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### **Our Transformation**

In 2013, we began transforming our business by investing in next-generation commerce solutions aimed at helping our clients grow their businesses, investing in our client-facing teams to enhance their reach and effectiveness, and recruiting a new group of experienced leaders into critical positions across the Company.

**We have moved beyond payment processing.** We believe our long-term success will be driven by focusing on helping our clients grow their businesses by providing them with a suite of new commerce-enabling technologies as well as our broad set of existing solutions. Our focus on innovation – combined with the direct relationships we enjoy with many businesses and financial institutions, and the critical nature of the services we already provide many clients – positions us well to quickly develop, commercialize, and deliver new commerce solutions to our clients.

We have many opportunities, in our view, to sell our expanded set of commerce solutions. We intend to sell these products to *new* clients through all of our major existing distribution channels, often through more enhanced product bundling. In addition, given the large size of our existing client base, we believe we have an outsized opportunity to sell our new solutions to *existing* clients, many of whom may not be aware of the availability of our next-generation commerce solutions nor that these solutions are designed to easily integrate into their existing First Data solutions.

**First Data's focus on innovation has accelerated.** In the last three years, we have acquired six commerce-focused technology start-ups: *Clover*, *Perka*, *Gyft*, *SpreeCommerce*, *EasyWay Ordering*, and *Transaction Wireless*; we now employ nearly 200 employees in Silicon Valley and Silicon Alley; and we have partnered with some of the world's leading technology companies to deliver commerce-enabling solutions.

Since 2013, we have launched many innovative solutions. For example, we launched *Clover*, a tablet-based integrated POS system that can harness the creativity of third-party developer solutions, to target the small and medium-sized business (SMB) market; with *Clover* we aim to create the largest open architecture operating system for commerce-enabling solutions and applications for business owners. Recognizing the growing desire for analytics, we launched *Insightics*, an innovative cloud-based software solution that unlocks the power of big data behind payment transactions for the SMB market. Seeing the growing need for security solutions, we launched *TransArmor*, an encryption and tokenization solution for business owners, and we partnered with a leading chip technology company to build a comprehensive EMV (Europay, MasterCard and Visa) solution for card issuers. Seeing the growing interest in the virtualization of payment cards, we acquired *Gyft* and *Transaction Wireless*, significantly increasing our capabilities in the issuance and distribution of virtual cards. Finally, we launched a web / mobile-enabled version of our *VisionPLUS* software application with improved features for multi-currency, multi-wallet, and prepaid cards, and we commercialized functionality for enabling consumer alerts and card controls on our U.S. issuing platform.

**We are investing to enhance our client-facing teams.** We believe we can grow our business and serve our clients better by investing to improve the effectiveness of our client-facing teams. Given our now-expanded solution suite, we believe we have more opportunities to conduct enterprise selling to new and existing clients, and more opportunities to sell new innovations into our large existing base of clients. For example, we are building out enterprise coverage teams, and we believe initiatives like these should help drive new sales and increase client loyalty and retention.

**We have also focused heavily on adding new executive talent to First Data.** Led by Chairman and CEO Frank Bisignano, our Management Committee has been significantly reconstituted and expanded, bringing to First Data deep expertise from leading global organizations in technology, financial services, payments, cyber-security, operations, and controls. Beyond the Management Committee, over two thirds of our top 150 executives have joined First Data since May 2013, injecting a significant level of new talent into the Company's leadership.