Plan through an on-line or electronic system maintained by the Company or a third party designated by the Company.

**VANTIV, INC.**

By:

\_\_\_\_\_  
 Signature

Title:

Date:

**Participant:**

By:

\_\_\_\_\_  
 Signature

Title:

Date:

VANTIV, INC.  
2012 EQUITY INCENTIVE PLAN  
**RESTRICTED SHARE AWARD AGREEMENT**

Pursuant to the Notice of Restricted Share Award (the “**Notice**”) and this Restricted Share Award Agreement (“**Agreement**”), Vantiv, Inc. (the “**Company**”) has granted you (“**you**” or “**Participant**”) an award (the “**Award**”) of restricted shares of the Company’s Class A common stock, par value \$0.00001 per share (“**Restricted Shares**”), under its 2012 Equity Incentive Plan (the “**Plan**”). The Award is granted to you effective as of the Date of Grant set forth in the Notice. Capitalized terms not explicitly defined in this Agreement or in the Notice but defined in the Plan will have the same definitions as in the Plan. The details of your Award, in addition to those set forth in the Notice and the Plan, are as follows:

1. **Grant.** The Company hereby grants to the Participant an Award for the number of Restricted Shares set forth in the Notice.
2. **Vesting.** The Restricted Shares are subject to forfeiture until they vest. Except as otherwise provided herein, the Restricted Shares will vest and become nonforfeitable in accordance with the vesting schedule set forth in the Notice.
3. **Stockholder Rights; Dividends.**
  - (a) The Participant shall have the right to vote the Restricted Shares.
  - (b) The Participant shall not have the right to receive any cash dividends declared or awarded with respect to the Company’s Shares.
4. **Non-Transferability of Restricted Shares.** Subject to any exceptions set forth in this Agreement or the Plan, the Restricted Shares or the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant, except by will or the laws of descent and distribution, and upon any such transfer by will or the laws of descent and distribution, the transferee shall hold such Restricted Shares subject to all of the terms and conditions that were applicable to the Participant immediately prior to such transfer
5. **Treatment upon Termination of Service.**
  - (a) **General Rule.** Subject to Section 5(b) and Section 9, if Participant’s Continuous Service Status terminates for any reason at any time before all of Participant’s Restricted Shares have vested, all unvested Restricted Shares shall be automatically forfeited upon such termination. In the case of any dispute as to whether a termination of Continuous Service Status has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.
  - (b) **Special Rule for Death and Disability.** If Participant’s Continuous Service Status terminates as a result of Participant’s death or Disability, all unvested Restricted Shares shall vest as of the date of such termination.
6. **Tax Withholding.** The Participant shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Participant pursuant to the Plan, the amount of any required withholding taxes in respect of the Restricted Shares and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. In this regard, upon vesting the Participant agrees to surrender to the Company a portion of the Restricted Shares

to satisfy tax withholding obligations; *provided, however*, that no Shares shall be surrendered with a value exceeding the minimum amount of tax required to be withheld by law. The Committee may permit Participant to satisfy any federal, state or local tax withholding obligation by any of the following additional means, or by a combination of such means:

- (a) tendering a cash payment;
- (b) “sell to cover;”
- (c) delivering to the Company previously owned and unencumbered Shares; or
- (d) any other arrangement approved by the Committee.

One or more of these methods may not be available to the Participant (or may be unavailable during a specified period) should the Company determine that its availability will or could violate the terms of any relevant law or regulation.

Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding (“**Tax-Related Items**”), the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant or vesting of the Restricted Shares or the subsequent sale of any shares, and (b) does not commit to structure the Restricted Shares to reduce or eliminate the Participant’s liability for Tax-Related Items. In the event the Company’s obligation to withhold arises prior to the vesting of the Restricted Shares or it is determined after the vesting of the Restricted Shares that the amount of the Company’s withholding obligation was greater than the amount withheld by the Company, Participant agrees to hold the Company harmless from any failure by the Company to withhold the proper amount.

**7. No Employment/Service Rights.** Nothing in the Plan or this Agreement shall affect in any manner whatsoever the right or power of the Company, or an Affiliate of the Company, to terminate Participant’s service, for any reason, with or without cause.

**8. No Impact on Other Benefits.** The value of Participant’s Restricted Shares is not part of his or her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

**9. Change of Control.**

(a) Treatment Following a Change of Control. If a Change of Control occurs and Participant’s Continuous Service Status is terminated by the Company or an Affiliate without “Cause” or by the Participant for “Good Reason” (each as defined below) within the 24-month period following the Change of Control, all unvested Restricted Shares or, if applicable, Rolled Over Restricted Shares (as defined below), shall automatically vest in full as of the date of such termination. Notwithstanding the foregoing, if the Successor Corporation (or the ultimate parent entity) in a Change of Control does not provide Rolled Over Restricted Shares, all unvested Restricted Shares shall vest in full as of the date of the Change of Control and be eligible to receive the same per share transaction consideration being offered to common stockholders generally pursuant to the Change of Control.

(b) Definition of “Rolled Over Restricted Shares” “Rolled Over Restricted Shares” mean that the Successor Corporation (or the ultimate parent entity) in a Change of Control agrees to honor or assume the Restricted Shares on substantially equivalent contractual and financial terms, or agrees to grant a substitute

award on substantially equivalent contractual and financial terms. Any determination as to what constitutes “substantially equivalent contractual and financial terms” will be conclusively determined by the Committee.

(c) Definition of “Good Reason.” “Good Reason” shall be as defined under the terms of the Participant’s employment agreement or, if no employment agreement applies to the Participant or such an agreement does not include a definition of “Good Reason,” under the terms of any severance policy to which or under which the Participant is a party or participant. For purposes of Section 9(a), the event giving rise to a termination for Good Reason must occur within the 24-month period following a Change of Control.

(d) Definition of “Cause.” For purposes of this Agreement, except as otherwise provided in a written employment or severance agreement between the Participant and the Company or a severance plan of the Company covering the Participant (including a change in control severance agreement or plan), “Cause” shall mean any one or more of the following, (i) gross negligence or willful misconduct of a material nature in connection with the performance of the Participant’s duties, (ii) an indictment or conviction for (or pleading guilty or nolo contendere to) a felony, (iii) a non-de minimus intentional act of fraud, dishonesty or misappropriation (or attempted misappropriation) of the Company’s or any of its Affiliates’ funds or property; (iv) the Company or any of its Affiliates having been ordered or directed by any federal or state regulatory agency with jurisdiction to terminate or suspend the Participant’s employment and such order or directive has not been vacated or reversed upon appeal; or (v) a violation of Section 10 hereof or any similar covenant or agreement between the Participant and the Company or an Affiliate; (vi) the Participant’s breach of any of material obligations in his or her employment agreement or offer letter; (vii) the Participant’s breach of his fiduciary duties as an officer or director of the Company or any of its Affiliates; or (viii) the Participant’s continued failure or refusal after written notice from the chief executive officer or his delegate (or the Board, in the case of the chief executive officer) to implement or follow the direction of the chief executive officer or his delegate (or the Board, as applicable). Any disputes as to what constitutes “Cause” or “Good Reason” shall be conclusively determined by the Committee or its delegate.

## **10. Restrictive Covenants.**

### **A. Participant’s Covenants.**

1. Non-Competition. During the Restricted Period (as defined below), Participant shall not compete in any manner, either directly or indirectly, whether for compensation or otherwise, with the Business of the Company, as further described below. The parties agree that the following activities (without limitation) will be deemed to be competing:

(a) directly or indirectly producing, developing, marketing, providing, handling, recommending, analyzing or accepting orders for products or services competitive with the Business of the Company, or assisting others to produce, develop, market, or provide such services or products; or

(b) accepting employment from or having any other relationship (including, without limitation, through owning, managing, operating, controlling or consulting) with any person or entity that directly or indirectly produces, develops or markets a product, process, or service which is competitive with those products, processes, or services constituting the Business of the Company, whether existing or planned for the future, provided, however, that it shall not be a violation of this Agreement for Participant to have beneficial ownership of less than 1% of the outstanding amount of any class of securities listed on a national securities exchange or quoted on an inter-dealer quotation system; or

(c) taking any other action that is likely or intended to result directly or indirectly in prospective or actual customers of the Company purchasing products, processes, or services which are competitive with those products, processes, or services constituting the Business from a competitor of the Company; or

(d) accepting any job or engagement in which Participant may be in a position to use or disclose Confidential Information regarding the Business of which Participant acquired knowledge or to which Participant had access while employed by the Company.

The parties expressly agree that the foregoing list of activities is illustrative and non-exhaustive, and shall not limit Company's right to protection from other activities that are competitive with the Business of the Company. In recognition of the national scope of the Company's Business, in that it provides products and services to customers throughout the United States of America, Participant agrees that the foregoing restriction(s) shall be applicable throughout the United States of America. Participant agrees that such geographic restriction is reasonable.

2. Non-Solicitation. During the Restricted Period, Participant agrees that Participant will not, either on Participant's own behalf or on behalf of any other person or entity, directly or indirectly, (a) solicit any person or entity that is a customer of the Business or the Company, or has been a customer of the Company during the prior eighteen (18) months, to purchase any products or services the Business or the Company provided or provides to the customer, (b) interfere with any of the Business's or the Company's business relationships, or (c) directly or indirectly solicit, divert, entice or take away any potential customer identified, selected or targeted by the Business or the Company with whom Participant had contact, involvement or responsibility during Participant's employment with the Company and/or its Affiliates, or attempt to do so for the sale of any product or service that competes with a product or service offered by the Business or the Company.

3. No-Hire. During the Restricted Period, Participant agrees that Participant will not, either on Participant's own behalf or on behalf of any other person or entity, directly or indirectly, hire, solicit or encourage to leave the employ of the Company or any of its Affiliates any person who is then an employee of the Company or its Affiliates or was such an employee within twelve (12) months of the date of such hiring, soliciting, or encouragement to leave.

4. Confidentiality. The Participant will not at any time (whether during or after the Participant's employment with the Company) disclose, divulge, transfer or provide access to, or use for the benefit of, any third party outside the Company (other than as necessary to perform the Participant's employment duties) any Confidential Information without prior authorization of the Company. Upon termination of the Participant's employment for any reason, the Participant shall return to the Company any and all Confidential Information and other property of the Company or its Affiliates in the Participant's possession or control.

5. Non-Disparagement. Participant agrees not to take any action or to make any statement, written or oral, that disparages or criticizes the business or management of the Company or any of its Affiliates, or any of their respective directors, officers, agents, employees, products or services.

B. Certain Definitions. For purposes of Section 12.A, the following definitions apply.

1. "Business" means the type of business conducted by the Company or its Affiliates currently or at any time in the past five years, or in the future, including but not limited to: (i) merchant processing services (including payment authorization, clearing and settlement for credit, debit, check authorization and truncation), (ii) gift, private label, stored value and prepaid card processing, (iii) electronic funds transfer services to business customers (including debit and ATM card processing and driving services, PIN and signature debit transaction authorization settlement and exception processing, (iv) payment and ATM network switching services (including the Jeanie network), (v) credit and debit card production, activation, replacement and related management services (including on an outsourced basis), (vi) payments-related reselling services, (vii) other value added services (including fraud detection, prevention and management services) relating to the foregoing, (viii) promotional messaging service relating to the foregoing, (ix) debit

portfolio management services related to the foregoing, (x) data processing services related to the foregoing, and (xi) the development, marketing, or sale of technology or applications related to point-of-sale payments or the embedding of payment processing technology or capabilities in business applications.

2. “Confidential Information” shall mean information or material of the Company which is not generally available to or used by others, or the utility or value of which is not generally known or recognized as standard practice, whether or not the underlying details are in the public domain, including: (A) information or material relating to the Company and its business as conducted or anticipated to be conducted; business plans; operations; past, current or anticipated services, products or software; customers or prospective customers; relations with business partners or prospective business partners; or research, engineering, development, manufacturing, purchasing, accounting, or marketing activities; (B) information or material relating to the Company’s inventions, improvements, discoveries, “know-how,” technological developments, or unpublished writings or other works of authorship, or to the materials, apparatus, processes, formulae, plans or methods used in the development, manufacture or marketing of the Company’s services, products or software; (C) information on or material relating to the Company which when received is marked as “proprietary,” “private,” or “confidential”; (D) trade secrets of the Company; (E) software of the Company in various stages of development, software designs, web-based solutions, specifications, programming aids, programming languages, interfaces, visual displays, technical documentation, user manuals, data files and databases of the Company; and (F) any similar information of the type described above which the Company obtained from another party and which the Company treats as or designates as being proprietary, private or confidential, whether or not owned or developed by the Company. Notwithstanding the foregoing, “Confidential Information” does not include any information which is properly published or in the public domain; provided, however, that information which is published by or with the aid of Participant outside the scope of employment or contrary to the requirements of this Agreement will not be considered to have been properly published, and therefore will not be in the public domain for purposes of this Agreement.

3. “Restricted Period” means the period of Participant’s employment by the Company or one of its Affiliates and twelve (12) months following termination of such employment for any reason (eighteen months in the case of the Company’s chief executive officer).

C. Representations, Warranties and Acknowledgements. Participant acknowledges that Participant’s services are of a special, unique and extraordinary character, and Participant’s position with the Business and the Company places Participant in a position of confidence and trust with the customers, suppliers, vendors, employees and agents of the Company.

1. Participant also acknowledges that businesses that are competitive with the Company include, but are not limited to, any businesses which are engaged in the Business or any other lines of business that the Company may engage in the future. Participant further acknowledges that the nature of the Business and the other businesses of the Company are national in scope.

2. Participant represents and warrants to the Company that Participant is not a party to any agreement, commitment, arrangement or understanding (whether oral or written) that in any way conflicts with or limits Participant’s ability to commence or continue to render services to the Company or that would otherwise limit Participant’s ability to perform all responsibilities in accordance with the terms and subject to the conditions of Participant’s employment.

D. Remedies. If Participant breaches any provision of Section 12.A hereof, all Performance Shares, whether vested or unvested, shall be immediately forfeited and cancelled or the Participant shall deliver to the Company the pre-tax income derived from any prior disposition of vested Performance Shares. Participant hereby further consents and agrees that in the event of breach or threatened breach by Participant of any

provision of Section A hereof, the Company shall be entitled to (a) temporary and preliminary and permanent injunctive relief and without the posting any bond or other security, (b) damages and an equitable accounting of all earnings, profits and other benefits arising from such violation, (c) recovery of all attorney's fees and costs incurred by the Company in obtaining such relief, (d) cessation and repayment of any severance benefits paid to Participant pursuant to any agreement with the Company, including any employment agreement, severance benefit agreement, plan or program of the Company, and (e) any other legal and equitable relief to which it may be entitled, including any and all monetary damages which the Company may incur as a result of said breach or threatened breach. The Company may pursue any remedy available, including declaratory relief, concurrently or consecutively in any order, and the pursuit of one such remedy at any time will not be deemed an election of remedies or waiver of the right to pursue any other remedy.

E. Early Resolution Conference. The provisions of this Section 12 are understood to be clear and enforceable as written and are entered into by Participant and the Company on that basis. However, should Participant later believe any provision in this Section 12 to be unclear, unenforceable, or inapplicable to activity that Participant intends to engage in, Participant will first notify the Company in writing and meet with a Company representative and a neutral mediator (if the Company elects to retain one at its expense) to discuss resolution of any disputes between the parties. Participant will provide this notification at least fourteen (14) days before Participant engages in any activity on behalf of a competing business or engages in other activity that could foreseeably fall within a questioned restriction. Any professional activity related to the electronic payments industry in any way shall fall within the scope of this obligation. The failure to comply with this requirement shall waive Participant's right to challenge the reasonable scope, clarity, applicability, or enforceability of this Section 12 and its restrictions at a later time. All rights of Participant and the Company will be preserved if the early resolution conference requirement is complied with even if no agreement is reached in the conference.

F. Governing Law. Notwithstanding Section 13 or any other provision in this Agreement or the Plan to the contrary, because the Company is headquartered in the State of Ohio, the provisions of this Section 12 of the Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio without regard to the choice of law rules of any state, including any state in which Participant works.

G. Miscellaneous.

1. If any provision or clause of this Section 12, or portion thereof, shall be held by any court of competent jurisdiction to be illegal, void or unenforceable in such jurisdiction, the remainder of such provisions shall not thereby be affected and shall be given full effect, without regard to the invalid portion. It is the intention of the parties that, if any court construes any provision or clause of this Section 12, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the area or matter covered thereby, such court shall reduce the duration, area, or matter of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced.

2. This Section 12 may not be changed or terminated orally and can only be changed by an agreement in writing signed by the Company and the Participant.

**11. Interpretations; Amendments; Enforcement of Rights**. Any conflict between this Agreement and the Plan will be resolved in favor of the Plan. Any dispute regarding the interpretation of this Agreement or the Plan shall be submitted by the Participant or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Participant and the Company. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement; provided, however, that the Committee has the right to amend, alter, suspend, discontinue or cancel the Restricted Shares, prospectively



or retroactively; *provided further, that*, no such amendment shall adversely affect the Participant's material rights under this Agreement without the Participant's consent. No course of dealing or any delay on the part of the Company or the Participant in exercising any rights hereunder shall operate as a waiver of any such rights. No waiver of any default or breach of this Agreement shall be deemed a continuing waiver of any other breach or default. No course of dealing or any delay on the part of the Company in exercising similar rights with regard to other participants shall operate as a waiver of any rights hereunder.

**12. Severability; Governing Law; Venue and Jurisdiction.** The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law. Except as provided in Section 10, this Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in federal or state court in Hamilton County, Ohio, and each party hereto waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding and each party hereto irrevocably submits to the exclusive jurisdiction of any such court in any suit, action or proceeding.

**13. Acknowledgement.** The Company and the Participant acknowledge and agree that the Award is granted under and governed by the Plan and the provisions of the Notice and this Agreement. The Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus, (ii) represents that the Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the Award subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

**14. Electronic Delivery and Acceptance.** By accepting this Award, the Participant consents to the electronic delivery of the Notice, this Agreement, the Plan, account statements, Plan prospectuses, and any other documents, communications or information related to or that the Company may be required to deliver in connection with the Plan, the Award or the Shares. Electronic delivery of a document may be via e-mail, by reference to a location on the Company's intranet site or the internet site of a third party involved in administering the Plan, or such other delivery determined at the Company's discretion. Participant also consents and agrees to participate in the Plan through an on-line or electronic system maintained by the Company or a third party involved in administering the Plan. This Agreement will be deemed to be signed by Participant upon the electronic grant acceptance by Participant of the Notice of Restricted Share Award to which it is attached.

**15. Confidentiality.** By accepting this Award, the Participant agrees to keep confidential the existence of, and any information concerning, a dispute, controversy or claim arising out of or relating to or concerning the Plan, this Award or this Agreement, except that the Participant may disclose information concerning such dispute, controversy or claim to the court that is considering such dispute, controversy or claim and to the Participant's legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute, controversy or claim).

**16. Section 409A.** This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. In addition and notwithstanding anything to the contrary in this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the Participant's consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award. Notwithstanding the foregoing, the Company makes no

representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code. For purposes of this Agreement, “Section 409A” means Section 409A of the Code, and any proposed, temporary or final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

**17. Repayment Obligation.** In the event that (i) the Company issues a restatement of financial results to correct a material error and (ii) the Committee determines, in good faith, that the Participant’s fraud or willful misconduct was a significant contributing factor to the need to issue such restatement, then the Participant shall immediately return to the Company the Restricted Shares, whether vested or unvested, or the pre-tax income derived from any prior disposition of vested Restricted Shares (the “**Repayment Obligation**”). This Repayment Obligation shall be in addition to any compensation recovery policy that may be adopted by the Company or by the Committee pursuant to the Plan, or is otherwise required by applicable law or the rules of the Securities and Exchange Commission.

VANTIV, INC.  
2012 EQUITY INCENTIVE PLAN  
NOTICE OF PERFORMANCE SHARE AWARD

You (“**Participant**”) have been granted an award (“**Award**”) of restricted shares (“**Performance Shares**”) of Class A common stock, par value \$0.00001 per share, of Vantiv, Inc. (the “**Company**”) as set forth below. The Award is granted under the Company’s 2012 Equity Incentive Plan (the “**Plan**”) and is subject to the terms and conditions of the Plan, this Notice of Performance Share Award (“**Notice**”) and the Performance Share Award Agreement (the “**Award Agreement**” or “**Agreement**”) attached to this Notice. Unless otherwise defined in this Notice or the Award Agreement, the terms defined in the Plan shall have the same meanings in this Notice and the Award Agreement.

**Participant Name:**

**Number of Performance Shares:**

**Date of Grant:**

**Grant ID:**

**Performance Period:**

The three-year period commencing on January 1, 2015 and ending on December 31, 2017.

**Performance Goals:**

The Performance Goals are set forth in Exhibit 1 to the Award Agreement.

**Vesting Date:**

Subject to the limitations set forth in this Notice, the Plan and the Award Agreement, the Performance Shares will vest on the third anniversary of the Date of Grant.

**Additional Terms/Acknowledgements:** By accepting (whether in writing, electronically or otherwise) this Award, Participant acknowledges and agrees to the following:

Participant understands that Participant’s employment with the Company is for an unspecified duration, can be terminated at any time (i.e., is “at-will”), and that nothing in this Notice, the Award Agreement or the Plan changes the at-will nature of that relationship. Participant acknowledges that the Performance Shares are subject to forfeiture until they vest and that vesting is subject to (a) the achievement of the Performance Goals set forth in Exhibit 1 to the Award Agreement and (b) Participant’s continued employment through the third anniversary of the Date of Grant. Participant also understands that this Award is subject to the terms and conditions of the Award Agreement to which this Notice is attached and the Plan, both of which are incorporated herein by reference. Participant has read the Award Agreement and the Plan, and agrees to be bound by the terms of such documents, including the restrictive covenants contained therein. By accepting this Award, Participant consents to the electronic delivery as set forth in the Award Agreement and to participate in the Plan through an on-line or electronic system maintained by the Company or a third party designated by the Company.

**VANTIV, INC.**

By: \_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Participant:**

By: \_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Date: \_\_\_\_\_

VANTIV, INC.  
2012 EQUITY INCENTIVE PLAN  
PERFORMANCE SHARE AWARD AGREEMENT

Pursuant to the Notice of Performance Share Award (the “**Notice**”) and this Performance Share Award Agreement (“**Agreement**”), Vantiv, Inc. (the “**Company**”) has granted you (“**you**” or “**Participant**”) an award (the “**Award**”) of restricted shares of the Company’s Class A common stock, par value \$0.00001 per share (“**Performance Shares**”), under its 2012 Equity Incentive Plan (the “**Plan**”). The Award is granted to you effective as of the Date of Grant set forth in the Notice. Capitalized terms not explicitly defined in this Agreement or in the Notice but defined in the Plan will have the same definitions as in the Plan. The details of your Award, in addition to those set forth in the Notice and the Plan, are as follows:

1. Grant of Performance Shares. Pursuant to Section 9 of the Plan, the Company hereby grants to the Participant an Award of the number of Performance Shares set forth in the Notice. The number of Performance Shares that the Participant actually earns and that will vest for the Performance Period will be determined by the level of achievement of the Performance Goals in accordance with Exhibit 1 attached hereto.
2. Performance Period. For purposes of this Agreement, the term “Performance Period” shall be the period commencing on January 1, 2015 and ending on December 31, 2017.
3. Performance Goals.

3.1 The number of Performance Shares earned by the Participant for the Performance Period will be determined at the end of the Performance Period based on the level of achievement of the Performance Goals in accordance with Exhibit 1. All determinations of whether Performance Goals have been achieved, the number of Performance Shares earned by the Participant, and all other matters related to this Agreement shall be made by the Committee in its sole discretion.

3.2 Promptly following completion of the Performance Period, the Committee will review and certify in writing (a) whether, and to what extent, the Performance Goals for the Performance Period have been achieved, and (b) the number of Performance Shares that the Participant shall earn, if any, subject to compliance with the requirements of Section 4.

4. Vesting of Performance Shares. The Performance Shares are subject to forfeiture until they vest. Except as otherwise provided herein, the Performance Shares will vest and become nonforfeitable on the third anniversary of the Grant Date, subject to (a) the achievement of the Performance Goals set forth in Exhibit 1 attached hereto, and (b) the Participant’s Continuous Service Status from the Grant Date through the third anniversary of the Grant Date. The actual number of Performance Shares that are earned and vest under this Agreement shall be determined by the Committee based on the level of achievement of the Performance Goals set forth in Exhibit 1 and shall be rounded down to the nearest whole Performance Share.

5. Effect of Termination of Employment on Performance Shares.

5.1 Except as provided in this Section 5 or Section 6 below, if the Participant’s Continuous Service Status terminates for any reason at any time before the Performance Shares have vested, the Performance Shares shall be automatically forfeited and cancelled upon such termination of Continuous Service Status and neither the Company nor any Affiliate shall have any further obligations to the Participant under this Agreement.

5.2 Death or Disability. Notwithstanding Section 5.1, if the Participant's Continuous Service Status terminates during the Performance Period as a result of the Participant's death or Disability, the Participant will become fully vested on such date in a pro rata portion of 50% of the Performance Shares. Such pro rata portion shall be calculated by multiplying 50% of the Performance Shares by a fraction, the numerator of which equals the number of months that the Participant was employed during the Performance Period (including full credit for partial months) and the denominator of which equals the total number of months in the Performance Period.

5.3 Involuntary Termination without Cause. Notwithstanding Section 5.1, if the Participant's Continuous Service Status terminates during the final year of the Performance Period as a result of the Participant's termination by the Company without Cause (as defined below), the Performance Shares will vest in accordance with Section 4 subject to (x) achievement of the Performance Goals as if the Participant's Continuous Service Status had not terminated, (y) a pro rata reduction calculated by multiplying the number of Performance Shares that Participant would have earned had the Participant's Continuous Service Status not terminated by a fraction, the numerator of which equals the number of months that the Participant was employed during the Performance Period (including full credit for partial months) and the denominator of which equals the total number of months in the Performance Period, and (z) compliance with the restrictive covenants set forth in Section 12. If the Participant is a participant in the Company's Executive Severance Policy, as the same may be amended from time to time, the provisions of this Section 5.3 shall also apply to a termination by the Participant for "Good Reason."

5.4 Retirement. Notwithstanding Section 5.1, if the Participant's Continuous Service Status terminates during the Performance Period due to Participant's Retirement (as defined below), the Performance Shares will vest in accordance with Section 4 subject to (x) achievement of the Performance Goals as if the Participant's Continuous Service Status had not terminated, (y) a pro rata reduction calculated by multiplying the number of Performance Shares that Participant would have earned had the Participant's Continuous Service Status not terminated by a fraction, the numerator of which equals the number of months that the Participant was employed during the Performance Period (including full credit for partial months) and the denominator of which equals the total number of months in the Performance Period, and (z) compliance with the restrictive covenants set forth in Section 12.

5.5 Definition of "Retirement". For purposes of this Agreement, "Retirement" means retirement from active employment with the Company or an Affiliate at or after (i) age 65 or (ii) age 55 having completed 5 years of Continuous Service Status as an Employee. Section 5.4 does not apply if Participant is terminated for Cause (as defined below) or gross misconduct. If Participant retires and does not meet the definition of Retirement, he or she will be considered to have resigned. Any disputes as to what constitutes "Retirement" shall be conclusively determined by the Committee or its delegate.

5.6 Definition of "Cause". For purposes of this Agreement, except as otherwise provided in a written employment or severance agreement between the Participant and the Company or a severance plan of the Company covering the Participant (including a change in control severance agreement or plan), "Cause" shall mean any one or more of the following, (i) gross negligence or willful misconduct of a material nature in connection with the performance of the Participant's duties, (ii) an indictment or conviction for (or pleading guilty or nolo contendere to) a felony, (iii) a non-de minimus intentional act of fraud, dishonesty or misappropriation (or attempted misappropriation) of the Company's or any of its Affiliates' funds or property; (iv) the Company or any of its Affiliates having been ordered or directed by any federal or state regulatory agency with jurisdiction to terminate or suspend the Participant's employment and such order or directive has not been vacated or reversed upon appeal; or (v) a violation of Section 12 hereof or any similar covenant or agreement between the Participant and the Company or an Affiliate; (vi) the Participant's breach of any

of material obligations in his or her employment agreement or offer letter; (vii) the Participant's breach of his fiduciary duties as an officer or director of the Company or any of its Affiliates; or (viii) the Participant's continued failure or refusal after written notice from the chief executive officer or his delegate (or the Board, in the case of the chief executive officer) to implement or follow the direction of the chief executive officer or his delegate (or the Board, as applicable). Any disputes as to what constitutes "Cause" shall be conclusively determined by the Committee or its delegate.

5.7 Release and Waiver of Claims. The special vesting provisions of this Section 5 are conditioned on and subject to Participant delivering a release and waiver of claims in form and substance satisfactory to the Company.

## 6. Effect of a Change of Control.

6.1 General Rule. Subject to Section 6.2, in the event of a Change of Control, (x) 50% of the Performance Shares shall become fully vested as of the date of the Change of Control if the Change of Control occurs prior to the 18-month anniversary of the first day of the Performance Period or (y) a number of Performance Shares based on the level of achievement of the Performance Goals in accordance with Exhibit 1 shall become fully vested if the Change of Control occurs after the 18-month anniversary of the first day of the Performance Period, in each case without pro-rata for the percentage of the Performance Period that has elapsed.

6.2 Special Rule if Successor Assumes Performance Shares. Notwithstanding Section 6.1, if the Successor Corporation in a Change of Control agrees to honor or assume the Performance Shares on substantially equivalent contractual and financial terms, or agrees to grant a Substitute Award on substantially equivalent contractual and financial terms, the Performance Shares that would otherwise have vested in accordance with Section 6.1 above will instead be converted as of the date of the Change of Control to time-based restricted stock that cliff-vests on the last day of the Performance Period subject to Participant's Continuous Service Status through such date; *provided, however*, that if, prior to the last day of the Performance Period, the Participant dies or becomes Disabled or is terminated without Cause (as defined above) or terminates for "Good Reason" (as defined under the terms of any employment agreement or severance policy to which or under which the Participant is a party or participant), the restricted stock shall vest in full as of the date of such termination. Any determination of whether assumed Performance Shares or Substitute Awards are on "substantially equivalent contractual and financial terms" will be conclusively determined by the Committee.

7. Transferability. Subject to any exceptions set forth in this Agreement or the Plan, the Performance Shares or the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant, except by will or the laws of descent and distribution, and upon any such transfer by will or the laws of descent and distribution, the transferee shall hold such Performance Shares subject to all of the terms and conditions that were applicable to the Participant immediately prior to such transfer.

## 8. Stockholder Rights; Dividends.

8.1 The Participant shall have the right to vote the Performance Shares.

8.2 The Participant shall not have the right to receive any cash dividends declared or awarded with respect to the Company's Shares. Notwithstanding the foregoing, as of any date that the Company pays an ordinary cash dividend on its Shares, the Company will increase the number of Performance Shares hereunder by the number of shares that represent an amount equal to the per share cash dividend paid by the Company on its Shares multiplied by the number of Performance Shares held by the Participant as of the related

dividend payment record date. Any such additional Performance Shares shall be subject to the same vesting, forfeiture, payment, termination and other terms, conditions and restrictions as the original Performance Shares to which they relate. No additional Performance Shares shall be granted with respect to any Performance Shares which, as of the record date, have either vested or been forfeited.

9. No Right to Continued Service. Nothing in the Plan or this Agreement shall affect in any manner whatsoever the right or power of the Company, or a subsidiary or Affiliate of the Company, to terminate Participant's service, for any reason, with or without cause.

10. Adjustments. If any change is made to the outstanding Shares or the capital structure of the Company, if required, the Performance Shares shall be adjusted or terminated in any manner as contemplated by Section 5 of the Plan.

11. Tax Liability and Withholding.

11.1 The Participant shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Participant pursuant to the Plan, the amount of any required withholding taxes in respect of the Performance Shares and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. In this regard, upon vesting the Participant agrees to surrender to the Company a portion of the Performance Shares to satisfy tax withholding obligations; *provided, however*, that no Shares shall be surrendered with a value exceeding the minimum amount of tax required to be withheld by law. The Committee may permit Participant to satisfy any federal, state or local tax withholding obligation by any of the following additional means, or by a combination of such means:

- (a) tendering a cash payment;
- (b) "sell to cover;"
- (c) delivering to the Company previously owned and unencumbered Shares; or
- (d) any other arrangement approved by the Committee.

One or more of these methods may not be available to the Participant (or may be unavailable during a specified period) should the Company determine that its availability will or could violate the terms of any relevant law or regulation.

11.2 Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant or vesting of the Performance Shares or the subsequent sale of any shares, and (b) does not commit to structure the Performance Shares to reduce or eliminate the Participant's liability for Tax-Related Items. In the event the Company's obligation to withhold arises prior to the vesting of the Performance Shares or it is determined after the vesting of the Performance Shares that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, Participant agrees to hold the Company harmless from any failure by the Company to withhold the proper amount.

12. Restrictive Covenants.

A. Participant's Covenants.



1. Non-Competition. During the Restricted Period (as defined below), Participant shall not compete in any manner, either directly or indirectly, whether for compensation or otherwise, with the Business of the Company, as further described below. The parties agree that the following activities (without limitation) will be deemed to be competing:

(a) directly or indirectly producing, developing, marketing, providing, handling, recommending, analyzing or accepting orders for products or services competitive with the Business of the Company, or assisting others to produce, develop, market, or provide such services or products; or

(b) accepting employment from or having any other relationship (including, without limitation, through owning, managing, operating, controlling or consulting) with any person or entity that directly or indirectly produces, develops or markets a product, process, or service which is competitive with those products, processes, or services constituting the Business of the Company, whether existing or planned for the future, provided, however, that it shall not be a violation of this Agreement for Participant to have beneficial ownership of less than 1% of the outstanding amount of any class of securities listed on a national securities exchange or quoted on an inter-dealer quotation system; or

(c) taking any other action that is likely or intended to result directly or indirectly in prospective or actual customers of the Company purchasing products, processes, or services which are competitive with those products, processes, or services constituting the Business from a competitor of the Company; or

(d) accepting any job or engagement in which Participant may be in a position to use or disclose Confidential Information regarding the Business of which Participant acquired knowledge or to which Participant had access while employed by the Company.

The parties expressly agree that the foregoing list of activities is illustrative and non-exhaustive, and shall not limit Company's right to protection from other activities that are competitive with the Business of the Company. In recognition of the national scope of the Company's Business, in that it provides products and services to customers throughout the United States of America, Participant agrees that the foregoing restriction(s) shall be applicable throughout the United States of America. Participant agrees that such geographic restriction is reasonable.

2. Non-Solicitation. During the Restricted Period, Participant agrees that Participant will not, either on Participant's own behalf or on behalf of any other person or entity, directly or indirectly, (a) solicit any person or entity that is a customer of the Business or the Company, or has been a customer of the Company during the prior eighteen (18) months, to purchase any products or services the Business or the Company provided or provides to the customer, (b) interfere with any of the Business's or the Company's business relationships, or (c) directly or indirectly solicit, divert, entice or take away any potential customer identified, selected or targeted by the Business or the Company with whom Participant had contact, involvement or responsibility during Participant's employment with the Company and/or its Affiliates, or attempt to do so for the sale of any product or service that competes with a product or service offered by the Business or the Company.

3. No-Hire. During the Restricted Period, Participant agrees that Participant will not, either on Participant's own behalf or on behalf of any other person or entity, directly or indirectly, hire, solicit or encourage to leave the employ of the Company or any of its Affiliates any person who is then an employee of the Company or its Affiliates or was such an employee within twelve (12) months of the date of such hiring, soliciting, or encouragement to leave.

4. Confidentiality. The Participant will not at any time (whether during or after the Participant's employment with the Company) disclose, divulge, transfer or provide access to, or use for the benefit of,

any third party outside the Company (other than as necessary to perform the Participant's employment duties) any Confidential Information without prior authorization of the Company. Upon termination of the Participant's employment for any reason, the Participant shall return to the Company any and all Confidential Information and other property of the Company or its Affiliates in the Participant's possession or control.

5. Non-Disparagement. Participant agrees not to take any action or to make any statement, written or oral, that disparages or criticizes the business or management of the Company or any of its Affiliates, or any of their respective directors, officers, agents, employees, products or services.

B. Certain Definitions. For purposes of Section 12.A, the following definitions apply.

1. "Business" means the type of business conducted by the Company or its Affiliates currently or at any time in the past five years, or in the future, including but not limited to: (i) merchant processing services (including payment authorization, clearing and settlement for credit, debit, check authorization and truncation), (ii) gift, private label, stored value and prepaid card processing, (iii) electronic funds transfer services to business customers (including debit and ATM card processing and driving services, PIN and signature debit transaction authorization settlement and exception processing, (iv) payment and ATM network switching services (including the Jeanie network), (v) credit and debit card production, activation, replacement and related management services (including on an outsourced basis), (vi) payments-related reselling services, (vii) other value added services (including fraud detection, prevention and management services) relating to the foregoing, (viii) promotional messaging service relating to the foregoing, (ix) debit portfolio management services related to the foregoing, (x) data processing services related to the foregoing, and (xi) the development, marketing, or sale of technology or applications related to point-of-sale payments or the embedding of payment processing technology or capabilities in business applications.

2. "Confidential Information" shall mean information or material of the Company which is not generally available to or used by others, or the utility or value of which is not generally known or recognized as standard practice, whether or not the underlying details are in the public domain, including: (A) information or material relating to the Company and its business as conducted or anticipated to be conducted; business plans; operations; past, current or anticipated services, products or software; customers or prospective customers; relations with business partners or prospective business partners; or research, engineering, development, manufacturing, purchasing, accounting, or marketing activities; (B) information or material relating to the Company's inventions, improvements, discoveries, "know-how," technological developments, or unpublished writings or other works of authorship, or to the materials, apparatus, processes, formulae, plans or methods used in the development, manufacture or marketing of the Company's services, products or software; (C) information on or material relating to the Company which when received is marked as "proprietary," "private," or "confidential"; (D) trade secrets of the Company; (E) software of the Company in various stages of development, software designs, web-based solutions, specifications, programming aids, programming languages, interfaces, visual displays, technical documentation, user manuals, data files and databases of the Company; and (F) any similar information of the type described above which the Company obtained from another party and which the Company treats as or designates as being proprietary, private or confidential, whether or not owned or developed by the Company. Notwithstanding the foregoing, "Confidential Information" does not include any information which is properly published or in the public domain; provided, however, that information which is published by or with the aid of Participant outside the scope of employment or contrary to the requirements of this Agreement will not be considered to have been properly published, and therefore will not be in the public domain for purposes of this Agreement.

3. "Restricted Period" means the period of Participant's employment by the Company or one of its Affiliates and twelve (12) months following termination of such employment for any reason (eighteen months in the case of the Company's chief executive officer).

C. Representations, Warranties and Acknowledgements. Participant acknowledges that Participant's services are of a special, unique and extraordinary character, and Participant's position with the Business and the Company places Participant in a position of confidence and trust with the customers, suppliers, vendors, employees and agents of the Company.

1. Participant also acknowledges that businesses that are competitive with the Company include, but are not limited to, any businesses which are engaged in the Business or any other lines of business that the Company may engage in the future. Participant further acknowledges that the nature of the Business and the other businesses of the Company are national in scope.

2. Participant represents and warrants to the Company that Participant is not a party to any agreement, commitment, arrangement or understanding (whether oral or written) that in any way conflicts with or limits Participant's ability to commence or continue to render services to the Company or that would otherwise limit Participant's ability to perform all responsibilities in accordance with the terms and subject to the conditions of Participant's employment.

D. Remedies. If Participant breaches any provision of Section 12.A hereof, all Performance Shares, whether vested or unvested, shall be immediately forfeited and cancelled or the Participant shall deliver to the Company the pre-tax income derived from any prior disposition of vested Performance Shares. Participant hereby further consents and agrees that in the event of breach or threatened breach by Participant of any provision of Section A hereof, the Company shall be entitled to (a) temporary and preliminary and permanent injunctive relief and without the posting any bond or other security, (b) damages and an equitable accounting of all earnings, profits and other benefits arising from such violation, (c) recovery of all attorney's fees and costs incurred by the Company in obtaining such relief, (d) cessation and repayment of any severance benefits paid to Participant pursuant to any agreement with the Company, including any employment agreement, severance benefit agreement, plan or program of the Company, and (e) any other legal and equitable relief to which it may be entitled, including any and all monetary damages which the Company may incur as a result of said breach or threatened breach. The Company may pursue any remedy available, including declaratory relief, concurrently or consecutively in any order, and the pursuit of one such remedy at any time will not be deemed an election of remedies or waiver of the right to pursue any other remedy.

E. Early Resolution Conference. The provisions of this Section 12 are understood to be clear and enforceable as written and are entered into by Participant and the Company on that basis. However, should Participant later believe any provision in this Section 12 to be unclear, unenforceable, or inapplicable to activity that Participant intends to engage in, Participant will first notify the Company in writing and meet with a Company representative and a neutral mediator (if the Company elects to retain one at its expense) to discuss resolution of any disputes between the parties. Participant will provide this notification at least fourteen (14) days before Participant engages in any activity on behalf of a competing business or engages in other activity that could foreseeably fall within a questioned restriction. Any professional activity related to the electronic payments industry in any way shall fall within the scope of this obligation. The failure to comply with this requirement shall waive Participant's right to challenge the reasonable scope, clarity, applicability, or enforceability of this Section 12 and its restrictions at a later time. All rights of Participant and the Company will be preserved if the early resolution conference requirement is complied with even if no agreement is reached in the conference.

F. Governing Law. Notwithstanding Section 13 or any other provision in this Agreement or the Plan to the contrary, because the Company is headquartered in the State of Ohio, the provisions of this Section 12 of the Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio without regard to the choice of law rules of any state, including any state in which Participant works.

G. Miscellaneous.

1. If any provision or clause of this Section 12, or portion thereof, shall be held by any court of competent jurisdiction to be illegal, void or unenforceable in such jurisdiction, the remainder of such provisions shall not thereby be affected and shall be given full effect, without regard to the invalid portion. It is the intention of the parties that, if any court construes any provision or clause of this Section 12, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the area or matter covered thereby, such court shall reduce the duration, area, or matter of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced.

2. This Section 12 may not be changed or terminated orally and can only be changed by an agreement in writing signed by the Company and the Participant.

13. Governing Law; Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law. Except as provided in Section 13, this Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in federal or state court in Hamilton County, Ohio, and each party hereto waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding and each party hereto irrevocably submits to the exclusive jurisdiction of any such court in any suit, action or proceeding.

14. Interpretation; Amendment; Enforcement of Rights. Any conflict between this Agreement and the Plan will be resolved in favor of the Plan. Any dispute regarding the interpretation of this Agreement or the Plan shall be submitted by the Participant or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Participant and the Company. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement; provided, however, that the Committee has the right to amend, alter, suspend, discontinue or cancel the Performance Shares, prospectively or retroactively; *provided further, that*, no such amendment shall adversely affect the Participant's material rights under this Agreement without the Participant's consent. No course of dealing or any delay on the part of the Company or the Participant in exercising any rights hereunder shall operate as a waiver of any such rights. No waiver of any default or breach of this Agreement shall be deemed a continuing waiver of any other breach or default. No course of dealing or any delay on the part of the Company in exercising similar rights with regard to other participants shall operate as a waiver of any rights hereunder.

15. Performance Shares Subject to Plan. This Agreement is subject to the Plan as approved by the Company's stockholders. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

16. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the person(s) to whom the Performance Shares may be transferred by will or the laws of descent or distribution.

17. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

18. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Performance Shares in this Agreement does not create any contractual right or other right to receive any Performance Shares or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment with the Company.

19. Section 162(m). To the extent that payments under this Agreement are intended to constitute "qualified performance-based compensation" within the meaning of Section 162(m) of the Code, this Award shall be construed and administered in a manner consistent with such intent.

20. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. In addition and notwithstanding anything to the contrary in this Agreement, we reserve the right to revise this Agreement as we deem necessary or advisable, in our sole discretion and without your consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this award of Performance Shares. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code. For purposes of this Agreement, "Section 409A" means Section 409A of the Code, and any proposed, temporary or final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

21. No Impact on Other Benefits. The value of the Participant's Performance Shares is not part of his or her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

22. Acknowledgement. The Company and the Participant acknowledge and agree that the Award is granted under and governed by the Plan and the provisions of the Notice and this Agreement. The Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus, (ii) represents that the Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the Award subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

23. Electronic Delivery and Acceptance. By accepting this Award, the Participant consents to the electronic delivery of the Notice, this Agreement, the Plan, account statements, Plan prospectuses, and any other documents, communications or information related to or that the Company may be required to deliver in connection with the Plan, the Award or the Shares. Electronic delivery of a document may be via e-mail, by reference to a location on the Company's intranet site or the internet site of a third party involved in administering the Plan, or such other delivery determined at the Company's discretion. Participant also consents and agrees to participate in the Plan through an on-line or electronic system maintained by the Company or a third party involved in administering the Plan. This Agreement will be deemed to be signed by Participant upon the electronic grant acceptance by Participant of the Notice of Performance Share Award to which it is attached.

24. Repayment Obligation. In the event that (i) the Company issues a restatement of financial results to correct a material error and (ii) the Committee determines, in good faith, that Participant's fraud or willful misconduct was a significant contributing factor to the need to issue such restatement and (iii) some or all of the Performance Shares that were granted and/or earned during the three year period prior to such restatement would not have been granted and/or earned, as applicable, based upon the restated financial results, the Participant shall immediately return to the Company the Performance Shares, whether vested or unvested, or the pre-tax income derived from any prior disposition of vested of the Performance Shares, that would not have been granted and/or earned based upon the restated financial results (the "**Repayment Obligation**"). This Repayment Obligation shall be in addition to any compensation recovery policy that may be adopted by the Company or by the Committee pursuant to the Plan, or is otherwise required by applicable law or the rules of the Securities and Exchange Commission.

25. Confidentiality. By accepting this Award, Participant agrees to keep confidential the existence of, and any information concerning, a dispute, controversy or claim arising out of or relating to or concerning the Plan or this Agreement, except that Participant may disclose information concerning such dispute, controversy or claim to the court that is considering such dispute, controversy or claim and to his or her legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute, controversy or claim).

**EXHIBIT 1**  
**2015 PERFORMANCE SHARE AWARDS**

**Performance Period**

The Performance Period is the three-year period beginning January 1, 2015 and ending December 31, 2017.

**Performance Goals**

The number of Performance Shares earned shall be determined by reference to the Company's cumulative compound annual growth rate over the Performance Period in: 1) net revenue, which will determine the vesting of 30% of the Performance Shares; and 2) pro forma adjusted net income per share, which will determine the vesting of 70% of the Performance Shares.

**Determining Performance Shares Earned**

Except as otherwise provided in the Plan or the Agreement, the number of Performance Shares earned with respect to the Performance Period shall be determined as follows:

Net Revenue (30%)		Proforma Adjusted Net Income Per Share <sup>(1)</sup> (70%)	
Cumulative Compound Annual Growth Rate	Shares Earned as a Percent of Target Award <sup>(2)</sup>	Cumulative Compound Annual Growth Rate	Shares Earned as a Percent of Target Award <sup>(2)</sup>
% and above	200% (maximum)	% and above	200% (maximum)
%	100% (target)	%	100% (target)
%	50% (threshold)	%	50% (threshold)
Below %	0%	Below %	0%

(1) Excluding dilutive effects of warrant held by Fifth Third Bank.

(2) For performance between the established levels, the number of Performance Shares earned will be based on linear interpolation between such levels.

**Award Range**

Depending on the Company's performance against the Performance Goals, the Participant may earn between 0% and 200% of the target award (which represents 25% of the maximum number shown in the Notice for threshold performance, 50% for target performance, and 100% for maximum performance).

**Determining Maximum Award**

The target number of performance shares is determined on the date of grant by dividing the dollar amount of the target award by the closing price of the Company's Class A common stock on the date of grant. The maximum number represents 200% of the target number.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Charles D. Drucker, certify that:

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

April 30, 2015

/s/ CHARLES D. DRUCKER

Charles D. Drucker

President and Chief Executive Officer



**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark L. Heimbouch, certify that:

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

April 30, 2015

/s/ MARK L. HEIMBOUCH

Mark L. Heimbouch

Sr. Executive Vice President and Chief Operating & Financial Officer

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

In connection with the Quarterly Report of Vantiv, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. § 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that:

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

The foregoing certification (i) is given to such officers' knowledge, based upon such officers' investigation as such officers reasonably deem appropriate; and (ii) is being furnished solely pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.

April 30, 2015

/s/ CHARLES D. DRUCKER

Charles D. Drucker

President and Chief Executive Officer

April 30, 2015

/s/ MARK L. HEIMBOUCH

Mark L. Heimbouch

Sr. Executive Vice President and Chief Operating & Financial Officer

[A signed original of this written statement required by Section 906 has been provided to Vantiv, Inc. and will be retained by Vantiv, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]

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