

Table of Contents

- Third-Party Oversight** – Our third-party oversight team establishes the risk management framework utilized in assessing and managing risks associated with third-party relationships entered into by the firm for goods or services, with enhanced focus on third-party vendor relationships involving critical activities that directly or indirectly support our clients. The third-party oversight program performs comprehensive risk management reviews throughout each stage of the third-party life-cycle, which includes initial planning, due diligence, contract review, ongoing monitoring and relationship termination. Risk assessment reviews cover a wide range of risk factors, including information security, operational and technology, financial, regulatory and compliance, reputational, physical security, country risk, fourth party risk, and resilience. Additionally, the third-party oversight team performs continuous ongoing monitoring activities of third-party relationships by means of onsite reviews, third-party score-cards, and periodic risk assessment analysis.

In addition to providing First Data with a strong controls system, we believe our Controls Organization represents a strategic advantage to First Data as it enables us to work more effectively with our many clients who have complex regulatory and risk environments and to customize our solutions to fit their specific needs.

Our Technology

Platforms

We run a series of high performance, low latency platforms to power commerce across the globe. Our top priority is the reliability of all software, infrastructure, and operations that process and drive our clients' business. With a relentless focus on the continuous improvement of our operating environment, we have increased our strategic investments in technology over the past two years. These investments have driven technology development efforts that have fundamentally changed the way we, and our clients, do business across brick-and-mortar, eCommerce, and mobile channels.

We have optimized the technology and business processes that we use to onboard businesses, serve financial institutions, and deliver solutions globally. Our implementations and conversions team leverages internal technology tools used to board and manage large global clients to provide our SMB clients with the same low latency of our "always-on" authorizations platforms. Our scalability framework, developed with virtualization and cloud computing, enables us to continue onboarding new clients, and increase business with existing clients, quickly and with limited additional expense. We have also developed a proprietary set of APIs and SDKs to make it easier for our clients to connect and integrate with us. These improvements have helped us manage the increase in our base of business and financial institution clients effectively and efficiently.

We are in the first year of a three-year transformation process to improve the software driving our solutions and our integrated set of core engines. We are also leveraging our significant and secure infrastructure to continue to invest in our software-as-a-service model, our internal service oriented architecture, and its functional components. We believe these capabilities will have a significant impact on First Data, as we increase our percentage of shared software resources across the firm. We believe our clients will also benefit from: (1) our highly scalable transaction capacity, (2) our platform agility that provides for updates in a timely manner, (3) our processing speeds that are at or exceed market standards, (4) our strong transaction security, (5) the breadth of functionality that we provide, and (6) the numerous technology driven innovations we bring to market.

Our Technology and Infrastructure

First Data has long been known as a company of innovative industry firsts grounded and enabled by a superior core of technology. Our technology core has allowed us to scale to a large global footprint capable of handling the changing and complex business and regulatory environments across 118 countries. We have assembled a team of over 1,800 infrastructure and technology operations specialists worldwide with a diverse set