

Table of Contents

Refer to Note 11 “Stock Compensation Plans” to our audited consolidated financial statements included elsewhere in this prospectus for details regarding our stock-based compensation plan.

New Accounting Guidance

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance that requires companies to recognize revenue to depict the transfer of goods or services to clients in amounts that reflect the consideration to which the company expects to be entitled in an exchange for those goods or services. It also requires enhanced disclosures about revenue, provides guidance for transactions that were not previously addressed comprehensively, and improves guidance for multiple-element arrangements. The guidance applies to any entity that either enters into contracts with clients to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The guidance is effective for public companies for annual periods beginning after December 15, 2016 as well as interim periods within those annual periods using either the full retrospective approach or modified retrospective approach. Early adoption is not permitted. On July 9, 2015, the FASB deferred the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date. The FASB also permitted early adoption of the standard, but not before the original effective date of December 15, 2016. The Company is currently evaluating the impacts of the new guidance on its consolidated financial statements.

In April 2015, the FASB issued guidance that requires companies to present debt issuance costs related to a recognized debt liability on the balance sheet as a direct deduction from the debt liability, similar to the presentation of debt discounts. Debt issuance costs will continue to be amortized to interest expense using the effective interest method. The guidance is effective for public companies for annual periods beginning after December 15, 2015 as well as interim periods within those annual periods using the retrospective approach. We plan to adopt the new standard effective January 1, 2016.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to market risk from changes in interest rates. Our assets include cash equivalents as well as both fixed and floating rate interest-bearing securities. These investments arise primarily from settlement funds held by us pending settlement.

Our interest rate-sensitive liabilities are our debt instruments. Our senior secured term loan facility is subject to variable interest rates. We have interest rate swaps on \$5.0 billion of the variable rate debt that convert it to fixed rates that expire in September 2016. Therefore, as of June 30, 2015, we had approximately \$3.8 billion of variable rate debt that is not subject to a fixed rate swap.

Based on the June 30, 2015 balances, a 10% proportionate increase in short-term interest rates on an annualized basis compared to the interest rates as of June 30, 2015, which for the three month LIBOR was 0.2832%, and a corresponding and parallel shift in the remainder of the yield curve, would result in no change to pretax income. The effect to pretax income (due to a 10% increase in variable rates as of June 30, 2015) is due to a \$1 million increase in interest expense related to our balance of variable interest rate debt, net of interest rate swaps and a \$1 million increase in interest income associated with operating cash balances, settlement related cash balances, and investment position. Conversely, a corresponding decrease in interest rates would result in no change to pretax income. Actual interest rates could change significantly more than 10%. There are inherent limitations in the sensitivity analysis presented, primarily due to the assumption that interest rate movements are linear and instantaneous. As a result, the analysis is unable to reflect the potential effects of more complex market changes that could arise, which may positively or negatively affect income.