

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended June 30, 2020

OR

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

Commission file number 001-33977



(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)
P.O. Box 8999
San Francisco, California
(Address of principal executive offices)

26-0267673
(IRS Employer
Identification No.)
94128-8999
(Zip Code)

(650) 432-3200
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	V	New York Stock Exchange

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

As of July 24, 2020, there were 1,686,007,156 shares outstanding of the registrant's class A common stock, par value \$0.0001 per share, 245,513,385 shares outstanding of the registrant's class B common stock, par value \$0.0001 per share, and 10,859,763 shares outstanding of the registrant's class C common stock, par value \$0.0001 per share.

VISA INC.
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PART I. FINANCIAL INFORMATION
ITEM 1. Financial Statements (Unaudited)
**VISA INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

	June 30, 2020	September 30, 2019
(in millions, except par value data)		
Assets		
Cash and cash equivalents	\$ 13,898	\$ 7,838
Restricted cash equivalents—U.S. litigation escrow (Note 4 and Note 5)	1,148	1,205
Investment securities (Note 6)	2,739	4,236
Settlement receivable	2,111	3,048
Accounts receivable	1,453	1,542
Customer collateral (Note 4 and Note 9)	1,759	1,648
Current portion of client incentives	1,150	741
Prepaid expenses and other current assets	753	712
Total current assets	25,011	20,970
Investment securities (Note 6)	547	2,157
Client incentives	3,168	2,084
Property, equipment and technology, net	2,746	2,695
Goodwill	15,791	15,656
Intangible assets, net	27,188	26,780
Other assets	3,433	2,232
Total assets	\$ 77,884	\$ 72,574
Liabilities		
Accounts payable	\$ 153	\$ 156
Settlement payable	2,725	3,990
Customer collateral (Note 4 and Note 9)	1,759	1,648
Accrued compensation and benefits	703	796
Client incentives	4,208	3,997
Accrued liabilities	2,397	1,625
Current maturities of debt (Note 8)	2,999	—
Accrued litigation (Note 14)	1,156	1,203
Total current liabilities	16,100	13,415
Long-term debt (Note 8)	17,880	16,729
Deferred tax liabilities	4,728	4,807
Other liabilities	3,652	2,939
Total liabilities	42,360	37,890
Equity		
Preferred stock, \$0.0001 par value, 25 shares authorized and 5 shares issued and outstanding as follows:		
Series A convertible participating preferred stock, none issued (the “class A equivalent preferred stock”) (Note 10)	—	—
Series B convertible participating preferred stock, 2 shares issued and outstanding at June 30, 2020 and September 30, 2019 (the “UK&I preferred stock”) (Note 5 and Note 10)	2,213	2,285
Series C convertible participating preferred stock, 3 shares issued and outstanding at June 30, 2020 and September 30, 2019 (the “Europe preferred stock”) (Note 5 and Note 10)	3,085	3,177
Class A common stock, \$0.0001 par value, 2,001,622 shares authorized, 1,687 and 1,718 shares issued and outstanding at June 30, 2020 and September 30, 2019, respectively (Note 10)	—	—
Class B common stock, \$0.0001 par value, 622 shares authorized, 245 shares issued and outstanding at June 30, 2020 and September 30, 2019 (Note 10)	—	—
Class C common stock, \$0.0001 par value, 1,097 shares authorized, 11 shares issued and outstanding at June 30, 2020 and September 30, 2019 (Note 10)	—	—
Right to recover for covered losses (Note 5)	(24)	(171)
Additional paid-in capital	16,457	16,541
Accumulated income	14,072	13,502
Accumulated other comprehensive income (loss), net:		
Investment securities	4	6
Defined benefit pension and other postretirement plans	(192)	(192)
Derivative instruments	(39)	199
Foreign currency translation adjustments	(52)	(663)
Total accumulated other comprehensive income (loss), net	(279)	(650)
Total equity	35,524	34,684
Total liabilities and equity	\$ 77,884	\$ 72,574

VISA INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
	(in millions, except per share data)			
Net revenues	\$ 4,837	\$ 5,840	\$ 16,745	\$ 16,840
Operating Expenses				
Personnel	941	872	2,863	2,573
Marketing	174	282	683	799
Network and processing	172	184	536	528
Professional fees	95	113	304	305
Depreciation and amortization	197	165	571	484
General and administrative	258	315	840	855
Litigation provision (Note 14)	1	1	9	30
Total operating expenses	1,838	1,932	5,806	5,574
Operating income	2,999	3,908	10,939	11,266
Non-operating Income (Expense)				
Interest expense, net	(142)	(128)	(371)	(413)
Investment income and other	75	86	167	320
Total non-operating income (expense)	(67)	(42)	(204)	(93)
Income before income taxes	2,932	3,866	10,735	11,173
Income tax provision (Note 13)	559	765	2,006	2,118
Net income	\$ 2,373	\$ 3,101	\$ 8,729	\$ 9,055
Basic Earnings Per Share (Note 11)				
Class A common stock	\$ 1.07	\$ 1.37	\$ 3.92	\$ 3.98
Class B common stock	\$ 1.74	\$ 2.23	\$ 6.37	\$ 6.49
Class C common stock	\$ 4.29	\$ 5.48	\$ 15.70	\$ 15.92
Basic Weighted-average Shares Outstanding (Note 11)				
Class A common stock	1,690	1,735	1,702	1,748
Class B common stock	245	245	245	245
Class C common stock	11	12	11	12
Diluted Earnings Per Share (Note 11)				
Class A common stock	\$ 1.07	\$ 1.37	\$ 3.92	\$ 3.97
Class B common stock	\$ 1.74	\$ 2.23	\$ 6.36	\$ 6.48
Class C common stock	\$ 4.29	\$ 5.48	\$ 15.68	\$ 15.90
Diluted Weighted-average Shares Outstanding (Note 11)				
Class A common stock	2,214	2,265	2,227	2,278
Class B common stock	245	245	245	245
Class C common stock	11	12	11	12

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
	(in millions)			
Net income	\$ 2,373	\$ 3,101	\$ 8,729	\$ 9,055
Other comprehensive income (loss), net of tax:				
Investment securities:				
Net unrealized gain (loss)	(3)	5	2	20
Income tax effect	1	(1)	—	(5)
Reclassification adjustments	(1)	1	(3)	1
Income tax effect	1	—	1	—
Defined benefit pension and other postretirement plans:				
Net unrealized actuarial gain (loss) and prior service credit (cost)	—	(1)	2	(8)
Income tax effect	—	—	(1)	1
Reclassification adjustments	9	2	15	2
Income tax effect	(2)	—	(3)	—
Derivative instruments:				
Net unrealized gain (loss)	(106)	(68)	(247)	29
Income tax effect	23	14	54	(9)
Reclassification adjustments	(43)	(22)	(58)	(69)
Income tax effect	9	4	13	13
Foreign currency translation adjustments	277	262	621	(419)
Other comprehensive income (loss), net of tax	165	196	396	(444)
Comprehensive income	\$ 2,538	\$ 3,297	\$ 9,125	\$ 8,611

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

Three Months Ended June 30, 2020

	Preferred Stock		Common Stock			Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	Series B	Series C	Class A	Class B	Class C						
(in millions, except per share data)											
Balance as of March 31, 2020	2	3	1,693	245	11	\$ 5,462	\$ (184)	\$ 16,385	\$ 13,366	\$ (444)	\$ 34,585
Net income									2,373		2,373
Other comprehensive income (loss), net of tax										165	165
Comprehensive income											2,538
VE territory covered losses incurred (Note 5)							(9)				(9)
Recovery through conversion rate adjustment (Note 5 and 10)						(164)	169				5
Vesting of restricted stock and performance-based shares			—	(1)							—
Share-based compensation, net of forfeitures (Note 12)								107			107
Restricted stock and performance-based shares settled in cash for taxes			—	(1)				(3)			(3)
Cash proceeds from issuance of common stock under employee equity plans			—	(1)				33			33
Cash dividends declared and paid, at a quarterly amount of \$0.30 per class A common stock (Note 10)									(663)		(663)
Repurchase of class A common stock (Note 10)			(6)					(65)	(1,004)		(1,069)
Balance as of June 30, 2020	2	3	1,687	245	11	\$ 5,298	\$ (24)	\$ 16,457	\$ 14,072	\$ (279)	\$ 35,524

(1) Increase or decrease is less than one million shares.

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)
(UNAUDITED)

Nine Months Ended June 30, 2020											
	Preferred Stock		Common Stock			Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	Series B	Series C	Class A	Class B	Class C						
(in millions, except per share data)											
Balance as of September 30, 2019	2	3	1,718	245	11	\$ 5,462	\$ (171)	\$ 16,541	\$ 13,502	\$ (650)	\$ 34,684
Net income									8,729		8,729
Other comprehensive income (loss), net of tax										396	396
Comprehensive income											9,125
Adoption of new accounting standards (Note 1)									25	(25)	—
VE territory covered losses incurred (Note 5)							(22)				(22)
Recovery through conversion rate adjustment (Note 5 and 10)						(164)	169				5
Conversion of class C common stock upon sales into public market			3		— ⁽¹⁾						—
Vesting of restricted stock and performance-based shares			3								—
Share-based compensation, net of forfeitures (Note 12)								322			322
Restricted stock and performance-based shares settled in cash for taxes			(1)					(158)			(158)
Cash proceeds from issuance of common stock under employee equity plans			1					142			142
Cash dividends declared and paid, at a quarterly amount of \$0.30 per class A common stock (Note 10)									(2,002)		(2,002)
Repurchase of class A common stock (Note 10)			(37)					(390)	(6,182)		(6,572)
Balance as of June 30, 2020	2	3	1,687	245	11	\$ 5,298	\$ (24)	\$ 16,457	\$ 14,072	\$ (279)	\$ 35,524

⁽¹⁾ Increase or decrease is less than one million shares.

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)
(UNAUDITED)

	Three Months Ended June 30, 2019										
	Preferred Stock		Common Stock			Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	Series B	Series C	Class A	Class B	Class C						
	(in millions, except per share data)										
Balance as of March 31, 2019	2	3	1,741	245	12	\$ 5,464	\$ (163)	\$ 16,547	\$ 12,513	\$ (86)	\$ 34,275
Net income									3,101		3,101
Other comprehensive income (loss), net of tax										196	196
Comprehensive income											3,297
VE territory covered losses incurred (Note 5)							(8)				(8)
Recovery through conversion rate adjustment (Note 5 and 10)						(2)	2				—
Conversion of class C common stock upon sales into public market			— ⁽¹⁾		— ⁽¹⁾						—
Vesting of restricted stock and performance-based shares			— ⁽¹⁾								—
Share-based compensation, net of forfeitures (Note 12)								110			110
Restricted stock and performance-based shares settled in cash for taxes			— ⁽¹⁾					(3)			(3)
Cash proceeds from issuance of common stock under employee equity plans			1					38			38
Cash dividends declared and paid, at a quarterly amount of \$0.25 per class A common stock (Note 10)									(565)		(565)
Repurchase of class A common stock (Note 10)			(13)					(140)	(2,009)		(2,149)
Balance as of June 30, 2019	<u>2</u>	<u>3</u>	<u>1,729</u>	<u>245</u>	<u>12</u>	<u>\$ 5,462</u>	<u>\$ (169)</u>	<u>\$ 16,552</u>	<u>\$ 13,040</u>	<u>\$ 110</u>	<u>\$ 34,995</u>

⁽¹⁾ Increase or decrease is less than one million shares.

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)
(UNAUDITED)

	Nine Months Ended June 30, 2019										
	Preferred Stock		Common Stock			Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	Series B	Series C	Class A	Class B	Class C						
	(in millions, except per share data)										
Balance as of September 30, 2018	2	3	1,768	245	12	\$ 5,470	\$ (7)	\$ 16,678	\$ 11,318	\$ 547	\$ 34,006
Net income									9,055		9,055
Other comprehensive income (loss), net of tax										(444)	(444)
Comprehensive income											8,611
Adoption of new accounting standards (Note 1)									385	7	392
VE territory covered losses incurred (Note 5)							(170)				(170)
Recovery through conversion rate adjustment (Note 5 and 10)						(8)	8				—
Conversion of class C common stock upon sales into public market			1		— ⁽¹⁾						—
Vesting of restricted stock and performance-based shares			3								—
Share-based compensation, net of forfeitures (Note 12)								321			321
Restricted stock and performance-based shares settled in cash for taxes			(1)					(106)			(106)
Cash proceeds from issuance of common stock under employee equity plans			2					127			127
Cash dividends declared and paid, at a quarterly amount of \$0.25 per class A common stock (Note 10)									(1,706)		(1,706)
Repurchase of class A common stock (Note 10)			(44)					(468)	(6,012)		(6,480)
Balance as of June 30, 2019	2	3	1,729	245	12	\$ 5,462	\$ (169)	\$ 16,552	\$ 13,040	\$ 110	\$ 34,995

⁽¹⁾ Increase or decrease is less than one million shares.

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended June 30,	
	2020	2019
	(in millions)	
Operating Activities		
Net income	\$ 8,729	\$ 9,055
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Client incentives (Note 3)	4,966	4,480
Share-based compensation (Note 12)	322	321
Depreciation and amortization of property, equipment, technology and intangible assets	571	484
Deferred income taxes	(116)	234
VE territory covered losses incurred (Note 5)	(22)	(170)
Other	(149)	(204)
Change in operating assets and liabilities:		
Settlement receivable	966	(127)
Accounts receivable	108	(319)
Client incentives	(6,261)	(4,778)
Other assets	(464)	(172)
Accounts payable	7	(22)
Settlement payable	(1,324)	280
Accrued and other liabilities	1,058	257
Accrued litigation (Note 14)	(47)	(577)
Net cash provided by (used in) operating activities	<u>8,344</u>	<u>8,742</u>
Investing Activities		
Purchases of property, equipment and technology	(568)	(507)
Investment securities:		
Purchases	(549)	(2,321)
Proceeds from maturities and sales	3,675	3,870
Acquisitions, net of cash acquired	(77)	(136)
Purchases of / contributions to other investments	(254)	(482)
Proceeds / distributions from other investments	5	10
Other investing activities	76	(21)
Net cash provided by (used in) investing activities	<u>2,308</u>	<u>413</u>
Financing Activities		
Repurchase of class A common stock (Note 10)	(6,572)	(6,480)
Dividends paid (Note 10)	(2,002)	(1,706)
Proceeds from issuance of senior notes (Note 8)	3,985	—
Payment of deferred purchase consideration related to Visa Europe acquisition	—	(1,236)
Cash proceeds from issuance of common stock under employee equity plans	142	127
Restricted stock and performance-based shares settled in cash for taxes	(158)	(106)
Other financing activities	(118)	—
Net cash provided by (used in) financing activities	<u>(4,723)</u>	<u>(9,401)</u>
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	173	(62)
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	6,102	(308)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period (Note 4)	10,832	10,977
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period (Note 4)	<u>\$ 16,934</u>	<u>\$ 10,669</u>
Supplemental Disclosure		
Cash paid for income taxes, net	\$ 1,793	\$ 1,992
Interest payments on debt	\$ 503	\$ 503
Accruals related to purchases of property, equipment and technology	\$ 34	\$ 87

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

**VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

Note 1—Summary of Significant Accounting Policies

Organization. Visa Inc. (“Visa” or the “Company”) is a global payments technology company that enables fast, secure and reliable electronic payments across more than 200 countries and territories. Visa and its wholly-owned consolidated subsidiaries, including Visa U.S.A. Inc. (“Visa U.S.A.”), Visa International Service Association (“Visa International”), Visa Worldwide Pte. Limited, Visa Europe Limited (“Visa Europe”), Visa Canada Corporation (“Visa Canada”), Visa Technology & Operations LLC and CyberSource Corporation, operate one of the world’s largest electronic payments networks — VisaNet — which facilitates authorization, clearing and settlement of payment transactions and enables the Company to provide its financial institution and merchant clients a wide range of products, platforms and value-added services. Visa is not a financial institution and does not issue cards, extend credit or set rates and fees for account holders on Visa products. In most cases, account holder and merchant relationships belong to, and are managed by, Visa’s financial institution clients.

Consolidation and basis of presentation. The accompanying unaudited consolidated financial statements include the accounts of Visa and its consolidated entities and are presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company consolidates its majority-owned and controlled entities, including variable interest entities (“VIEs”) for which the Company is the primary beneficiary. The Company’s investments in VIEs have not been material to its unaudited consolidated financial statements as of and for the periods presented. All significant intercompany accounts and transactions are eliminated in consolidation.

The accompanying unaudited consolidated financial statements are presented in accordance with the U.S. Securities and Exchange Commission (“SEC”) requirements for Quarterly Reports on Form 10-Q and, consequently, do not include all of the annual disclosures required by U.S. GAAP. Reference should be made to the Visa Annual Report on Form 10-K for the year ended September 30, 2019 for additional disclosures, including a summary of the Company’s significant accounting policies.

In the opinion of management, the accompanying unaudited consolidated financial statements include all normal recurring adjustments necessary for a fair presentation of the Company’s financial position, results of operations and cash flows for the interim periods presented.

Use of estimates. The preparation of accompanying unaudited consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited consolidated financial statements and reported amounts of revenues and expenses during the reporting period. These estimates may change, as new events occur and additional information is obtained, and will be recognized in the consolidated financial statements in the period in which such changes occur. Future actual results could differ materially from these estimates. The worldwide spread of coronavirus (“COVID-19”) has created significant uncertainty in the global economy. There have been no comparable recent events that provide guidance as to the effect the spread of COVID-19 as a global pandemic may have, and, as a result, the ultimate impact of COVID-19 and the extent to which COVID-19 continues to impact the Company’s business, results of operations and financial condition will depend on future developments, which are highly uncertain and difficult to predict.

Recently Issued and Adopted Accounting Pronouncements.

In February 2016, the FASB issued ASU 2016-02, which requires the recognition of lease assets and lease liabilities arising from operating leases on the balance sheet. Subsequently, the FASB also issued a series of amendments to this new leases standard that address the transition methods available and clarify the guidance for lessor costs and other aspects of the new leases standard. The Company adopted the standard effective October 1, 2019 using the modified retrospective transition method with comparative periods continuing to be reported using the prior leases standard. The Company elected to apply the package of practical expedients permitted under the transition guidance, allowing the Company to carry forward the historical assessment of whether a contract was or

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

contains a lease, lease classification and capitalization of initial direct costs. The adoption did not have a material impact on the consolidated financial statements.

In accordance with ASU 2016-02, the Company determines if an arrangement is a lease at its inception. Right-of-use (“ROU”) assets, and corresponding lease liabilities, are recognized at the commencement date based on the present value of remaining lease payments over the lease term. For this purpose, the Company considers only payments that are fixed and determinable at the time of commencement. As a majority of the Company’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU asset also includes any lease payments made prior to commencement and is recorded net of any lease incentives received. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options. The Company does not record a ROU asset and corresponding liability for leases with terms of 12 months or less.

The Company does not include renewals in the determination of the lease term unless the renewals are deemed to be reasonably assured at lease commencement. Lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. The Company does not combine lease payments with non-lease components for any of its leases. Operating leases are recorded as ROU assets, which are included in other assets. The current portion of lease liabilities are included in accrued liabilities and the long-term portion is included in other liabilities on the consolidated balance sheet. The Company’s lease cost consists of amounts recognized under lease agreements in the results of operations adjusted for impairment and sublease income.

In February 2018, the FASB issued ASU 2018-02, which allows a reclassification from accumulated other comprehensive income to retained earnings for adjustments to tax effects that were originally recorded in other comprehensive income due to changes in the U.S. federal corporate income tax rate resulting from the enactment of the U.S. tax reform legislation, commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). The Company adopted the ASU effective October 1, 2019. The adoption did not have a material impact on the consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, which simplifies the accounting for income taxes by removing certain exceptions to the general principles in the existing guidance for income taxes and making other minor improvements. The amendments in the ASU are effective for the Company on October 1, 2021. The Company does not plan to early adopt the ASU at this time. The adoption is not expected to have a material impact on the consolidated financial statements.

In January 2020, the FASB issued ASU 2020-01, which clarifies that an entity should consider observable transactions that require it to either apply or discontinue the equity method of accounting for the purposes of applying the fair value measurement alternative. The amendments in the ASU are effective for the Company on October 1, 2021. The adoption is not expected to have a material impact on the consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate or another reference rate expected to be discontinued because of reference rate reform. The amendments in the ASU are effective for the Company upon issuance through December 31, 2022. The Company is evaluating the effect ASU 2020-04 will have on its consolidated financial statements.

Note 2—Acquisitions

Pending Acquisition. On January 13, 2020, the Company entered into a definitive agreement to acquire Plaid, Inc. for \$5.3 billion. The Company will pay approximately \$4.9 billion of cash and \$0.4 billion of retention equity and deferred equity consideration. This acquisition is subject to customary closing conditions, including ongoing regulatory reviews and approvals, which are expected to be completed by the end of 2020.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

Note 3—Revenues

The nature, amount, timing and uncertainty of the Company's revenues and cash flows and how they are affected by economic factors are most appropriately depicted through the Company's revenue categories and geographical markets. The following tables disaggregate the Company's net revenues by revenue category and by geography for the three and nine months ended June 30, 2020 and 2019:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
	(in millions)			
Service revenues	\$ 2,409	\$ 2,405	\$ 7,587	\$ 7,164
Data processing revenues	2,525	2,662	8,100	7,564
International transaction revenues	1,102	1,977	4,953	5,624
Other revenues	314	342	1,071	968
Client incentives	(1,513)	(1,546)	(4,966)	(4,480)
Net revenues	\$ 4,837	\$ 5,840	\$ 16,745	\$ 16,840

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
	(in millions)			
U.S.	\$ 2,380	\$ 2,587	\$ 7,747	\$ 7,573
International	2,457	3,253	8,998	9,267
Net revenues	\$ 4,837	\$ 5,840	\$ 16,745	\$ 16,840

Note 4—Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents

The Company's cash and cash equivalents include cash and certain highly liquid investments with original maturities of 90 days or less from the date of purchase. Cash equivalents are primarily recorded at cost, which approximates fair value due to their generally short maturities. The Company defines restricted cash and restricted cash equivalents as cash and cash equivalents that cannot be withdrawn or used for general operating activities.

The Company reconciles cash, cash equivalents, restricted cash and restricted cash equivalents reported in the consolidated balance sheets that aggregate to the beginning and ending balances shown in the consolidated statements of cash flows as follows:

	June 30, 2020	September 30, 2019
	(in millions)	
Cash and cash equivalents	\$ 13,898	\$ 7,838
Restricted cash and restricted cash equivalents:		
U.S. litigation escrow	1,148	1,205
Customer collateral	1,759	1,648
Prepaid expenses and other current assets	129	141
Cash, cash equivalents, restricted cash and restricted cash equivalents	\$ 16,934	\$ 10,832

Note 5—U.S. and Europe Retrospective Responsibility Plans
U.S. Retrospective Responsibility Plan

Under the terms of the U.S. retrospective responsibility plan, the Company maintains an escrow account from which settlements of, or judgments in, certain litigation referred to as the "U.S. covered litigation" are paid. The escrow funds are held in money market investments along with interest income earned, less applicable taxes, and are classified as restricted cash equivalents on the consolidated balance sheets.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

On December 13, 2019, the district court entered the final judgment order approving the Amended Settlement Agreement with the Damages Class plaintiffs in the Interchange Multidistrict Litigation proceedings. A takedown payment of approximately \$467 million was received on December 27, 2019, and deposited into the Company's litigation escrow account. The deposit into the litigation escrow account and reestablishment of a prior accrual to address opt-out claims was recorded during the nine months ended June 30, 2020. The accrual related to the U.S. covered litigation could be either higher or lower than the litigation escrow account balance. See *Note 14—Legal Matters*.

The following table sets forth the changes in the restricted cash equivalents—U.S. litigation escrow account:

	Nine Months Ended June 30,	
	2020	2019
	(in millions)	
Balance at beginning of period	\$ 1,205	\$ 1,491
Return of takedown payment to the litigation escrow account	467	—
Payments to class plaintiffs' settlement fund ⁽¹⁾	—	(600)
Payments to opt-out merchants ⁽¹⁾ and interest earned on escrow funds	(524)	11
Balance at end of period	\$ 1,148	\$ 902

⁽¹⁾ These payments are associated with the Interchange Multidistrict Litigation. See *Note 14—Legal Matters*.

Europe Retrospective Responsibility Plan

Visa Inc., Visa International and Visa Europe are parties to certain existing and potential litigation relating to the setting of multilateral interchange fee rates in the Visa Europe territory (the "VE territory covered litigation"). Under the terms of the Europe retrospective responsibility plan, the Company is entitled to recover certain losses resulting from VE territory covered litigation (the "VE territory covered losses") through a periodic adjustment to the class A common stock conversion rates applicable to the UK&I and Europe preferred stock. VE territory covered losses are recorded in "right to recover for covered losses" within equity before the corresponding adjustment to the applicable conversion rate is effected. Adjustments to the conversion rate may be executed once in any six-month period unless a single, individual loss greater than €20 million is incurred, in which case, the six-month limitation does not apply. When the adjustment to the conversion rate is made, the amount previously recorded in "right to recover for covered losses" as contra-equity is then recorded against the book value of the preferred stock within stockholders' equity.

During the three and nine months ended June 30, 2020, the Company recovered \$164 million of VE territory covered losses through adjustments to the class A common stock conversion rates applicable to the UK&I and Europe preferred stock. The conversion rates applicable to the UK&I and Europe preferred stock were reduced from 12.936 and 13.884, respectively, as of September 30, 2019 to 12.775 and 13.722, respectively, as of June 30, 2020.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

The following table sets forth the activities related to VE territory covered losses in preferred stock and “right to recover for covered losses” within equity during the nine months ended June 30, 2020.

	Preferred Stock		Right to Recover for Covered Losses
	UK&I	Europe	
	(in millions)		
Balance as of September 30, 2019	\$ 2,285	\$ 3,177	\$ (171)
VE territory covered losses incurred ⁽¹⁾	—	—	(22)
Recovery through conversion rate adjustment ⁽²⁾	(72)	(92)	169
Balance as of June 30, 2020	\$ 2,213	\$ 3,085	\$ (24)

⁽¹⁾ VE territory covered losses incurred reflect settlements with merchants and additional legal costs. See *Note 14—Legal Matters*.

⁽²⁾ Adjustment to right to recover for covered losses for the conversion rate adjustment differs from the actual recovered amount due to differences in foreign exchange rates between the time the losses were incurred and the subsequent recovery through the conversion rate adjustment.

The following table sets forth the as-converted value of the preferred stock available to recover VE territory covered losses compared to the book value of preferred shares recorded in stockholders’ equity within the Company’s consolidated balance sheets as of June 30, 2020 and September 30, 2019:

	June 30, 2020		September 30, 2019	
	As-Converted Value of Preferred Stock ^{(1),(2)}	Book Value of Preferred Stock ⁽¹⁾	As-Converted Value of Preferred Stock ^{(1),(3)}	Book Value of Preferred Stock ⁽¹⁾
	(in millions)			
UK&I preferred stock	\$ 6,121	\$ 2,213	\$ 5,519	\$ 2,285
Europe preferred stock	8,368	3,085	7,539	3,177
Total	14,489	5,298	13,058	5,462
Less: right to recover for covered losses	(24)	(24)	(171)	(171)
Total recovery for covered losses available	\$ 14,465	\$ 5,274	\$ 12,887	\$ 5,291

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. As-converted and book values are based on unrounded numbers.

⁽²⁾ The as-converted value of preferred stock is calculated as the product of: (a) 2 million and 3 million shares of the UK&I and Europe preferred stock outstanding, respectively, as of June 30, 2020; (b) 12.775 and 13.722, the class A common stock conversion rate applicable to the UK&I and Europe preferred stock as of June 30, 2020, respectively; and (c) \$193.17, Visa’s class A common stock closing stock price as of June 30, 2020.

⁽³⁾ The as-converted value of preferred stock is calculated as the product of: (a) 2 million and 3 million shares of the UK&I and Europe preferred stock outstanding, respectively, as of September 30, 2019; (b) 12.936 and 13.884, the class A common stock conversion rate applicable to the UK&I and Europe preferred stock as of September 30, 2019, respectively; and (c) \$172.01, Visa’s class A common stock closing stock price as of September 30, 2019.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

Note 6—Fair Value Measurements and Investments

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Fair Value Measurements Using Inputs Considered as			
	Level 1		Level 2	
	June 30, 2020	September 30, 2019	June 30, 2020	September 30, 2019
	(in millions)			
Assets				
Cash equivalents and restricted cash equivalents:				
Money market funds	\$ 12,739	\$ 6,494		
U.S. government-sponsored debt securities			\$ —	\$ 150
Investment securities:				
Marketable equity securities	140	126		
U.S. government-sponsored debt securities			2,892	5,592
U.S. Treasury securities	254	675		
Other current and non-current assets:				
Derivative instruments			672	437
Total	\$ 13,133	\$ 7,295	\$ 3,564	\$ 6,179
Liabilities				
Accrued compensation and benefits:				
Deferred compensation liability	\$ 128	\$ 113		
Accrued and other liabilities:				
Derivative instruments			\$ 247	\$ 52
Total	\$ 128	\$ 113	\$ 247	\$ 52

There were no transfers between Level 1 and Level 2 assets during the nine months ended June 30, 2020.

Level 1 assets. Money market funds, marketable equity securities and U.S. Treasury securities are classified as Level 1 within the fair value hierarchy, as fair value is based on quoted prices in active markets. The Company's deferred compensation liability is measured at fair value based on marketable equity securities held under the deferred compensation plan.

Level 2 assets and liabilities. The fair value of U.S. government-sponsored debt securities, as provided by third-party pricing vendors, is based on quoted prices in active markets for similar, not identical, assets. The pricing data obtained from outside sources is reviewed internally for reasonableness, compared against benchmark quotes from independent pricing sources, then confirmed or revised accordingly. Derivative instruments are valued using inputs that are observable in the market or can be derived principally from or corroborated by observable market data. There were no substantive changes to the valuation techniques and related inputs used to measure fair value during the nine months ended June 30, 2020.

U.S. government-sponsored debt securities and U.S. Treasury securities. The Company considers U.S. government-sponsored debt securities and U.S. Treasury securities to be available-for-sale and held \$3.1 billion and \$6.3 billion of these investment securities as of June 30, 2020 and September 30, 2019, respectively. All of the Company's long-term available-for-sale investment securities are due within one to five years.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)
Assets Measured at Fair Value on a Non-recurring Basis

Non-marketable equity securities. The Company's non-marketable equity securities are investments in privately held companies without readily determinable market values. These investments are classified as Level 3 due to the absence of quoted market prices, the inherent lack of liquidity and the fact that inputs used to measure fair value are unobservable and require management's judgment.

During the three and nine months ended June 30, 2020, \$56 million and \$65 million, respectively, of upward adjustments were included in the carrying value of non-marketable equity securities. No material downward adjustments were included during the same periods. During the three and nine months ended June 30, 2020, \$6 million in impairment was recognized. There was no impairment recognized during the same prior-year comparable periods. The following table summarizes the total carrying value of the Company's non-marketable equity securities held as of June 30, 2020 including cumulative unrealized gains and losses:

	<u>June 30, 2020</u>	
	(in millions)	
Initial cost basis	\$	834
Upward adjustments		175
Downward adjustments (including impairment)		(11)
Carrying amount, end of period	\$	998

Non-financial assets and liabilities. Long-lived assets such as goodwill, indefinite-lived intangible assets, finite-lived intangible assets and property, equipment and technology are considered non-financial assets. The Company does not have any non-financial liabilities measured at fair value on a non-recurring basis. Finite-lived intangible assets primarily consist of customer relationships and trade names, all of which were obtained through acquisitions.

If the Company were required to perform a quantitative assessment for impairment testing of goodwill and indefinite-lived intangible assets, the fair values would generally be estimated using an income approach. As the assumptions employed to measure these assets on a non-recurring basis are based on management's judgment using internal and external data, these fair value determinations are classified as Level 3 in the fair value hierarchy. The Company completed its annual impairment review of its indefinite-lived intangible assets and goodwill as of February 1, 2020, and concluded that there was no impairment. No recent events or changes in circumstances indicate that impairment existed at June 30, 2020.

Gains and Losses on Marketable and Non-marketable Equity Securities

Gains and losses on the Company's equity securities are summarized below.

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(in millions)			
Net gain (loss) on equity securities sold during the period	\$ —	\$ 1	\$ 5	\$ 16
Unrealized gain (loss) on equity securities held as of the end of the period	68	10	59	69
Total gain (loss) recognized in non-operating income (expense), net	\$ 68	\$ 11	\$ 64	\$ 85

Other Fair Value Disclosures

Long-term debt. Debt instruments are measured at amortized cost on the Company's consolidated balance sheets. The fair value of the debt instruments, as provided by third-party pricing vendors, is based on quoted prices in active markets for similar, not identical, assets. The pricing data obtained from outside sources is reviewed internally for reasonableness, compared against benchmark quotes from independent pricing sources, then confirmed or revised accordingly. If measured at fair value in the financial statements, these instruments would be classified as Level 2 in the fair value hierarchy. The carrying value and estimated fair value of long-term debt was \$20.9 billion and \$23.4 billion, respectively, as of June 30, 2020. The carrying value and estimated fair value of long-term debt was \$16.7 billion and \$18.4 billion, respectively, as of September 30, 2019.

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

Other financial instruments not measured at fair value. The following financial instruments are not measured at fair value on the Company's unaudited consolidated balance sheet at June 30, 2020, but disclosure of their fair values is required: settlement receivable and payable, accounts receivable and customer collateral. The estimated fair value of such instruments at June 30, 2020 approximates their carrying value due to their generally short maturities. If measured at fair value in the financial statements, these financial instruments would be classified as Level 2 in the fair value hierarchy.

Note 7—Leases

The Company entered into various operating lease agreements primarily for real estate. The Company's leases have original lease periods expiring between fiscal 2020 and 2030. Many leases include one or more options to renew. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments under the Company's lease arrangements are generally fixed. At June 30, 2020, the Company had no finance leases.

During the three and nine months ended June 30, 2020, total operating lease cost was \$29 million and \$84 million, respectively. At June 30, 2020, the weighted average remaining lease term for operating leases was approximately 7 years and the weighted average discount rate for operating leases was 2.28%.

At June 30, 2020, the present value of future minimum lease payments was as follows:

	June 30, 2020	
	(in millions)	
Remainder of 2020	\$	29
2021		107
2022		100
2023		93
2024		80
Thereafter		226
Total undiscounted lease payments		635
Less: imputed interest		(52)
Present value of lease liabilities	\$	583

At June 30, 2020, the Company had additional operating leases that had not yet commenced with lease obligations of \$465 million. These operating leases will commence between fiscal 2020 and 2023 with non-cancellable lease terms of 1 to 15 years.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

Note 8—Debt

The Company had outstanding debt as follows:

	June 30, 2020	September 30, 2019	Effective Interest Rate ⁽¹⁾
(in millions, except percentages)			
2.20% Senior Notes due December 2020	\$ 3,000	\$ 3,000	2.30 %
2.15% Senior Notes due September 2022	1,000	1,000	2.30 %
2.80% Senior Notes due December 2022	2,250	2,250	2.89 %
3.15% Senior Notes due December 2025	4,000	4,000	3.26 %
1.90% Senior Notes due April 2027	1,500	—	2.02 %
2.75% Senior Notes due September 2027	750	750	2.91 %
2.05% Senior Notes due April 2030	1,500	—	2.13 %
4.15% Senior Notes due December 2035	1,500	1,500	4.23 %
2.70% Senior Notes due April 2040	1,000	—	2.80 %
4.30% Senior Notes due December 2045	3,500	3,500	4.37 %
3.65% Senior Notes due September 2047	750	750	3.73 %
Total debt	20,750	16,750	
Unamortized discounts and debt issuance costs	(134)	(108)	
Hedge accounting fair value adjustments ⁽²⁾	263	87	
Total carrying value of debt	\$ 20,879	\$ 16,729	
Reported as:			
Current maturities of debt	\$ 2,999	\$ —	
Long-term debt	17,880	16,729	
Total carrying value of debt	\$ 20,879	\$ 16,729	

⁽¹⁾ Effective interest rates disclosed do not reflect hedge accounting adjustments.

⁽²⁾ Represents the change in fair value of interest rate swap agreements entered into on a portion of certain outstanding senior notes.

Commercial Paper Program

Visa maintains a commercial paper program to support its working capital requirements and for other general corporate purposes. Under the program, the Company is authorized to issue up to \$3.0 billion in outstanding notes, with maturities up to 397 days from the date of issuance. During the three months ended June 30, 2020, the Company repaid \$1.0 billion of commercial paper that was issued during the three months ended March 31, 2020. The Company had no outstanding obligations under the program at June 30, 2020 and September 30, 2019.

Senior Notes

In April 2020, the Company issued fixed-rate senior notes in a public offering for an aggregate principal amount of \$4.0 billion, with maturities ranging between 7 and 20 years. The April 2027 Notes, 2030 Notes and 2040 Notes, or collectively, the "2020 Notes", have interest rates of 1.90%, 2.05% and 2.70%, respectively. Interest on the 2020 Notes is payable semi-annually on April 15 and October 15 of each year, commencing October 15, 2020. The net aggregate proceeds, after deducting discounts and debt issuance costs, were approximately \$4.0 billion. The Company plans to use the net proceeds for general corporate purposes.

The 2020 Notes are senior unsecured obligations of the Company, ranking equally with the Company's other senior unsecured indebtedness. The Company may redeem the 2020 Notes as a whole or in part at any time and from time to time at specified redemption prices.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

Future principal payments on the Company's outstanding debt are as follows:

	For the Years Ending September 30,							Total
	2020	2021	2022	2023	2024	Thereafter	(in millions)	
Future principal payments	\$ —	\$ 3,000	\$ 1,000	\$ 2,250	\$ —	\$ 14,500	\$ 20,750	

Note 9—Settlement Guarantee Management

The Company indemnifies its clients for settlement losses suffered due to failure of any other client to fund its settlement obligations in accordance with the Visa operating rules. This indemnification creates settlement risk for the Company due to the difference in timing between the date of a payment transaction and the date of subsequent settlement.

Historically, the Company has experienced minimal losses as a result of its settlement risk guarantee. However, the Company's future obligations, which could be material under its guarantees, are not determinable as they are dependent upon future events.

The Company's settlement exposure is limited to the amount of unsettled Visa payment transactions at any point in time, which vary significantly day to day. The Company's maximum daily settlement exposure was \$97.3 billion and the average daily settlement exposure was \$54.4 billion during the nine months ended June 30, 2020.

The Company maintains and regularly reviews global settlement risk policies and procedures to manage settlement exposure, which may require clients to post collateral if certain credit standards are not met. At June 30, 2020 and September 30, 2019, the Company held collateral as follows:

	June 30, 2020	September 30, 2019
	(in millions)	
Restricted cash and restricted cash equivalents	\$ 1,759	\$ 1,648
Pledged securities at market value	281	259
Letters of credit	1,273	1,293
Guarantees	704	477
Total	\$ 4,017	\$ 3,677

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)
Note 10—Stockholders' Equity

As-converted class A common stock. The following table presents the number of shares of each series and class of stock and the number of shares of class A common stock on an as-converted basis:

	June 30, 2020			September 30, 2019		
	Shares Outstanding	Conversion Rate Into Class A Common Stock	As-converted Class A Common Stock ⁽¹⁾	Shares Outstanding	Conversion Rate Into Class A Common Stock	As-converted Class A Common Stock ⁽¹⁾
(in millions, except conversion rates)						
UK&I preferred stock	2	12.7750	32	2	12.9360	32
Europe preferred stock	3	13.7220	43	3	13.8840	44
Class A common stock ⁽²⁾	1,687	—	1,687	1,718	—	1,718
Class B common stock	245	1.6228 ⁽³⁾	398	245	1.6228 ⁽³⁾	398
Class C common stock	11	4.0000	43	11	4.0000	45
Total			2,203			2,237

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. As-converted class A common stock is calculated based on unrounded numbers.

⁽²⁾ Class A common stock shares outstanding reflect repurchases that settled on or before June 30, 2020 and September 30, 2019.

⁽³⁾ The class B to class A common stock conversion rate is presented on a rounded basis. Conversion calculations for dividend payments are based on a conversion rate rounded to the tenth decimal.

Reduction in as-converted shares. Under the terms of the Europe retrospective responsibility plan, the Company is entitled to recover VE territory covered losses through periodic adjustments to the class A common stock conversion rates applicable to the UK&I and Europe preferred stock. The recovery has the same economic effect on earnings per share as repurchasing the Company's class A common stock, because it reduces the UK&I and Europe preferred stock conversion rates and consequently, reduces the as-converted class A common stock share count.

The following table presents the reduction in equivalent number of as-converted shares of class A common stock, effective price per share and recovery of VE territory covered losses through conversion rate adjustments:

	Nine Months Ended June 30, 2020		Nine Months Ended June 30, 2019	
	UK&I	Europe	UK&I	Europe
(in millions, except per share data)				
Reduction in equivalent number of as-converted class A common stock	— ⁽¹⁾	1	— ⁽¹⁾	— ⁽¹⁾
Effective price per share ⁽²⁾	\$ 180.00	\$ 180.00	\$ 141.32	\$ 150.26
Recovery through conversion rate adjustment	\$ 72	\$ 92	\$ 6	\$ 2

⁽¹⁾ The reduction in equivalent number of shares of class A common stock was less than one million shares.

⁽²⁾ Effective price per share for the quarter is calculated using the volume-weighted average price of the Company's class A common stock over a pricing period in accordance with the Company's current certificates of designations for its series B and C convertible participating preferred stock. Effective price per share is calculated using the weighted-average effective prices of the respective adjustments made during the year.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

Common stock repurchases. The following table presents share repurchases in the open market for the following periods:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2020	2019	2020	2019
	(in millions, except per share data)			
Shares repurchased in the open market ⁽¹⁾	6	13	37	44
Average repurchase price per share ⁽²⁾	\$ 177.86	\$ 162.97	\$ 179.91	\$ 147.66
Total cost ⁽²⁾	\$ 1,069	\$ 2,149	\$ 6,572	\$ 6,480

⁽¹⁾ Shares repurchased in the open market reflect repurchases that settled during the three and nine months ended June 30, 2020 and 2019. All shares repurchased in the open market have been retired and constitute authorized but unissued shares.

⁽²⁾ Figures in the table may not recalculate exactly due to rounding. Average repurchase price per share and total cost is calculated based on unrounded numbers.

In January 2019, the Company's board of directors authorized an \$8.5 billion share repurchase program and in January 2020, authorized an additional \$9.5 billion share purchase program (the "January 2020 Program"). These authorizations have no expiration date. As of June 30, 2020, the Company's January 2020 Program had remaining authorized funds of \$7.0 billion for share repurchase. All share repurchase programs authorized prior to the January 2020 Program have been completed.

Dividends. On July 20, 2020, the Company's board of directors declared a quarterly cash dividend of \$0.30 per share of class A common stock (determined in the case of class B and C common stock and UK&I and Europe preferred stock on an as-converted basis). The cash dividend will be paid on September 1, 2020, to all holders of record as of August 14, 2020. The Company declared and paid \$663 million and \$565 million during the three months ended June 30, 2020 and 2019, respectively and \$2.0 billion and \$1.7 billion during the nine months ended June 30, 2020 and 2019, respectively, in dividends to holders of the Company's common and preferred stocks.

Note 11—Earnings Per Share

Basic earnings per share is computed by dividing net income available to each class of shares by the weighted-average number of shares of common stock outstanding and participating securities during the period. Net income is allocated to each class of common stock and participating securities based on its proportional ownership on an as-converted basis. The weighted-average number of shares outstanding of each class of common stock reflects changes in ownership over the periods presented. See *Note 10—Stockholders' Equity*.

Diluted earnings per share is computed by dividing net income available by the weighted-average number of shares of common stock outstanding, participating securities and, if dilutive, potential class A common stock equivalent shares outstanding during the period. Dilutive class A common stock equivalents may consist of: (1) shares of class A common stock issuable upon the conversion of UK&I and Europe preferred stock and class B and C common stock based on the conversion rates in effect through the period, and (2) incremental shares of class A common stock calculated by applying the treasury stock method to the assumed exercise of employee stock options, the assumed purchase of stock under the Company's Employee Stock Purchase Plan and the assumed vesting of unearned performance shares.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

The following table presents earnings per share for the three months ended June 30, 2020:

	Basic Earnings Per Share			Diluted Earnings Per Share		
	(in millions, except per share data)					
	Income Allocation (A) ⁽¹⁾	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B) ⁽²⁾	Income Allocation (A) ⁽¹⁾	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B) ⁽²⁾
Class A common stock	\$ 1,814	1,690	\$ 1.07	\$ 2,373	2,214 ⁽³⁾	\$ 1.07
Class B common stock	428	245	\$ 1.74	\$ 427	245	\$ 1.74
Class C common stock	46	11	\$ 4.29	\$ 47	11	\$ 4.29
Participating securities ⁽⁴⁾	85	Not presented	Not presented	\$ 85	Not presented	Not presented
Net income	\$ 2,373					

The following table presents earnings per share for the nine months ended June 30, 2020:

	Basic Earnings Per Share			Diluted Earnings Per Share		
	(in millions, except per share data)					
	Income Allocation (A) ⁽¹⁾	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B) ⁽²⁾	Income Allocation (A) ⁽¹⁾	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B) ⁽²⁾
Class A common stock	\$ 6,679	1,702	\$ 3.92	\$ 8,729	2,227 ⁽³⁾	\$ 3.92
Class B common stock	1,564	245	\$ 6.37	\$ 1,561	245	\$ 6.36
Class C common stock	172	11	\$ 15.70	\$ 172	11	\$ 15.68
Participating securities ⁽⁴⁾	314	Not presented	Not presented	\$ 314	Not presented	Not presented
Net income	\$ 8,729					

The following table presents earnings per share for the three months ended June 30, 2019:

	Basic Earnings Per Share			Diluted Earnings Per Share		
	(in millions, except per share data)					
	Income Allocation (A) ⁽¹⁾	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B) ⁽²⁾	Income Allocation (A) ⁽¹⁾	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B) ⁽²⁾
Class A common stock	\$ 2,379	1,735	\$ 1.37	\$ 3,101	2,265 ⁽³⁾	\$ 1.37
Class B common stock	549	245	\$ 2.23	\$ 548	245	\$ 2.23
Class C common stock	63	12	\$ 5.48	\$ 63	12	\$ 5.48
Participating securities ⁽⁴⁾	110	Not presented	Not presented	\$ 110	Not presented	Not presented
Net income	\$ 3,101					

The following table presents earnings per share for the nine months ended June 30, 2019:

	Basic Earnings Per Share			Diluted Earnings Per Share		
	(in millions, except per share data)					
	Income Allocation (A) ⁽¹⁾	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B) ⁽²⁾	Income Allocation (A) ⁽¹⁾	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B) ⁽²⁾
Class A common stock	\$ 6,956	1,748	\$ 3.98	\$ 9,055	2,278 ⁽³⁾	\$ 3.97
Class B common stock	1,592	245	\$ 6.49	\$ 1,590	245	\$ 6.48
Class C common stock	186	12	\$ 15.92	\$ 185	12	\$ 15.90
Participating securities ⁽⁴⁾	321	Not presented	Not presented	\$ 321	Not presented	Not presented
Net income	\$ 9,055					

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

- (1) Net income is allocated based on proportional ownership on an as-converted basis. The weighted-average number of shares of as-converted class B common stock used in the income allocation was 398 million for the three and nine months ended June 30, 2020 and 400 million for the three and nine months ended June 30, 2019. The weighted-average number of shares of as-converted class C common stock used in the income allocation was 43 million and 44 million for the three and nine months ended June 30, 2020, respectively, and 46 million and 47 million for the three and nine months ended June 30, 2019, respectively. The weighted-average number of shares of preferred stock included within participating securities was 32 million of as-converted UK&I preferred stock for the three and nine months ended June 30, 2020 and 2019, and 44 million of as-converted Europe preferred stock for the three and nine months ended June 30, 2020 and 2019.
- (2) Figures in the table may not recalculate exactly due to rounding. Earnings per share is calculated based on unrounded numbers.
- (3) Weighted-average diluted shares outstanding are calculated on an as-converted basis and include incremental common stock equivalents, as calculated under the treasury stock method. The computation includes common stock equivalents of 3 million for the three and nine months ended June 30, 2020 and 2019, because their effect would have been dilutive. The computation excludes common stock equivalents of 1 million for the three and nine months ended June 30, 2020, and less than 1 million for the three and nine months ended June 30, 2019, because their effect would have been anti-dilutive.
- (4) Participating securities include preferred stock outstanding and unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, such as the UK&I and Europe preferred stock and restricted stock units. Participating securities' income is allocated based on the weighted-average number of shares of as-converted stock.

Note 12—Share-based Compensation

The Company granted the following equity awards to employees and non-employee directors under the 2007 Equity Incentive Compensation Plan, or the EIP, during the nine months ended June 30, 2020:

	Granted	Weighted-Average Grant Date Fair Value	Weighted-Average Exercise Price
Non-qualified stock options	1,247,982	\$ 29.37	\$ 182.50
Restricted stock units	2,287,483	\$ 183.22	
Performance-based shares ⁽¹⁾	470,128	\$ 211.08	

- (1) Represents the maximum number of performance-based shares which could be earned.

The Company recorded share-based compensation cost related to the EIP of \$102 million and \$106 million for the three months ended June 30, 2020 and 2019, respectively, and \$306 million and \$307 million for the nine months ended June 30, 2020 and 2019, respectively, net of estimated forfeitures.

Note 13—Income Taxes

The effective income tax rates were 19% for the three and nine months ended June 30, 2020, and 20% and 19% for the three and nine months ended June 30, 2019, respectively. The difference in the effective tax rates between the three-month periods was primarily due to the change in geographic mix of income.

During the three and nine months ended June 30, 2020, the Company's gross unrecognized tax benefits increased by \$55 million and \$230 million, respectively. The Company's net unrecognized tax benefits that, if recognized, would favorably impact the effective tax rate, increased by \$31 million and \$70 million, respectively. The change in unrecognized tax benefits is primarily related to various tax positions across several jurisdictions. The Company's accrued interest related to uncertain tax positions increased by \$18 million and \$56 million during the three and nine months ended June 30, 2020, respectively, and \$19 million and \$51 million during the three and nine months ended June 30, 2019, respectively. During the three and nine months ended June 30, 2020 and 2019, there were no significant changes in penalties related to uncertain tax positions.

The Company's tax filings are subject to examination by the U.S. federal, state and foreign taxing authorities. The timing and outcome of the final resolutions of the various ongoing income tax examinations are highly uncertain. It is not reasonably possible to estimate the increase or decrease in unrecognized tax benefits within the next twelve months.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted in the U.S. on March 27, 2020. The CARES Act includes several U.S. income tax provisions related to, among other things, net operating loss carrybacks, alternative minimum tax credits, modifications to the net interest deduction limitations, and technical amendments regarding the income tax depreciation of qualified improvement property placed in service after December 31, 2017. The CARES Act is not expected to have a material impact on the Company's financial results.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

On July 22, 2020, UK enacted a legislation that repealed the previous tax rate reduction from 19% to 17% that was effective on April 1, 2020. The repeal of the UK tax rate reduction is not expected to significantly increase the Company's ongoing effective tax rate, however, it will result in a one-time non-cash tax expense in the fourth quarter of fiscal 2020, due to the re-measurement of deferred taxes which are primarily related to intangibles recorded in purchase accounting upon the acquisition of Visa Europe in fiscal 2016.

Note 14—Legal Matters

The Company is party to various legal and regulatory proceedings. Some of these proceedings involve complex claims that are subject to substantial uncertainties and unascertainable damages. Accordingly, except as disclosed, the Company has not established reserves or ranges of possible loss related to these proceedings, as at this time in the proceedings, the matters do not relate to a probable loss and/or the amount or range of losses are not reasonably estimable. Although the Company believes that it has strong defenses for the litigation and regulatory proceedings described below, it could, in the future, incur judgments or fines or enter into settlements of claims that could have a material adverse effect on the Company's financial position, results of operations or cash flows. From time to time, the Company may engage in settlement discussions or mediations with respect to one or more of its outstanding litigation matters, either on its own behalf or collectively with other parties.

The litigation accrual is an estimate and is based on management's understanding of its litigation profile, the specifics of each case, advice of counsel to the extent appropriate and management's best estimate of incurred loss as of the balance sheet date.

The following table summarizes the activity related to accrued litigation:

	Nine Months Ended June 30,	
	2020	2019
	(in millions)	
Balance at beginning of period	\$ 1,203	\$ 1,434
Provision for uncovered legal matters	7	37
Provision for covered legal matters	14	165
Reestablishment of prior accrual related to interchange multidistrict litigation	467	—
Payments for legal matters	(535)	(780)
Balance at end of period	\$ 1,156	\$ 856

Accrual Summary—U.S. Covered Litigation

Visa Inc., Visa U.S.A. and Visa International are parties to certain legal proceedings that are covered by the U.S. retrospective responsibility plan, which the Company refers to as the U.S. covered litigation. See further discussion below under *U.S. Covered Litigation* and *Note 5—U.S. and Europe Retrospective Responsibility Plans*. An accrual for the U.S. covered litigation and a charge to the litigation provision are recorded when a loss is deemed to be probable and reasonably estimable. In making this determination, the Company evaluates available information, including but not limited to actions taken by the litigation committee. The total accrual related to the U.S. covered litigation could be either higher or lower than the escrow account balance.

The following table summarizes the accrual activity related to U.S. covered litigation:

	Nine Months Ended June 30,	
	2020	2019
	(in millions)	
Balance at beginning of period	\$ 1,198	\$ 1,428
Reestablishment of prior accrual related to interchange multidistrict litigation	467	—
Payments for U.S. covered litigation	(529)	(600)
Balance at end of period	\$ 1,136	\$ 828

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

In fiscal 2019, the Company paid \$600 million from its litigation escrow account into a settlement fund established pursuant to the Amended Settlement Agreement with the Damages Class plaintiffs in the Interchange Multidistrict Litigation. Under the Amended Settlement Agreement, if class members opt out of the Damages Class, the defendants are entitled to receive takedown payments of up to \$700 million (up to \$467 million for Visa), based on the percentage of payment card sales volume attributable to merchants who have chosen to opt out. On December 13, 2019, the district court entered a final judgment order approving the Amended Settlement Agreement with the Damages Class plaintiffs. A takedown payment of approximately \$467 million was received on December 27, 2019, and deposited into the Company's litigation escrow account. The deposit into the litigation escrow account and reestablishment of a prior accrual to address opt-out claims was recorded during the nine months ended June 30, 2020. See further discussion below under *U.S. Covered Litigation*.

Accrual Summary—VE Territory Covered Litigation

Visa Inc., Visa International and Visa Europe are parties to certain legal proceedings that are covered by the Europe retrospective responsibility plan. Unlike the U.S. retrospective responsibility plan, the Europe retrospective responsibility plan does not have an escrow account that is used to fund settlements or judgments. The Company is entitled to recover VE territory covered losses through periodic adjustments to the conversion rates applicable to the UK&I preferred stock and Europe preferred stock. An accrual for the VE territory covered losses and a reduction to stockholders' equity will be recorded when the loss is deemed to be probable and reasonably estimable. See further discussion below under *VE Territory Covered Litigation* and *Note 5—U.S. and Europe Retrospective Responsibility Plans*.

The following table summarizes the accrual activity related to VE territory covered litigation:

	Nine Months Ended June 30,	
	2020	2019
	(in millions)	
Balance at beginning of period	\$ 5	\$ —
Provision for VE territory covered litigation	14	165
Payments for VE territory covered litigation	(5)	(156)
Balance at end of period	\$ 14	\$ 9

U.S. Covered Litigation
Interchange Multidistrict Litigation (MDL) – Putative Class Actions

On November 20, 2019, the district court denied the bank defendants' motion to dismiss the claims brought against them by the putative Injunctive Relief Class.

On December 13, 2019, the district court granted final approval of the Amended Settlement Agreement relating to claims by the Damages Class, which was subsequently appealed.

On May 29, 2020, a complaint was filed by Old Jericho Enterprise, Inc. against Visa and Mastercard on behalf of a purported class of gasoline retailers operating in 24 states and the District of Columbia. The complaint alleges violations of the antitrust laws of those jurisdictions and seeks recovery for plaintiffs as indirect purchasers. Visa believes Plaintiffs' claims are released by the Amended Settlement Agreement and are, nevertheless, covered by the U.S. Retrospective Responsibility Plan.

On June 1, 2020, Visa, jointly with other defendants, served a motion for summary judgment regarding the claims in the Injunctive Relief Class complaint. The putative Injunctive Relief Class plaintiffs served a motion for partial summary judgment.

Interchange Multidistrict Litigation (MDL) - Individual Merchant Actions

Visa has reached settlements with a number of merchants representing approximately 30% of the Visa-branded payment card sales volume of merchants who opted out of the Amended Settlement Agreement with the Damages Class plaintiffs.

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

On June 1, 2020, Visa, jointly with other defendants, served motions for summary judgment regarding the claims in certain of the individual merchant actions, as well as certain declaratory judgment claims brought by Visa, Mastercard, and some U.S. financial institutions. Plaintiffs in certain of the individual merchant actions served motions for partial summary judgment.

VE Territory Covered Litigation

Europe Merchant Litigation

Since July 2013, in excess of 500 Merchants (the capitalized term “Merchant,” when used in this section, means a merchant together with subsidiary/affiliate companies that are party to the same claim) have commenced proceedings against Visa Europe, Visa Inc. and other Visa subsidiaries in the UK, Germany, Belgium and Poland primarily relating to interchange rates in Europe and in some cases relating to fees charged by Visa and certain Visa rules. As of the filing date, Visa Europe, Visa Inc. and other Visa subsidiaries have settled the claims asserted by over 100 Merchants, leaving more than 400 Merchants with outstanding claims. In addition, over 30 additional Merchants have threatened to commence similar proceedings. Standstill agreements have been entered into with respect to some of those threatened Merchant claims, several of which have been settled.

On June 17, 2020, the Supreme Court of the United Kingdom found that Visa’s UK domestic interchange restricted competition. The case will now continue before the UK Competition Appeals Tribunal to determine the lawful level of interchange and the amount the plaintiff may be entitled to recover.

Other Litigation

Canadian Merchant Litigation

Between August 2019 and January 2020, the Courts of Appeal in British Columbia, Quebec, Ontario and Saskatchewan rejected the appeals filed by Wal-Mart Canada and Home Depot of Canada Inc. In January 2020, Wal-Mart Canada and Home Depot of Canada Inc. filed applications to appeal the decisions of the British Columbia, Quebec and Ontario courts to the Supreme Court of Canada and those applications were denied on March 26, 2020. Wal-Mart Canada and Home Depot of Canada Inc. also filed an application seeking the Supreme Court’s review of the Saskatchewan court’s decision. The application and an appeal to the Alberta Court of Appeal remain pending.

Pulse Network

On June 5, 2020, the U.S. Court of Appeals for the Fifth Circuit set the case for re-argument during the week of August 31, 2020.

Nuts for Candy

On December 31, 2019, plaintiff filed a motion to dismiss and for attorneys’ fees and costs based on the settlement reached between the parties and the grant of final approval of the 2018 Amended Settlement Agreement as discussed above in *Interchange Multidistrict Litigation (MDL) - Putative Class Actions*.

On February 25, 2020, the court granted plaintiff’s motion to dismiss and for attorneys’ fees and costs. The case has been dismissed with prejudice.

Federal Trade Commission Civil Investigative Demand (Formerly Voluntary Access Letter)

On June 9, 2020, the Federal Trade Commission issued a Civil Investigative Demand to Visa requesting additional documents and information.

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

Euronet Litigation

On December 13, 2019, Euronet 360 Finance Limited, Euronet Polska Spolka z.o.o. and Euronet Services spol. s.r.o. (“Euronet”) served a claim in the UK alleging that certain rules affecting ATM access fees in Poland, the Czech Republic and Greece by Visa Inc. and Mastercard Incorporated, and certain of their subsidiaries, breach various competition laws. Euronet seeks damages, costs, and injunctive relief to prevent the defendants from enforcing the aforementioned rules.

European Commission Staged Digital Wallets Investigation

On June 26, 2020, the European Commission (“EC”) informed Visa that it has opened a preliminary investigation into Visa’s rules regarding staged digital wallets and issued a request for information regarding such rules. Visa is cooperating with the EC.

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 the liquidity and capital resources of Visa Inc. and its subsidiaries (“Visa,” “we,” “us,” “our” or the “Company”) on a historical basis and outlines the factors that have affected recent earnings, as well as those factors that may affect future earnings. The following discussion and analysis should be read in conjunction with our unaudited consolidated financial statements and related notes included elsewhere in this report.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, the impact on our future financial position, results of operations and cash flows as a result of the coronavirus (“COVID-19”); our future operations, prospects, developments, strategies and growth of our business; anticipated expansion of our products in certain countries; industry developments; anticipated benefits of our acquisitions; expectations regarding litigation matters, investigations and proceedings; timing and amount of stock repurchases; sufficiency of sources of liquidity and funding; effectiveness of our risk management programs; and expectations regarding the impact of recent accounting pronouncements on our consolidated financial statements. Forward-looking statements generally are identified by words such as “believes,” “estimates,” “expects,” “intends,” “may,” “projects,” “could,” “should,” “will,” “continue” and other similar expressions. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our SEC filings, including our Annual Report on Form 10-K, for the year ended September 30, 2019 and our subsequent reports on Forms 10-Q and 8-K. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

Overview

Visa is a global payments technology company that enables fast, secure and reliable electronic payments across more than 200 countries and territories. We facilitate global commerce through the transfer of value and information among a global network of consumers, merchants, financial institutions, businesses, strategic partners and government entities. Our advanced transaction processing network, VisaNet, enables authorization, clearing and settlement of payment transactions and allows us to provide our financial institution and merchant clients a wide range of products, platforms and value-added services.

Financial overview. Our as-reported U.S. GAAP and non-GAAP net income and diluted earnings per share are as follows:

	Three Months Ended June 30,		2020 vs. 2019	Nine Months Ended June 30,		2020 vs. 2019
	2020	2019	% Change ⁽¹⁾	2020	2019	% Change ⁽¹⁾
(in millions, except percentages and per share data)						
Net income, as reported	\$ 2,373	\$ 3,101	(23) %	\$ 8,729	\$ 9,055	(4) %
Diluted earnings per share, as reported	\$ 1.07	\$ 1.37	(22) %	\$ 3.92	\$ 3.97	(1) %
Non-GAAP net income ⁽²⁾	\$ 2,347	\$ 3,099	(24) %	\$ 8,717	\$ 8,991	(3) %
Non-GAAP diluted earnings per share ⁽²⁾	\$ 1.06	\$ 1.37	(23) %	\$ 3.91	\$ 3.95	(1) %

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

⁽²⁾ For a full reconciliation of our non-GAAP financial results, see tables in *Non-GAAP financial results* below.

Coronavirus. COVID-19 continues to have an impact globally. While we have been actively monitoring the worldwide spread of COVID-19, the extent to which COVID-19 will ultimately impact our business remains difficult to predict. Our priority remains the safety of our employees, clients and the communities in which we live and operate. We are taking a measured approach in bringing our employees back in the office and will continue to have most of our employees work remotely for the rest of 2020. We continue to remain in close and regular contact with our employees, clients, partners and governments globally to help them navigate these challenging times.

Revenues in the third quarter of fiscal 2020 were impacted by declines in volumes and transactions as a result of social distancing, shelter-in-place or total lock-down orders imposed by countries that began in the second quarter of fiscal 2020. In the quarter, we saw spending improve each month as most countries began to relax these restrictions. Cross-border volume however, continued to be heavily impacted by the decline in travel, which only improved moderately through the quarter. While we have taken measures to modify our business practices and reduce operating expenses, including scaling back hiring plans, restricting travel, lowering marketing spend and the use of external resources, the impact that COVID-19 will have on our business remains difficult to predict due to numerous uncertainties, including the transmissibility, severity and duration of the outbreak, the effectiveness of social distancing measures or actions that are voluntarily adopted by the public or required by governments or public health authorities, the development and availability of effective treatments or vaccines, the impact to our employees and our operations, the business of our clients, supplier and business partners and other factors identified in Part II, Item 1A “Risk Factors” in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed with the SEC on May 4, 2020. We will continue to evaluate the nature and extent of the impact to our business.

Highlights for the first nine months of fiscal 2020. Net revenues for the three and nine months ended June 30, 2020 were \$4.8 billion and \$16.7 billion, respectively, and decreased 17% and 1%, respectively, over the prior-year comparable periods, driven by the year-over-year changes in nominal payments volume, nominal cross-border volume and processed transactions, which were impacted by the spread of COVID-19 globally starting in the latter part of March 2020. Exchange rate movements in the three and nine months ended June 30, 2020, as partially mitigated by our hedging program, negatively impacted our net revenues by approximately one half of a percentage point and one percentage point, respectively.

Total operating expenses for the three months ended June 30, 2020 were \$1.8 billion, and decreased 5% over the prior-year comparable period, on both a GAAP and non-GAAP basis, driven by our overall cost reduction strategy. Total operating expenses for the nine months ended June 30, 2020 were \$5.8 billion, on both a GAAP and non-GAAP basis, and increased 4% and 3%, respectively, over the prior-year comparable period, primarily due to higher depreciation and amortization from our ongoing investments and personnel in support of our strategy for future growth.

Non-GAAP financial results. We use non-GAAP financial measures of our performance which exclude certain items which we believe are not representative of our continuing operations and may distort our longer-term operating trends. We consider non-GAAP measures useful to investors because they provide greater transparency into management's view and assessment of our ongoing operating performance. Starting in fiscal 2020, we revised our non-GAAP methodology to exclude the impact of gains and losses on our equity investments, amortization of acquired intangible assets and acquisition-related costs for acquisitions that closed in fiscal 2019 and subsequent periods. Prior year amounts have been restated to conform to our current presentation.

- *Gains and losses on equity investments.* Gains and losses on equity investments include periodic non-cash fair value adjustments and gains and losses upon sale of an investment. These long-term investments are strategic in nature and are primarily private company investments. Gains and losses and the related tax impacts associated with these investments are tied to the performance of the companies that we invest in and therefore do not correlate to the underlying performance of our business. During the three and nine months ended June 30, 2020, we recorded net realized and unrealized gains of \$51 million and \$62 million, respectively, and related tax expense of \$11 million and \$14 million, respectively. For the same prior-year comparable periods, we recorded net realized and unrealized gains of \$9 million and \$89 million, respectively, and related tax expense of \$3 million and \$21 million, respectively.
- *Amortization of acquired intangible assets.* Amortization of acquired intangible assets consists of amortization of intangible assets such as developed technology, customer relationships and brands acquired in connection with business combinations executed beginning in fiscal 2019. Amortization charges for our acquired intangible assets are non-cash and are significantly affected by the timing, frequency and size of our acquisitions, rather than our core operations. As such, we have excluded this amount and the related tax impact to facilitate an evaluation of our current operating performance and comparison to our past operating performance. During the three and nine months ended June 30, 2020, we recorded amortization of acquired intangible assets of \$13 million and \$35 million, respectively, and related tax benefit of \$3 million and \$8 million, respectively. For the same prior-year comparable periods, we recorded amortization of acquired intangible assets of \$2 million.
- *Acquisition-related costs.* Acquisition-related costs consist primarily of one-time transaction and integration costs associated with our business combinations. These costs include professional fees, technology integration fees, restructuring activities and other direct costs related to the purchase and integration of acquired entities. It also includes retention equity and deferred equity compensation when they are agreed upon as part of the purchase price of the transaction but are required to be recognized as expense post-combination. We have excluded these amounts and the related tax impacts as the expenses are recognized for a limited duration and do not reflect the underlying performance of our business. During the three months ended June 30, 2020, we recorded acquisition-related costs of \$4 million. During the nine months ended June 30, 2020, we recorded acquisition-related costs of \$11 million and related tax benefit of \$2 million. For the same prior-year comparable periods, we recorded acquisition-related costs of \$3 million and related tax benefit of \$1 million.

Non-GAAP operating expense, non-operating income (expense), income tax provision, effective income tax rate, net income and diluted earnings per share should not be relied upon as substitutes for, or considered in isolation from, measures calculated in accordance with U.S. GAAP. The following tables reconcile our as-reported financial measures, calculated in accordance with U.S. GAAP, to our respective non-GAAP financial measures for the three and nine months ended June 30, 2020 and 2019.

	Three Months Ended June 30, 2020					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate ⁽¹⁾	Net Income	Diluted Earnings Per Share ⁽¹⁾
	(in millions, except percentages and per share data)					
As reported	\$ 1,838	\$ (67)	\$ 559	19.1 %	\$ 2,373	\$ 1.07
(Gains) Losses on equity investments, net	—	(51)	(11)		(40)	(0.02)
Amortization of acquired intangible assets	(13)	—	3		10	—
Acquisition-related costs	(4)	—	—		4	—
Non-GAAP	<u>\$ 1,821</u>	<u>\$ (118)</u>	<u>\$ 551</u>	19.0 %	<u>\$ 2,347</u>	<u>\$ 1.06</u>

	Nine Months Ended June 30, 2020					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate ⁽¹⁾	Net Income	Diluted Earnings Per Share ⁽¹⁾
	(in millions, except percentages and per share data)					
As reported	\$ 5,806	\$ (204)	\$ 2,006	18.7 %	\$ 8,729	\$ 3.92
(Gains) Losses on equity investments, net	—	(62)	(14)		(48)	(0.02)
Amortization of acquired intangible assets	(35)	—	8		27	0.01
Acquisition-related costs	(11)	—	2		9	—
Non-GAAP	<u>\$ 5,760</u>	<u>\$ (266)</u>	<u>\$ 2,002</u>	18.7 %	<u>\$ 8,717</u>	<u>\$ 3.91</u>

	Three Months Ended June 30, 2019					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate ⁽¹⁾	Net Income	Diluted Earnings Per Share ⁽¹⁾
	(in millions, except percentages and per share data)					
As reported	\$ 1,932	\$ (42)	\$ 765	19.8 %	\$ 3,101	\$ 1.37
(Gains) Losses on equity investments, net	—	(9)	(3)		(6)	—
Amortization of acquired intangible assets	(2)	—	—		2	—
Acquisition-related costs	(3)	—	1		2	—
Non-GAAP	<u>\$ 1,927</u>	<u>\$ (51)</u>	<u>\$ 763</u>	19.8 %	<u>\$ 3,099</u>	<u>\$ 1.37</u>

	Nine Months Ended June 30, 2019					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate ⁽¹⁾	Net Income	Diluted Earnings Per Share ⁽¹⁾
	(in millions, except percentages and per share data)					
As reported	\$ 5,574	\$ (93)	\$ 2,118	19.0 %	\$ 9,055	\$ 3.97
(Gains) Losses on equity investments, net	—	(89)	(21)		(68)	(0.03)
Amortization of acquired intangible assets	(2)	—	—		2	—
Acquisition-related costs	(3)	—	1		2	—
Non-GAAP	<u>\$ 5,569</u>	<u>\$ (182)</u>	<u>\$ 2,098</u>	18.9 %	<u>\$ 8,991</u>	<u>\$ 3.95</u>

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. Effective income tax rate, diluted earnings per share and their respective totals are calculated based on unrounded numbers.

Common stock repurchases. In January 2020, our board of directors authorized a \$9.5 billion share repurchase program (the “January 2020 Program”). During the three months ended June 30, 2020, we repurchased 6 million shares of our class A common stock in the open market for \$1.1 billion. As of June 30, 2020, our January 2020 Program had remaining authorized funds of \$7.0 billion for share repurchase. See *Note 10—Stockholders’ Equity* to our unaudited consolidated financial statements.

Acquisition. On January 13, 2020, we entered into a definitive agreement to acquire Plaid, Inc. for \$5.3 billion. We will pay approximately \$4.9 billion of cash and \$0.4 billion of retention equity and deferred equity consideration. This acquisition is subject to customary closing conditions, including ongoing regulatory reviews and approvals, which are expected to be completed by the end of 2020.

Senior notes. In April 2020, we issued fixed-rate senior notes in an aggregate principal amount of \$4.0 billion, with maturities ranging between 7 and 20 years. See *Note 8—Debt* to our unaudited consolidated financial statements.

Payments volume and transaction counts. Payments volume is the primary driver for our service revenues, and the number of processed transactions is the primary driver for our data processing revenues. Nominal payments volume in the United States posted mid to high single-digit growth for the three and nine months ended March 31, 2020⁽¹⁾, respectively, driven mainly by consumer debit and commercial, partially offset by decreased spending beginning in the latter part of March 2020 as countries imposed social distancing, shelter-in-place or total lock-down orders.

Nominal international payments volume declined as a result of decreased spending related to social distancing, shelter-in-place or total lock-down orders and unfavorable movements in U.S. dollar exchange rates. On a constant-dollar basis, which excludes the impact of exchange rate movements, our international payments volume growth rate for the three and nine months ended March 31, 2020 was 3% and 7%, respectively.

Processed transactions declined 13% for the three months ended June 30, 2020 as a result of social distancing, shelter-in-place or total lock-down orders. Processed transactions grew 1% for the nine months ended June 30, 2020, reflecting the ongoing worldwide shift to electronic payments, partially offset by the impact of social distancing, shelter-in-place or total lock-down orders.

The following table presents nominal payments and cash volume:

	United States			International			Visa Inc.		
	Three Months Ended March 31, ⁽¹⁾			Three Months Ended March 31, ⁽¹⁾			Three Months Ended March 31, ⁽¹⁾		
	2020	2019	% Change ⁽²⁾	2020	2019	% Change ⁽²⁾	2020	2019	% Change ⁽²⁾
(in billions, except percentages)									
Nominal payments volume									
Consumer credit	\$ 371	\$ 358	4 %	\$ 566	\$ 606	(7) %	\$ 937	\$ 964	(3) %
Consumer debit ⁽³⁾	452	420	8 %	490	454	8 %	942	874	8 %
Commercial ⁽⁴⁾	160	153	5 %	91	92	(2) %	251	245	2 %
Total nominal payments volume⁽²⁾	\$ 983	\$ 930	6 %	\$ 1,147	\$ 1,153	(1) %	\$ 2,130	\$ 2,083	2 %
Cash volume	139	141	(1) %	504	537	(6) %	643	678	(5) %
Total nominal volume^{(2),(5)}	\$ 1,123	\$ 1,071	5 %	\$ 1,651	\$ 1,690	(2) %	\$ 2,773	\$ 2,760	0 %

	United States			International			Visa Inc.		
	Nine Months Ended March 31, ⁽¹⁾			Nine Months Ended March 31, ⁽¹⁾			Nine Months Ended March 31, ⁽¹⁾		
	2020	2019	% Change ⁽²⁾	2020	2019	% Change ⁽²⁾	2020	2019	% Change ⁽²⁾
(in billions, except percentages)									
Nominal payments volume									
Consumer credit	\$ 1,200	\$ 1,139	5 %	\$ 1,875	\$ 1,857	1 %	\$ 3,074	\$ 2,996	3 %
Consumer debit ⁽³⁾	1,358	1,249	9 %	1,526	1,392	10 %	2,883	2,641	9 %
Commercial ⁽⁴⁾	502	466	8 %	299	284	5 %	800	749	7 %
Total nominal payments volume⁽²⁾	\$ 3,059	\$ 2,854	7 %	\$ 3,699	\$ 3,533	5 %	\$ 6,758	\$ 6,386	6 %
Cash volume	432	427	1 %	1,645	1,703	(3) %	2,077	2,129	(2) %
Total nominal volume^{(2),(5)}	\$ 3,491	\$ 3,280	6 %	\$ 5,344	\$ 5,236	2 %	\$ 8,835	\$ 8,516	4 %

The following table presents nominal and constant payments and cash volume growth:

	International		Visa Inc.		International		Visa Inc.	
	Three Months Ended March 31, 2020 vs. 2019 ^{(1),(2)}		Three Months Ended March 31, 2020 vs. 2019 ^{(1),(2)}		Nine Months Ended March 31, 2020 vs. 2019 ^{(1),(2)}		Nine Months Ended March 31, 2020 vs. 2019 ^{(1),(2)}	
	Nominal	Constant ⁽⁶⁾	Nominal	Constant ⁽⁶⁾	Nominal	Constant ⁽⁶⁾	Nominal	Constant ⁽⁶⁾
Payments volume growth								
Consumer credit growth	(7) %	(4) %	(3) %	(1) %	1 %	3 %	3 %	4 %
Consumer debit growth ⁽³⁾	8 %	11 %	8 %	9 %	10 %	12 %	9 %	11 %
Commercial growth ⁽⁴⁾	(2) %	2 %	2 %	4 %	5 %	8 %	7 %	8 %
Total payments volume growth⁽²⁾	(1) %	3 %	2 %	4 %	5 %	7 %	6 %	7 %
Cash volume growth	(6) %	(3) %	(5) %	(2) %	(3) %	(1) %	(2) %	(1) %
Total volume growth⁽²⁾	(2) %	1 %	0 %	3 %	2 %	4 %	4 %	5 %

⁽¹⁾ Service revenues in a given quarter are assessed based on nominal payments volume in the prior quarter. Therefore, service revenues reported for the three and nine months ended June 30, 2020 and 2019 were based on nominal payments volume reported by our financial institution clients for the three and nine months ended March 31, 2020 and 2019, respectively.

⁽²⁾ Figures in the table may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers.

⁽³⁾ Includes consumer prepaid volume and Interlink volume.

⁽⁴⁾ Includes large, medium and small business credit and debit, as well as commercial prepaid volume.

⁽⁵⁾ Total nominal volume is the sum of total nominal payments volume and cash volume. Total nominal payments volume is the total monetary value of transactions for goods and services that are purchased on cards and other form factors carrying the Visa, Visa Electron, Interlink and V PAY brands. Cash volume generally consists of cash access transactions, balance access transactions, balance transfers and convenience checks. Total nominal volume is provided by our financial institution clients, subject to review by Visa. On occasion, previously presented volume information may be updated. Prior-period updates, other than the change to the payments volume definition, are not material.

⁽⁶⁾ Growth on a constant-dollar basis excludes the impact of foreign currency fluctuations against the U.S. dollar.

The following table provides the number of transactions involving cards and other form factors carrying the Visa, Visa Electron, Interlink, V PAY and PLUS cards processed on Visa's networks during the periods presented:

	Three Months Ended June 30,			Nine Months Ended June 30,		
	2020	2019	% Change ⁽¹⁾	2020	2019	% Change ⁽¹⁾
	(in millions, except percentages)					
Visa processed transactions	30,676	35,428	(13) %	103,391	101,904	1 %

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. Percentage change is calculated based on unrounded numbers.

Results of Operations

Net Revenues

The following table sets forth our net revenues earned in the U.S. and internationally:

	Three Months Ended June 30,		2020 vs. 2019		Nine Months Ended June 30,		2020 vs. 2019	
	2020	2019	\$ Change	% Change ⁽¹⁾	2020	2019	\$ Change	% Change ⁽¹⁾
(in millions, except percentages)								
U.S.	\$ 2,380	\$ 2,587	\$ (207)	(8) %	\$ 7,747	\$ 7,573	\$ 174	2 %
International	2,457	3,253	(796)	(24) %	8,998	9,267	(269)	(3) %
Net revenues	\$ 4,837	\$ 5,840	\$ (1,003)	(17) %	\$ 16,745	\$ 16,840	\$ (95)	(1) %

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

Net revenues decreased primarily due to the year-over-year changes in payments volume, cross-border volume and processed transactions, which were impacted by COVID-19 starting in the latter part of March 2020.

Our net revenues are impacted by the overall strengthening or weakening of the U.S. dollar as payments volume and related revenues denominated in local currencies are converted to U.S. dollars. Exchange rate movements in the three and nine months ended June 30, 2020, as partially mitigated by our hedging program, negatively impacted our net revenues by approximately one half of a percentage point and one percentage point, respectively.

The following table sets forth the components of our net revenues:

	Three Months Ended June 30,		2020 vs. 2019		Nine Months Ended June 30,		2020 vs. 2019	
	2020	2019	\$ Change	% Change ⁽¹⁾	2020	2019	\$ Change	% Change ⁽¹⁾
(in millions, except percentages)								
Service revenues	\$ 2,409	\$ 2,405	\$ 4	— %	\$ 7,587	\$ 7,164	\$ 423	6 %
Data processing revenues	2,525	2,662	(137)	(5) %	8,100	7,564	536	7 %
International transaction revenues	1,102	1,977	(875)	(44) %	4,953	5,624	(671)	(12) %
Other revenues	314	342	(28)	(8) %	1,071	968	103	11 %
Client incentives	(1,513)	(1,546)	33	(2) %	(4,966)	(4,480)	(486)	11 %
Net revenues	\$ 4,837	\$ 5,840	\$ (1,003)	(17) %	\$ 16,745	\$ 16,840	\$ (95)	(1) %

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

- *Service revenues* were flat in the third quarter of fiscal 2020 as COVID-19 spread globally starting in the latter part of March 2020 with a 2% growth in nominal payments volume during the three-month comparable period. Service revenues grew 6% during the nine-month comparable period, in line with nominal payments volume growth of 6%.
- *Data processing revenues* were impacted by a decline in processed transactions of 13% and growth of 1% during the three-month and nine-month comparable periods, respectively, as a result of the spread of COVID-19 globally starting in the latter part of March 2020. Data processing revenues benefited from value-added services, acquisition-related revenues and favorable business mix. For the nine-month comparable period, data processing revenues also benefited from select pricing modifications effective in 2019.
- *International transaction revenues* driven by nominal cross-border volumes, excluding transactions within Europe, declined 48% and 16% during the three-month and nine-month comparable periods, respectively, as COVID-19 spread globally starting in the latter part of March 2020. For the three-month comparable period, international transaction revenues were also impacted by fluctuations in the volatility of a broad range of currencies and favorable business mix. For the nine-month comparable period, international transaction revenues benefited from select pricing modifications effective in 2019.

- *Other revenues* decreased in the third quarter of fiscal 2020 primarily due to lower marketing services revenues, lower value-added services revenues tied to travel-related card benefits and non-recurring revenues in the prior year three-month comparable period. For the nine-month comparable period, other revenues increased primarily due to consulting and marketing services related fees and other value-added services.
- *Client incentives* decreased during the three-month comparable period in correlation with the decline in payments volumes and revenues. In the nine-month comparable period, client incentives increased mainly due to incentives recognized on long-term customer contracts that were initiated or renewed in the past 12 months partially offset by the recent decline in global payments volume. The amount of client incentives we record in future periods will vary based on changes in performance expectations, actual client performance, amendments to existing contracts or execution of new contracts.

Operating Expenses

The following table sets forth components of our total operating expenses:

	Three Months Ended June 30,		2020 vs. 2019		Nine Months Ended June 30,		2020 vs. 2019	
	2020	2019	\$ Change	% Change ⁽¹⁾	2020	2019	\$ Change	% Change ⁽¹⁾
	(in millions, except percentages)							
Personnel	\$ 941	\$ 872	\$ 69	8 %	\$ 2,863	\$ 2,573	\$ 290	11 %
Marketing	174	282	(108)	(38) %	683	799	(116)	(15) %
Network and processing	172	184	(12)	(7) %	536	528	8	1 %
Professional fees	95	113	(18)	(16) %	304	305	(1)	— %
Depreciation and amortization	197	165	32	19 %	571	484	87	18 %
General and administrative	258	315	(57)	(18) %	840	855	(15)	(2) %
Litigation provision	1	1	—	(40) %	9	30	(21)	(72) %
Total operating expenses	\$ 1,838	\$ 1,932	\$ (94)	(5) %	\$ 5,806	\$ 5,574	\$ 232	4 %

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

- *Personnel expenses* increased primarily due to continued increase in headcount in support of our investment strategy for future growth, offset by lower incentive compensation.
- *Marketing expenses* decreased reflecting our overall cost reduction strategy, the absence of FIFA Women's World Cup in fiscal 2020 and the delay of the Tokyo Olympics to fiscal 2021. The decrease is offset by an increase in client marketing spend during the nine-month comparable period.
- *Professional fees* decreased reflecting our overall cost reduction strategy.
- *Depreciation and amortization expenses* increased primarily due to additional depreciation and amortization from our on-going investments, including acquisitions.
- *General and administrative expenses* decreased primarily due to travel restrictions and our overall cost reduction strategy, offset by acquisition related expenses during the nine-months comparable period.
- *Litigation provision* decreased primarily due to lower accruals for uncovered litigation.

Non-operating Income (Expense)

The following table sets forth the components of our non-operating income (expense):

	Three Months Ended June 30,		2020 vs. 2019		Nine Months Ended June 30,		2020 vs. 2019	
	2020	2019	\$ Change	% Change ⁽¹⁾	2020	2019	\$ Change	% Change ⁽¹⁾
	(in millions, except percentages)							
Interest expense, net	\$ (142)	\$ (128)	\$ (14)	11 %	\$ (371)	\$ (413)	\$ 42	(10) %
Investment income and other	75	86	(11)	(12) %	167	320	(153)	(48) %
Total non-operating income (expense)	\$ (67)	\$ (42)	\$ (25)	59 %	\$ (204)	\$ (93)	\$ (111)	120 %

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

- *Interest expense, net* increased during the three-month comparable period primarily as a result of the issuance of debt in the third quarter of fiscal 2020, offset by derivative instruments that lowered the cost of borrowing on a portion of our outstanding debt. Interest expense, net decreased during the nine-month comparable period primarily due to derivative instruments that lowered the cost of borrowing on a portion of our outstanding debt, offset by the issuance of debt in the third quarter of fiscal 2020.
- *Investment income and other* decreased primarily due to lower gains on our equity investments and lower interest income on our cash and investments.

Effective Income Tax Rate

The effective income tax rates were 19% for the three and nine months ended June 30, 2020, and 20% and 19% for the three and nine months ended June 30, 2019, respectively. The difference in the effective tax rates between the three-month periods was primarily due to the change in geographic mix of income.

On July 22, 2020, UK enacted a legislation that repealed the previous tax rate reduction from 19% to 17% that was effective on April 1, 2020. The repeal of the UK tax rate reduction is not expected to significantly increase our ongoing effective tax rate, however, it will result in a one-time non-cash tax expense in the fourth quarter of fiscal 2020, due to the re-measurement of deferred taxes which are primarily related to intangibles recorded in purchase accounting upon the acquisition of Visa Europe in fiscal 2016.

Liquidity and Capital Resources

Cash Flow Data

The following table summarizes our cash flow activity for the periods presented:

	Nine Months Ended June 30,	
	2020	2019
	(in millions)	
Total cash provided by (used in):		
Operating activities	\$ 8,344	\$ 8,742
Investing activities	2,308	413
Financing activities	(4,723)	(9,401)
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	173	(62)
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	\$ 6,102	\$ (308)

Operating activities. Cash provided by operating activities for the nine months ended June 30, 2020 was lower than the prior-year comparable period due to higher client incentives and timing of settlement. Partially offset by lower cash paid for taxes and the receipt of the \$467 million takedown payment associated with the Interchange Multidistrict Litigation. See *Note 14—Legal Matters* to our unaudited consolidated financial statements.

Investing activities. Cash provided by investing activities for the nine months ended June 30, 2020 increased primarily due to fewer purchases of investment securities as compared to the prior-year period.

Financing activities. Cash used in financing activities for the nine months ended June 30, 2020 was lower than the prior-year comparable period primarily due to proceeds received from the issuance of senior notes and the absence of the deferred purchase consideration payment, made in the prior year. Partially offset by higher share repurchase and higher dividends paid. See *Note 8—Debt* and *Note 10—Stockholders' Equity* to our unaudited consolidated financial statements.

Sources of Liquidity

Our primary sources of liquidity are cash on hand, cash flow from operations, our investment portfolio and access to various equity and borrowing arrangements. Funds from operations are maintained in cash and cash equivalents and short-term or long-term available-for-sale investment securities based upon our funding requirements, access to liquidity from these holdings and the returns that these holdings provide. Based on our current cash flow forecasts of our short-term and long-term liquidity needs, we believe that our current and projected sources of liquidity will be sufficient to meet our projected liquidity needs for more than the next 12 months. Our ability to access cost-effective capital could be impacted by global credit market conditions. We will continue to assess our liquidity position and potential sources of supplemental liquidity in view of our operating performance, current economic and capital market conditions and other relevant circumstances.

Commercial paper program. We maintain a commercial paper program to support our working capital requirements and for other general corporate purposes. During the three months ended June 30, 2020, we repaid \$1.0 billion of commercial paper that was issued during the three months ended March 31, 2020. We had no obligations outstanding under the program at June 30, 2020.

Senior notes. In April 2020, we issued fixed-rate senior notes in an aggregate principal amount of \$4.0 billion, with maturities ranging between 7 and 20 years. See *Note 8—Debt* to our unaudited consolidated financial statements.

Uses of Liquidity

There has been no significant change to our primary uses of liquidity since September 30, 2019, except as discussed below.

Common stock repurchases. During the nine months ended June 30, 2020, we repurchased 37 million shares of our class A common stock for \$6.6 billion. As of June 30, 2020, our January 2020 Program had remaining authorized funds of \$7.0 billion for share repurchase. See *Note 10—Stockholders' Equity* to our unaudited consolidated financial statements.

Dividends. During the nine months ended June 30, 2020, we declared and paid \$2.0 billion in dividends to holders of our common and preferred stock. On July 20, 2020, our board of directors declared a cash dividend in the amount of \$0.30 per share of class A common stock (determined in the case of class B and C common stock and UK&I and Europe preferred stock on an as-converted basis), which will be paid on September 1, 2020, to all holders of record as of August 14, 2020. See *Note 10—Stockholders' Equity* to our unaudited consolidated financial statements. We expect to continue paying quarterly dividends in cash, subject to approval by the board of directors. All three series of preferred stock and class B and C common stock will share ratably on an as-converted basis in such future dividends.

Senior notes. A principal payment of \$3.0 billion is due on December 14, 2020 on our fixed-rate senior notes issued in December 2015, for which we have sufficient liquidity. See *Note 8—Debt* to our unaudited consolidated financial statements.

Acquisition. On January 13, 2020, we entered into a definitive agreement to acquire Plaid, Inc. for \$5.3 billion. We will pay approximately \$4.9 billion of cash and \$0.4 billion of retention equity and deferred equity consideration. This acquisition is subject to customary closing conditions, including ongoing regulatory reviews and approvals, which are expected to be completed by the end of 2020. We intend to fund the acquisition with cash, cash equivalents and investments, as well as through the issuance of new indebtedness.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no significant changes to our market risks since September 30, 2019.

ITEM 4. Controls and Procedures

Disclosure controls and procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) of Visa Inc. at the end of the period covered by this report and, based on such evaluation, have concluded that the disclosure controls and procedures of Visa Inc. were effective at the reasonable assurance level as of such date.

Changes in internal control over financial reporting. There have been no changes in the internal control over financial reporting of Visa Inc. that occurred during the fiscal period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting although most of our staff are now working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 situation on our internal controls to address impacts to their design, implementation and operating effectiveness.

PART II. OTHER INFORMATION**ITEM 1. Legal Proceedings.**

Refer to *Note 14—Legal Matters* to the unaudited consolidated financial statements included in this Form 10-Q for a description of the Company's current material legal proceedings.

ITEM 1A. Risk Factors.

For a discussion of the Company's risk factors, see the information under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended September 30, 2019, filed with the SEC on November 14, 2019 and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed with the SEC on May 4, 2020.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.**ISSUER PURCHASES OF EQUITY SECURITIES**

The table below sets forth our purchases of common stock during the quarter ended June 30, 2020:

Period	Total Number of Shares Purchased	Average Purchase Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^{(1),(2)}	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ^{(1),(2)}
(in millions, except per share data)				
April 1 - 30, 2020	2	\$ 163.62	2	\$ 7,592
May 1 - 31, 2020	1	\$ 187.22	1	\$ 7,479
June 1 - 30, 2020	2	\$ 193.64	2	\$ 7,009
Total	5	\$ 180.47	5	

⁽¹⁾ The figures in the table reflect transactions according to the trade dates. For purposes of our unaudited consolidated financial statements included in this Form 10-Q, the impact of these repurchases is recorded according to settlement dates.

⁽²⁾ Our board of directors from time to time authorizes the repurchase of shares of our common stock up to a certain monetary limit. In January 2020, our board of directors authorized a share repurchase program for \$9.5 billion. This authorization has no expiration date. All share repurchases authorized prior to January 2020 have been completed.

ITEM 3. Defaults Upon Senior Securities.

None.

ITEM 4. Mine Safety Disclosures.

Not applicable.

ITEM 5. Other Information.

None.

ITEM 6. Exhibits.**EXHIBIT INDEX**

Exhibit Number	Description of Documents	Incorporated by Reference			
		Schedule/ Form	File Number	Exhibit	Filing Date
3.3+	Amended and Restated Bylaws of Visa Inc.				
31.1+	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a)/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)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.1+	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
32.2+	Certification of 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.INS+	XBRL Instance Document				
101.SCH+	XBRL Taxonomy Extension Schema Document				
101.CAL+	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF+	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB+	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE+	XBRL Taxonomy Extension Presentation Linkbase Document				

+ Filed or furnished herewith.

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.

VISA INC.

Date: July 30, 2020

By: /s/ Alfred F. Kelly, Jr.
Name: Alfred F. Kelly, Jr.
Title: Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: July 30, 2020

By: /s/ Vasant M. Prabhu
Name: Vasant M. Prabhu
Title: Vice Chairman and Chief Financial Officer
(Principal Financial Officer)

Date: July 30, 2020

By: /s/ James H. Hoffmeister
Name: James H. Hoffmeister
Title: Global Corporate Controller and
Chief Accounting Officer
(Principal Accounting Officer)

Amended and Restated Bylaws
of
Visa Inc.

Article I

Corporate Offices

Section 1.1 Registered Office. The registered office of Visa Inc. (the "Corporation") shall be in the City of Wilmington, County of New Castle, State of Delaware.

The name of the registered agent of the Corporation at such location is The Corporation Trust Company.

Section 1.2 Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the "Board") may from time to time determine or the business of the Corporation may require.

Article II

Meetings of the Stockholders

Section 2.1 Location of Meetings. Meetings of stockholders shall be held at any place within or outside the State of Delaware, designated by the Board. In the absence of any such designation, stockholders' meetings shall be held at the corporate headquarters of the Corporation.

Section 2.2 Notice of Stockholders' Meetings.

(a) Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given, which notice shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise required by law, the notice of any meeting shall be given to each stockholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) calendar days before the date of the meeting.

(b) Notices shall be deemed given (i) if by mail, when deposited in the United States mail, postage prepaid, directed to the stockholder at the stockholder's address as it appears on the record of stockholders of the Corporation; (ii) if by facsimile, when faxed to a number where the stockholder has consented to receive notice; (iii) if by electronic mail, when mailed electronically to an electronic mail address at which the stockholder consented to receive such notice; (iv) if by posting on an electronic network (such as a website or chatroom) together with a separate notice to the stockholder of such specific posting, upon the later to occur of (A) such

posting; or (B) the giving of the separate notice of such posting; or (v) if by any other form of electronic communication, when directed to the stockholder in the manner consented to by the stockholder. For notice given by electronic transmission to a stockholder to be effective, such stockholder must consent to the Corporation's giving notice by that particular form of electronic transmission. A stockholder may revoke consent to receive notice by electronic transmission by written notice to the Corporation. A stockholder's consent to notice by electronic transmission is automatically revoked if the Corporation is unable to deliver two consecutive electronic transmission notices and such inability becomes known to the Secretary or the Assistant Secretary of the Corporation, the transfer agent or other person responsible for giving notice.

Section 2.3 Annual Meetings.

(a) Annual meetings of stockholders shall be held at such date and time as shall be designated from time to time by the Board and stated in the notice of the meeting. At each annual meeting, the stockholders shall elect directors and shall transact only such other business as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (including the nominations of persons for election to the Board and any other business to be considered by the stockholders) must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board; (ii) otherwise brought before the meeting by or at the direction of the Board; or (iii) otherwise properly brought before the meeting by any stockholder of record of the Corporation, who is entitled to vote at the meeting, and complies with this Section 2.3, Section 2.5 and Section 2.6.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a) of this Section 2.3, the stockholder must have given timely notice of such nominations or other business in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action in accordance with Section 2.5 and Section 2.6 hereof. In no event shall (i) the fact that the Board has specified the consideration of nominees for directors in its notice of meeting be sufficient to give notice of any nomination or comply with the notice requirements of these Bylaws relating to stockholder notice with respect to any stockholder nominee, unless such nominee is specifically named in the notice of meeting circulated by the Corporation and, if applicable, the requirements of Section 2.17 have been met; or (ii) an adjournment, rescheduling, recess or postponement of an annual meeting, or the public disclosure thereof, commence a new time period (or extend any time period) for the giving of a stockholder notice.

(c) For purposes of this Section 2.3, Section 2.4, Section 2.5 and Section 2.17, "public disclosure" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service, in a document publicly filed by the Corporation with the Securities and Exchange Commission (the "SEC") pursuant to Sections 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by posting on the Corporation's website, or by other means designed to result in broad public distribution of information.

(d) Notwithstanding anything to the contrary set forth herein, any stockholder seeking to bring any nomination for election as a director or other business before any annual meeting must comply with the requirements of Section 2.5 and Section 2.6 whether or not such stockholder intends to request inclusion of such proposal in any proxy materials to be distributed by the Corporation.

Section 2.4 Special Meetings of Stockholders.

(a) Subject to the rights of the holders of any class or series of preferred stock of the Corporation, special meetings of the stockholders of the Corporation, for any purpose or purposes, may be called only by or at the direction of the Board, the Chairperson of the Board or the Chief Executive Officer of the Corporation. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

(b) Unless otherwise required by law, notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not fewer than ten (10) nor more than sixty (60) calendar days before the date of the meeting, to each stockholder entitled to vote at such meeting.

(c) Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board; or (ii) provided that the Board has specified in its notice of meeting that directors shall be elected at such meeting, by any stockholder of the Corporation who provides a timely stockholder notice to the Secretary of the Corporation that complies with the notice procedures set forth in Section 2.5. In no event shall (i) the fact that the Board has specified the consideration of nominees for directors in its notice of meeting be sufficient to give notice of any nomination or comply with the notice requirements of these Bylaws relating to stockholder notice with respect to any stockholder nominee, unless such nominee is specifically named in the notice of meeting circulated by the Corporation; or (ii) an adjournment, rescheduling, recess or postponement of a special meeting, or the public disclosure thereof, commence a new time period (or extend any time period) for the giving of a stockholder notice as described in Section 2.5 and Section 2.6.

(d) Notwithstanding anything to the contrary set forth herein, any stockholder seeking to bring any nomination for election as a director or other business before any special meeting must comply with the requirements of Section 2.5 and Section 2.6, whether or not such stockholder intends to request inclusion of such proposal in any proxy materials to be distributed by the Corporation.

Section 2.5 Stockholder Notice Requirements.

(a) At any annual or special meeting of the stockholders, (i) nominations for the election of directors and (ii) business to be brought before any such stockholders' meeting may only be made or proposed (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who is a stockholder of record at the time of giving of the notice provided for in this Bylaws, who shall be entitled to vote at such meeting and who complies with the notice procedures set forth in these Bylaws of the Corporation (the "Bylaws").

(b) Any stockholder may nominate one or more persons for election as directors at a stockholders' meeting or propose business to be brought before a stockholders' meeting, or both, pursuant to Section 2.5(a) of these Bylaws, only if the stockholder has given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to

the stockholders' meeting; provided, however, that if less than one hundred (100) days' notice or other prior public disclosure of the date of the meeting is given or made to the stockholders, notice by the stockholder to be timely must be received no later than the close of business on the tenth (10th) day following the earlier of the day on which notice of the date of the meeting was mailed or other public disclosure was made. To be in proper written form a stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the meeting:

(i) a brief description of the business proposed and/or persons nominated, as applicable, and the reasons for proposing such business or making such nomination;

(ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business or making such nomination, and the name and address of the beneficial owner, if any, on whose behalf the proposal is made;

(iii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder of record and by the beneficial owner, if any, on whose behalf the proposal is made;

(iv) with respect to any nomination, (A) a description of all arrangements and understandings (whether or not in writing) between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made, (B) the name, age, business address and residence address of such nominee, (C) the class, series and number of shares of capital stock of the Corporation owned beneficially and of record by such nominee and (D) the written consent of the proposed nominee to being named in the solicitation material and to serving as a director if elected;

(v) a description of any negotiations, transactions or contacts during the past two years between the stockholder or its affiliates and any other person (including the identity of such other person) concerning any take-over bid, tender offer, exchange offer, merger, consolidation, business combination, recapitalization, restructuring, liquidation, dissolution, distribution, stock purchase or other extraordinary transaction involving the Corporation or any of its subsidiaries or the assets or securities of the Corporation or any of its subsidiaries;

(vi) a description of any negotiations, transactions or contacts during the past two years between the stockholder or its affiliates and any other person (including the identity of such other person) concerning any solicitation of proxies or consents from stockholders, any stockholder proposal, the election, removal or appointment of directors or executive officers of the Corporation or any of its subsidiaries or the policies, affairs or strategy of the Corporation or any of its subsidiaries; and

(vii) such other information regarding each nominee or matter of business to be proposed as would be required to be included in solicitations of proxies, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended.

(c) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any stockholders' meeting and no stockholder may nominate any person for

election at any stockholders' meeting except in accordance with the procedures set forth in this Section 2.5. The Chairperson of the meeting shall, if the facts warrant, determine and declare to the meeting that any proposed business and/or any proposed nomination for election as director was not properly brought or made before the meeting or made in accordance with the procedures prescribed by these Bylaws, and if he should so determine, he shall so declare to the meeting and any such proposed business or proposed nomination for election as director not properly brought before the meeting or made shall not be transacted or considered.

(d) The provisions set forth in this Section 2.5 may not be repealed or amended in any respect or in any manner, including by any merger or consolidation of the Corporation with any other corporation, unless the surviving corporation's Certificate of Incorporation or Bylaws contains a provision to the same effect as this Section 2.5, except by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock of the Corporation entitled to vote thereon, subject to the provisions of any series of preferred stock that may at the time be outstanding.

(e) The provisions of this Section 2.5 shall not be applicable to the nomination or election of any Regional Director (as defined in the Certificate of Incorporation) the nomination and election of which shall be determined as provided in Article V of the Certificate of Incorporation.

Section 2.6 Information Regarding Derivative Positions and Other Interests. Any stockholder nominating one or more persons for election as directors or proposing business to be brought before a stockholders' meeting, or both, and any beneficial owner, if any, on whose behalf the nomination or proposal is made, must upon the Corporation's request provide in writing to the Secretary the following information with respect to such stockholder and beneficial owner, if any: any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder or beneficial owner, if any, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation; any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder or beneficial owner, if any, has a right to vote any shares of any security of the Corporation; any short interest in any security of the Corporation (for purposes of this Bylaws a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security); any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or beneficial owner, if any, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; and any performance-related fees (other than an asset-based fee) that such stockholder or beneficial owner, if any, may be entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, including without limitation any such interests held by members of such stockholder's or beneficial owner's, if any, immediate family sharing the same household.

Section 2.7 Compliance with Exchange Act. Notwithstanding anything in these Bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in Section 2.3, Section 2.4, Section 2.5, Section 2.6 and Section 2.17. Nothing in this Section 2.7 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act; or (b) of the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation of the Corporation, in a resolution for the issuance of shares of preferred stock in one or more series and by filing a certificate pursuant to the applicable law of the State of Delaware or by other applicable law.

Section 2.8 Quorum, Adjournment. The holders of a majority in voting power of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by statute or by the Certificate of Incorporation; but if at any meeting of stockholders there shall be less than a quorum present, the chairperson of the meeting or the stockholders present may, to the extent permitted by law, adjourn the meeting from time to time without further notice other than announcement at the meeting of the date, time and place, if any, of the adjourned meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) calendar days, or if, after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. Notwithstanding the foregoing, where a separate vote by a class or series is required, holders of a majority of the outstanding shares of such class or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter.

Section 2.9 Voting Procedures and Proxies. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him or her by proxy in accordance with the provisions of Section 212 of the General Corporation Law of the State of Delaware (the "DGCL"). No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. Unless otherwise provided by the Certificate of Incorporation, each stockholder shall have one vote for each share of stock having voting power, registered in his or her name on the books of the Corporation on the record date set by the Board as provided in Section 2.11 hereof.

Section 2.10 Required Vote. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy and entitled to vote thereon shall decide any question brought before such meeting, unless otherwise provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation or applicable law or regulation. Notwithstanding the foregoing, where a separate vote by class or series is required and a quorum is present, the affirmative vote of a majority of the voting power of the stock of such class or series entitled to vote shall be the act of such class or series, unless otherwise provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation or applicable law or regulation.

Section 2.11 Record Date. In order that the Corporation may determine the stockholders (a) entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof; (b) entitled to receive payment of any dividend or other distribution or allotment of any rights; or (c) entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date (i) in the case of clause (a) above, shall not be more than sixty (60) nor less than ten (10) calendar days before the date of such meeting; and (ii) in the case of clause (b) and (c) above, shall not be more than sixty (60) calendar days prior to such action. If for any reason the Board shall not have fixed a record date for any such purpose, the record date for such purpose shall be determined as provided by law. Only those stockholders of record on the date so fixed or determined shall be entitled to any of the foregoing rights, notwithstanding the transfer of any such stock on the books of the Corporation after any such record date so fixed or determined.

Section 2.12 Stockholder Action by Written Consent. Any action required or permitted to be taken by the holders of Common Stock must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

Section 2.13 List of Stockholders Entitled to Vote. The Corporation shall prepare, at least ten (10) calendar days before every meeting, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least ten (10) calendar days prior to the meeting in the manner provided by law (a) on a reasonably accessible electronic network; provided that the information required to gain access to such list is provided with the notice of meeting; or (b) during regular business hours at the Corporation's principal place of business. The list must also be open to examination at the meeting as required by applicable law. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 2.13 or to vote in person or in proxy at any meeting of stockholders.

Section 2.14 Chairperson of the Meeting. Unless otherwise determined by the Board, one of the following shall act as chairperson of the meeting and preside thereat, in the following order of precedence: (a) the Chairperson of the Board; (b) the Chief Executive Officer; (c) the Lead Director (if any); (d) the President; or (e) any member of the Board or officer of the Corporation present at such meeting designated to act as chairperson of such meeting and preside thereat by the Chief Executive Officer (or if no such designation has been made, by the members of the Board present at such meeting).

Section 2.15 Secretary of the Meeting. Unless otherwise determined by the Board, at each meeting of the stockholders, the Secretary of the Corporation or his or her designee shall act as secretary of the meeting and keep the minutes thereof. In the absence of the Secretary or an Assistant Secretary, the chairperson of the meeting shall appoint a person to act as secretary of the meeting and keep the minutes thereof.

Section 2.16 Inspectors of Elections.

(a) Preceding any meeting of the stockholders, the Corporation shall appoint one or more persons to act as inspectors at the meeting or its adjournment and make a written report thereof. The Corporation may designate one or more alternate inspectors to replace any inspector who fails to act. In the event no inspector or alternate inspector is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by applicable law, inspectors may be officers, employees or agents of the Corporation. Inspectors need not be stockholders. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

(b) In addition to the duties prescribed by applicable law, the inspectors shall (i) ascertain the number of shares outstanding and the voting power of each; (ii) determine the shares represented at a meeting and the validity of proxies and ballots; (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and (v) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of inspector.

(c) In determining the validity and counting of proxies and ballots, each inspector shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in accordance with Section 211(e) or Section 212(c)(2) of the DGCL, any information provided pursuant to Section 211(a)(2) of the DGCL, ballots, and the regular books and records of the Corporation, except that each inspector may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers or their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If any inspector considers other reliable information for the limited purpose permitted by this paragraph, such inspector, at the time of the making of his or her certification referred to in paragraph (b) of this Section 2.16, shall specify the precise information considered, including the person or persons from whom the information was obtained, when this information was obtained, the means by which the information was obtained, and the basis for such inspector's belief that such information is accurate and reliable.

(d) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairperson of the meeting. The Board may adopt by resolution such rules and regulations for the conduct of meetings of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairperson of any meeting of stockholders shall have the right and authority to convene and to recess, adjourn and/or reschedule the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include, without limitation, the following (1) the establishment of an agenda or order of business for the meeting; (2) rules and procedures for maintaining order at the meeting and the safety of those present; (3) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall

determine; (4) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (5) limitations on the time allotted to questions or comments by participants.

Section 2.17 Proxy Access for Director Nominations.

(a) Subject to the terms and conditions of these Bylaws, in connection with an annual meeting of stockholders, the Corporation will include in its proxy statement and on its form of proxy, in addition to the persons nominated for election by the Board or any committee thereof, the name of an eligible nominee for election to the Board submitted pursuant to this Section 2.17 (a “Stockholder Nominee”) by an Eligible Stockholder (as defined below), and will include in its proxy statement the Required Information (as defined below), if (i) the Stockholder Nominee satisfies the eligibility requirements in this Section 2.17; (ii) the Stockholder Nominee is identified in a timely notice (the “Stockholder Notice”) that satisfies this Section 2.17 and is delivered by a stockholder that qualifies as, or is acting on behalf of, an Eligible Stockholder (as defined below); (iii) the Eligible Stockholder expressly elects at the time of the delivery of the Stockholder Notice to have the Stockholder Nominee included in the Corporation’s proxy materials pursuant to this Section 2.17; and (iv) the additional requirements of these Bylaws, including for the avoidance of doubt, Section 2.6, are met. Any nomination made in accordance with this Section 2.17 that results in a Stockholder Nominee being included in the Corporation’s proxy materials in accordance with the terms of this Section 2.17 shall be deemed made in accordance with Section 2.3(a), Section 2.3(d) and Section 2.5(a) of these Bylaws.

(b) To qualify as an “Eligible Stockholder,” a stockholder or an eligible group as described in this Section 2.17(b) must (i) Own and have Owned (as defined below), continuously for at least three years as of the date of the Stockholder Notice, a number of shares that represents at least three percent (3%) of the outstanding shares of Common Stock of the Corporation entitled to vote in the election of directors as of the date of the Stockholder Notice (the “Required Shares”); and (ii) thereafter continue to Own the Required Shares through such annual meeting of stockholders. For purposes of satisfying the percentage (but not the holding period) ownership requirements of this Section 2.17(b), a group of no more than twenty (20) stockholders and/or beneficial owners may aggregate the number of shares of Common Stock of the Corporation that are entitled to vote in the election of directors that each group member has individually Owned continuously for at least three years as of the date of the Stockholder Notice. No stockholder or beneficial owner, alone or together with any of its affiliates, may individually or as a group qualify as more than one Eligible Stockholder under this Section 2.17, and, for the avoidance of doubt, no shares may be attributed to more than one group constituting an Eligible Stockholder. A group of any two or more (A) funds that are under common management and investment control; or (B) a group of two or more collective investment funds that are under common management and investment control or otherwise within the same fund family and funded by a single employer shall be treated as one stockholder or beneficial owner for purposes of assessing whether more than twenty (20) stockholders and/or beneficial owners have sought to qualify as a group. Whenever an Eligible Stockholder consists of a group of stockholders and/or beneficial owners, any and all requirements and obligations for an Eligible Stockholder set forth in this Section 2.17 must be satisfied by and as to each such stockholder or beneficial owner, except that shares may be aggregated as specified in this Section 2.17(b) and except as otherwise provided in this Section 2.17. The term “affiliate” or “affiliates,” as used in Section 2.5(b) and this Section 2.17, shall have the meanings ascribed thereto under the rules and regulations promulgated under the Exchange Act.

(c) For purposes of this Section 2.17:

(i) A stockholder or beneficial owner shall be deemed to “Own” only those outstanding shares of Common Stock of the Corporation entitled to vote in the election of directors as to which such person possesses both (A) the full voting and investment rights pertaining to the shares; and (B) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (A) and (B) shall not include any shares (1) sold by such person or any of its affiliates in any transaction that has not been settled or closed, including any short sale; (2) borrowed by such person or any of its affiliates for any purposes or purchased by such person or any of its affiliates pursuant to an agreement to resell; or (3) subject to any Derivative Instrument entered into by such person or any of its affiliates, whether any such Derivative Instrument is to be settled with shares or with cash based on the notional amount or value of outstanding shares of Common Stock of the Corporation entitled to vote in the election directors, in any such case which Derivative Instrument has, or is intended to have, or if exercised would have, the purpose or effect of (x) reducing in any manner, to any extent or at any time in the future, such person’s or its affiliates’ full right to vote or direct the voting of any such shares; and/or (y) hedging, offsetting or altering to any degree any gain or loss arising from the full economic ownership of such shares by such person or its affiliate. The terms “Owned,” “Owning” and other variations of the word “Own,” when used with respect to a stockholder or beneficial owner, shall have correlative meanings.

(ii) A stockholder or beneficial owner shall “Own” shares held in the name of a nominee or other intermediary so long as the person retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. The person’s Ownership of shares shall be deemed to continue during any period in which the person has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the person.

(iii) A stockholder’s or beneficial owner’s Ownership of shares shall be deemed to continue during any period in which the person has loaned such shares, provided that (A) the person both has the power to recall such loaned shares on three business days’ notice and recalls the loaned shares within three business days of being notified that its Stockholder Nominee will be included in the Corporation’s proxy materials for the relevant annual meeting; and (B) the person holds the recalled shares through the annual meeting.

(d) For purposes of this Section 2.17, the “Required Information” that the Corporation will include in its proxy statement is:

(i) the information set forth in the Schedule 14N provided with the Stockholder Notice concerning each Stockholder Nominee and the Eligible Stockholder that is required to be disclosed in the Corporation’s proxy statement by the applicable requirements of the Exchange Act and the rules and regulations thereunder; and

(ii) if the Eligible Stockholder so elects, a written statement of the Eligible Stockholder (or, in the case of a group, a written statement of the group), not to exceed

five hundred (500) words, in support of each Stockholder Nominee, which must be provided at the same time as the Stockholder Notice for inclusion in the Corporation's proxy statement for the annual meeting (the "Statement").

Notwithstanding anything to the contrary contained in this Section 2.17, the Corporation may omit from its proxy materials any information or Statement that it, in good faith, believes is untrue in any material respect (or omits a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading) or would violate any applicable law, rule, regulation or listing standard. Nothing in this Section 2.17 shall limit the Corporation's ability to solicit against and include in its proxy materials its own statements or other information relating to any Eligible Stockholder or Stockholder Nominee, including any information provided to the Corporation with respect to the foregoing.

(e) The Stockholder Notice shall set forth all information, representations and agreements required under Section 2.5(b) and Section 2.6 above (and for such purposes, references in Section 2.5(b) and Section 2.6 to the "beneficial owner" on whose behalf the nomination is made, shall be deemed to refer to "Eligible Stockholder"), and in addition such Stockholder Notice shall include:

(i) a copy of the Schedule 14N that has been or concurrently is filed with the SEC under the Exchange Act;

(ii) a statement of the Eligible Stockholder (and in the case of a group, the written agreement of each stockholder or beneficial owner whose shares are aggregated for purposes of constituting an Eligible Stockholder), which statement(s) shall also be included in the Schedule 14N filed with the SEC (A) setting forth and certifying to the number of shares of Common Stock of the Corporation entitled to vote in the election directors the Eligible Stockholder Owns and has Owned (as defined in Section 2.17(c) above) continuously for at least three years as of the date of the Stockholder Notice; (B) agreeing to continue to Own such shares through the annual meeting; and (C) regarding whether it intends to maintain Ownership of the Required Shares for at least one year following the annual meeting,

(iii) the written agreement of the Eligible Stockholder (and in the case of a group, the written agreement of each stockholder or beneficial owner whose shares are aggregated for purposes of constituting an Eligible Stockholder) addressed to the Corporation, setting forth the following additional agreements, representations and warranties:

(A) it will provide (1) the information required under Section 2.5(b) and Section 2.6 above, through and as of the business day immediately preceding the annual meeting; (2) notification in writing verifying the Eligible Stockholder's continuous Ownership of the Required Shares, through and as of the business day immediately preceding the annual meeting; and (3) immediate notice to the Corporation if the Eligible Stockholder ceases to own any of the Required Shares prior to the annual meeting of stockholders;

(B) it (1) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the Corporation,

and does not presently have any such intent; (2) has not nominated and will not nominate for election to the Board at the annual meeting any person other than the Stockholder Nominee(s) being nominated pursuant to this Section 2.17; (3) has not engaged and will not engage in, and has not been and will not be a participant (as defined in Item 4 of Exchange Act Schedule 14A) in, a solicitation within the meaning of Exchange Act Rule 14a-1(l), in support of the election of any individual as a director at the annual meeting other than its Stockholder Nominee or a nominee of the Board; and (4) will not distribute to any stockholder any form of proxy for the annual meeting other than the form distributed by the Corporation; and

(C) it will (1) assume all liability stemming from any legal or regulatory violation arising out of the Eligible Stockholder's communications with the stockholders of the Corporation or out of the information that the Eligible Stockholder provided to the Corporation; (2) indemnify and hold harmless the Corporation and each of its directors, officers and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of any nomination submitted by the Eligible Stockholder pursuant to this Section 2.17; (3) comply with all laws, rules, regulations and listing standards applicable to any solicitation in connection with the annual meeting; (4) file all materials described below in Section 2.17(g)(iii) with the SEC, regardless of whether any such filing is required under Exchange Act Regulation 14A, or whether any exemption from filing is available for such materials under Exchange Act Regulation 14A; and (5) upon request, provide to the Corporation within five business days after such request, but in any event prior to the day of the annual meeting, such additional information as reasonably requested by the Corporation; and

(iv) in the case of a nomination by a group, the designation by all group members of one group member that is authorized to act on behalf of all members of the nominating stockholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination.

(f) To be timely under this Section 2.17, the Stockholder Notice must be delivered by a stockholder to the Secretary of the Corporation and must be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the one hundred twentieth (120th) day nor earlier than the close of business on the one hundred fiftieth (150th) day prior to the first anniversary of the date (as stated in the Corporation's proxy materials) the definitive proxy statement was first sent to stockholders in connection with the preceding year's annual meeting of stockholders; provided, however, that in the event the annual meeting is more than thirty (30) days before or after such anniversary date, or if no annual meeting was held in the preceding year, to be timely, the Stockholder Notice must be delivered to or mailed and received at the principal executive offices of the Corporation not earlier than the close of business on the one hundred fiftieth (150th) day prior to such annual meeting and not later than the close of business on the later of the one hundred twentieth (120th) day prior to such annual meeting or the tenth (10th) day following the day on which public disclosure (as defined in Section 2.3(c) above) of the date of such meeting is first made by the Corporation. In no event shall an adjournment, rescheduling, recess or postponement of

an annual meeting, or the public disclosure thereof, commence a new time period (or extend any time period) for the giving of the Stockholder Notice as described above.

(g) An Eligible Stockholder must:

(i) within five business days after the date of the Stockholder Notice, provide to the Corporation one or more written statements from the record holder(s) of the Required Shares and from each intermediary through which the Required Shares are or have been held, in each case during the requisite three-year holding period, specifying the number of shares that the Eligible Stockholder Owns, and has Owned continuously in compliance with this Section 2.17;

(ii) include in the Schedule 14N filed with the SEC a statement by the Eligible Stockholder (and in the case of a group, by each stockholder or beneficial owner whose shares are aggregated for purposes of constituting an Eligible Stockholder) certifying (A) the number of shares of Common Stock of the Corporation entitled to vote in the election of directors that it Owns and has Owned continuously for at least three years as of the date of the Stockholder Notice; and (B) that it Owns and has Owned such shares within the meaning of Section 2.17(c);

(iii) file with the SEC any solicitation or other communication by or on behalf of the Eligible Stockholder relating to the Corporation's annual meeting of stockholders, one or more of the Corporation's directors or director nominees or any Stockholder Nominee, regardless of whether any such filing is required under Exchange Act Regulation 14A or whether any exemption from filing is available for such solicitation or other communication under Exchange Act Regulation 14A; and

(iv) in the case of any group, within five business days after the date of the Stockholder Notice, provide to the Corporation documentation reasonably satisfactory to the Corporation demonstrating that the number of stockholders and/or beneficial owners within such group does not exceed twenty (20), including whether a group of funds qualifies as one stockholder or beneficial owner within the meaning of Section 2.17(b).

The information provided pursuant to this Section 2.17(g) shall be deemed part of the Stockholder Notice for purposes of this Section 2.17.

(h) Within the time period for delivery of the Stockholder Notice, a written representation and agreement of each Stockholder Nominee shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation, which shall be signed by each Stockholder Nominee and shall represent and agree that such Stockholder Nominee:

(i) consents to being named in the Corporation's proxy statement and form of proxy as a nominee and to serving as a director if elected;

(ii) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such Stockholder Nominee, if elected as a director, will act or vote on any issue or question or that could limit or interfere with such Stockholder Nominee's ability to comply, if elected as a director of the Corporation, with such Stockholder

Nominee's fiduciary duties under applicable law, in each case that has not been disclosed to the Corporation;

(iii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation; and

(iv) if elected as a director, will comply with all of the Corporation's corporate governance, conflict of interest, confidentiality, and stock ownership and trading policies and guidelines, these Bylaws and any other Corporation policies and guidelines applicable to directors.

At the request of the Corporation, the Stockholder Nominee must promptly, but in any event within five business days after such request, submit all completed and signed questionnaires required of the Corporation's directors and provide to the Corporation such other information as it may reasonably request. The Corporation may also request such additional information as necessary to permit the Board to determine if each Stockholder Nominee satisfies the requirements of this Section 2.17 or is independent under the listing standards of the principal U.S. exchange upon which the Common Stock of the Corporation is listed, any applicable rules of the SEC and any publicly disclosed standards used by the Board in determining and disclosing the independence of the Corporation's directors.

(i) In the event that any information or communications provided by the Eligible Stockholder or any Stockholder Nominees to the Corporation or its stockholders is not, when provided, or thereafter ceases to be, true, correct and complete in all material respects (including omitting a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading), such Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the Secretary and provide the information that is required to make such information or communication true, correct, complete and not misleading; it being understood that providing any such notification shall not be deemed to cure any defect or limit the Corporation's right to omit a Stockholder Nominee from its proxy materials as provided in this Section 2.17.

(j) Notwithstanding anything to the contrary contained in this Section 2.17, the Corporation may omit from its proxy materials any Stockholder Nominee, and such nomination shall be disregarded and no vote on such Stockholder Nominee will occur, notwithstanding that proxies in respect of such vote may have been received by the Corporation, if:

(i) the Eligible Stockholder or Stockholder Nominee breaches any of its respective agreements, representations or warranties set forth in the Stockholder Notice (or otherwise submitted pursuant to this Section 2.17), any of the information in the Stockholder Notice (or otherwise submitted pursuant to this Section 2.17) was not, when provided, true, correct and complete, or the requirements of this Section 2.17 have otherwise not been met;

(ii) the Stockholder Nominee (A) is not independent under any applicable listing standards, any applicable rules of the SEC and any publicly disclosed standards used by the Board in determining and disclosing the independence of the Corporation's

directors; (B) is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended; (C) is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in a criminal proceeding (excluding traffic violations and other minor offenses) within the past ten years; or (D) is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended;

(iii) the Corporation has received a notice (whether or not subsequently withdrawn) that a stockholder intends to nominate any candidate for election to the Board pursuant to the advance notice requirements for stockholder nominees for director in Section 2.3 and Section 2.5; or

(iv) the election of the Stockholder Nominee to the Board would cause the Corporation to violate the Certificate of Incorporation of the Corporation, these Bylaws or any applicable law, rule, regulation or listing standard.

(k) The maximum number of Stockholder Nominees submitted by all Eligible Stockholders that may be included in the Corporation's proxy materials pursuant to this Section 2.17, shall not exceed twenty percent (20%) of the number of directors in office as of the last day on which a Stockholder Notice may be delivered pursuant to this Section 2.17 with respect to the annual meeting, or if such amount is not a whole number, the closest whole number (rounding down) below twenty percent (20%) (such resulting number, the "Permitted Number"); provided that the Permitted Number shall be reduced by (i) any Stockholder Nominee whose name was submitted for inclusion in the Corporation's proxy materials pursuant to this Section 2.17 but who the Board decides to nominate as a Board nominee; (ii) any directors in office or director candidates that in either case will be included in the Corporation's proxy materials with respect to such an annual meeting as an unopposed (by the Corporation) nominee pursuant to an agreement, arrangement or other understanding between the Corporation and a stockholder or group of stockholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of stock, by such stockholder or group of stockholders, from the Corporation); and (iii) any nominees who were previously elected to the Board as Stockholder Nominees at any of the preceding two annual meetings and who are nominated for election at such annual meeting by the Board as a Board nominee. In the event that one or more vacancies for any reason occurs after the date of the Stockholder Notice but before the annual meeting and the Board resolves to reduce the size of the Board in connection therewith, the Permitted Number shall be calculated based on the number of directors in office as so reduced. In the event that the number of Stockholder Nominees submitted by Eligible Stockholders pursuant to this Section 2.17 exceeds the Permitted Number, the Corporation shall determine which Stockholder Nominees shall be included in the Corporation's proxy materials in accordance with the following provisions: each Eligible Stockholder will select one Stockholder Nominee for inclusion in the Corporation's proxy materials until the Permitted Number is reached, going in order of the amount (largest to smallest) of shares of the Corporation each Eligible Stockholder disclosed as Owned in its respective Stockholder Notice submitted to the Corporation. If the Permitted Number is not reached after each Eligible Stockholder has selected one Stockholder Nominee, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached. Following such determination, if any Stockholder Nominee who satisfies the eligibility requirements in this Section 2.17 thereafter is nominated by the Board, thereafter is not included

in the Corporation's proxy materials or thereafter is not submitted for director election for any reason (including the Eligible Stockholder's or Stockholder Nominee's failure to comply with this Section 2.17), no other nominee or nominees shall be included in the Corporation's proxy materials or otherwise submitted for director election in substitution thereof.

(l) Any Stockholder Nominee who is included in the Corporation's proxy materials for a particular annual meeting of stockholders but either (i) withdraws from or becomes ineligible or unavailable for election at the annual meeting for any reason, including for the failure to comply with any provision of these Bylaws (provided that in no event shall any such withdrawal, ineligibility or unavailability commence a new time period (or extend any time period) for the giving of a Stockholder Notice); or (ii) does not receive a number of votes cast in favor of his or her election at least equal to twenty-five percent (25%) of the shares present in person or represented by proxy and entitled to vote in the election of directors, will be ineligible to be a Stockholder Nominee pursuant to this Section 2.17 for the next two annual meetings.

(m) The Board (and any other person or body authorized by the Board) shall have the power and authority to interpret this Section 2.17 and to make any and all determinations necessary or advisable to apply this Section 2.17 to any persons, facts or circumstances, including the power to determine (i) whether one or more stockholders or beneficial owners qualifies as an Eligible Stockholder; (ii) whether a Stockholder Notice complies with this Section 2.17; (iii) whether a Stockholder Nominee satisfies the qualifications and requirements in this Section 2.17; and (iv) whether any and all requirements of this Section 2.17 have been satisfied. Any such interpretation or determination adopted in good faith by the Board (or any other person or body authorized by the Board) shall be binding on all persons, including the Corporation and its stockholders (including any beneficial owners). Notwithstanding the foregoing provisions of this Section 2.17, unless otherwise required by law or otherwise determined by the chairperson of the meeting or the Board, if the stockholder (or a qualified representative of the stockholder as defined in Section 2.5(a)) does not appear at the annual meeting of stockholders of the Corporation to present its Stockholder Nominee or Stockholder Nominees, such nomination or nominations shall be disregarded, notwithstanding that proxies in respect of the election of the Stockholder Nominee or Stockholder Nominees may have been received by the Corporation. For purposes of this Section 2.17(m), a "qualified representative" of a stockholder shall mean a person who is a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission in writing) delivered to the Corporation prior to the making of a nomination at a meeting by such stockholder stating that such person is authorized to act for such stockholder as proxy at the meeting of stockholders. This Section 2.17 shall be the exclusive method for stockholders to include nominees for director election in the Corporation's proxy materials.

Article III

Directors

Section 3.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of its Board. In addition to the powers and authorities expressly conferred upon it by these Bylaws, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

Section 3.2 Number. The number of Directors comprising the full Board shall, subject to applicable provisions of the Certificate of Incorporation, be determined exclusively by the Board from time to time by resolution adopted by the Board.

Section 3.3 Election. Except as hereinafter provided with respect to Contested Elections and except as hereinafter provided for the filling of vacancies and newly created directorships, each nominee shall be elected by a vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present. At any Contested Election, the directors shall be elected by the vote of a plurality of the votes cast by the holders of shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. For purposes of this Section, a majority of the votes cast means that the number of shares voted "for" a director must exceed the number of votes cast against that director. For purposes of these Bylaws, an election shall be deemed a "Contested Election" if the Secretary of the Corporation has received one or more notices that a stockholder or stockholders intend to nominate a person or persons for election to the Board, which notice(s) purport to be in compliance with Section 2.5 and, if applicable, Section 2.17 of these Bylaws and less than all such nominations have been withdrawn by the proposing stockholder(s) on or prior to the fourteenth (14th) day preceding the date the Corporation first sent its notice of meeting for such meeting to its stockholders (regardless of whether all such nominations are subsequently withdrawn and regardless of whether the Board determines that any such notice is not in compliance with Section 2.5 and, if applicable, Section 2.17 of these Bylaws.)

Section 3.4 Vacancies. Subject to the Certificate of Incorporation and these Bylaws, unless otherwise required by law, any newly created directorship on the Board that results from an increase in the number of directors and any vacancy occurring in the Board shall be filled only by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director; and the directors so chosen shall hold office for a term as set forth in the Certificate of Incorporation.

Section 3.5 Committees.

(a) The Board may designate one or more committees, each committee to consist of one or more directors of the Corporation. The Board may designate one or more directors of the Corporation as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(b) In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he/she or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

(c) Any such committee, to the extent permitted by law and provided in the resolution of the Board or in these Bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; provided, however, that no such committee shall have the power and authority (i) to approve or adopt, or recommend to the stockholders, any action or matter (other than with respect to the power and authority to recommend the election or removal of directors) expressly required by the DGCL to be

submitted to stockholders for approval; or (ii) to adopt, amend or repeal any Bylaws of the Corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board.

(d) Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 3.6 Reliance on Records. A member of the Board, or a member of any committee designated by the Board, shall, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, including, but not limited to, such records, information, opinions, reports or statements as to the value and amount of assets, liabilities and/or net profits of the Corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid, or with which the Corporation's capital stock might properly be purchased or redeemed.

Section 3.7 Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be reimbursed for their expenses, if any, of attendance at each meeting of the Board or each meeting of a committee of the Board, and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 3.8 Chairperson of the Board. The Board shall select a Chairperson of the Board who shall be subject to the control of the Board and shall preside at meetings of the Board. The Chairperson of the Board shall have and perform such other duties, and exercise such powers, as from time to time may be assigned to him or her by the Board or these Bylaws.

Article IV

Meetings of the Board of Directors

Section 4.1 General. The Board may hold meetings, both regular and special, either within or without the State of Delaware. Meetings of the Board shall be presided over by the Chairperson of the Board and in such Chairperson's absence, by the Lead Director, if any, and in the Lead Director's absence, another director chosen at the meeting. The Secretary shall act as secretary of the meeting, but in the absence of such Secretary or an Assistant Secretary, the chairperson of the meeting may appoint another person to act as secretary of the meeting.

Section 4.2 Regular Meetings. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board.

Section 4.3 Special Meetings. Special meetings of the Board for any purpose or purposes may be called by the Chairperson of the Board or the Chief Executive Officer or the President on twenty-four (24) hours' notice to each director either personally, by telephone, or by electronic mail or other form of electronic transmission; special meetings shall be called by the Chief Executive Officer or the President or Secretary in like manner and on like notice on the written request of a majority of the Board.

Section 4.4 Waiver of Notice. Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or a waiver thereof by electronic transmission by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board, or of any committee thereof, need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

Section 4.5 Quorum and Voting. At all meetings of the Board, a majority of the total number of directors then in office shall constitute a quorum for the transaction of business, but shall be no less than one-third (1/3) of the total authorized number of directors, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise provided by law, or by the Certificate of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of the Board, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 4.6 Board Action by Written Consent without a Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.7 Telephonic Meetings. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board, or any committee thereof, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 4.8 Emergency Bylaws. In the event of any emergency, disaster or catastrophe, as referred to in Section 110 of the Delaware General Corporation Law, or other similar emergency condition, including an epidemic that has been recognized as an emergency by the federal government (the "Emergency"), as a result of which a quorum of the Board or a standing committee thereof cannot readily be convened for action, then during such Emergency:

(a) Notice. A meeting of the Board or a committee thereof may be called by any director or officer by such means as may be feasible at the time, and notice of any such meeting of the Board or any committee may be given only to such directors as it may be feasible to reach at the time and by such means as may be feasible at the time.

(b) Quorum. The director or directors in attendance at the meeting shall constitute a quorum. Such director or directors in attendance may further take action to appoint one or more of themselves or other directors to membership on any standing or temporary committees of the Board as they shall deem necessary and appropriate.

(c) Liability. No officer, director or employee acting in accordance with this section shall be liable except for wilful misconduct.

Article V

Officers

Section 5.1 Officers. The officers of the Corporation shall include a Chief Executive Officer, a Treasurer and a Secretary, and may include a President, a Chief Operating Officer, a Chief Financial Officer and such other officers appointed from time to time by the Board or the Chief Executive Officer or President in accordance with Section 5.2. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide. Such officers shall be elected or appointed from time to time as provided in Section 5.2 of these Bylaws, to hold office until their respective successors shall have been duly elected and qualified, or until their earlier death, disqualification, resignation or removal.

Section 5.2 Other Officers. The Board may from time to time elect or appoint, or (subject to Section 5.1) empower the Chief Executive Officer or the President to appoint, such officers and agents as may be necessary or desirable for the conduct of the business of the Corporation. In addition to any duties specified in these Bylaws, such officers and agents shall have such duties and shall hold their offices for such terms as shall be prescribed by the Board or the appointing officer in connection with their appointment.

Section 5.3 Removal and Resignation of Officers; Filling Vacancies.

(a) Any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board at any regular or special meeting of the Board or by the Chief Executive Officer or any superior officer upon whom such power of removal may be conferred by the Board or the Chief Executive Officer.

(b) Any officer may resign at any time by giving notice in writing or by electronic transmission to the Corporation. Any resignation shall take effect on the date of delivery of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 5.4 Vacancies in Offices. Any vacancy occurring in any office of the Corporation shall be filled by the Board or, except in the case of an officer chosen by the Board, the Chief Executive Officer or the President of the Corporation.

Section 5.5 Compensation. The compensation of all officers of the Corporation shall be fixed by the Board or any committee established by the Board for such purpose. The compensation of agents of the Corporation shall, unless fixed by the Board, be fixed by the Chief Executive Officer or his or her delegate.

Section 5.6 Security. The Board may require any officer, agent or employee of the Corporation to provide security for the faithful performance of such officer's, agent's or employee's duties, in such amount and of such character as may be determined from time to time by the Board.

Section 5.7 Chief Executive Officer. The Board shall select a Chief Executive Officer of the Corporation who shall be subject to the supervision of the Board. The Chief Executive Officer shall (a) be primarily responsible for the entire business and affairs of the Corporation and for implementing the policies and directives of the Board; (b) preside at all meetings of the Board during the absence or disability of the Chairperson of the Board, except as provided in Section 3.8 of these Bylaws; (c) have authority to make contracts on behalf of the Corporation in the ordinary course of the Corporation's business; and (d) perform such other duties as from time to time may be assigned to him or her by the Board.

Section 5.8 President. The President shall (a) be primarily responsible for the general management of the business of the Corporation and for implementing the policies and directives of the Board during the absence or disability of the Chief Executive Officer; (b) have authority to make contracts on behalf of the Corporation in the ordinary course of the Corporation's business; and (c) perform such other duties as from time to time may be assigned by the Chief Executive Officer or the Board.

Section 5.9 Chief Operating Officer. The Chief Operating Officer shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board, the Chief Executive Officer or the President. In addition, subject to the powers and authority of the Board or any duly authorized committee thereof, the Chief Operating Officer shall perform such duties and have such powers as are incident to the office of chief operating officer, including without limitation, the duty and power to execute strategies developed by the management of the Corporation on a day-to-day basis, to set forth the Corporation's objectives and long term goals and to work with the Chief Executive Officer and management to advance the Corporation in its industry.

Section 5.10 Secretary. The Secretary or his or her designee shall attend all meetings of the Board and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board and shall cause such records to be kept in a book kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board. He or she shall have custody of the corporate seal of the Corporation and he or she, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his/her signature or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the

seal of the Corporation and to attest the affixing by his/her signature. The Secretary shall perform, in general, all duties incident to the office of secretary and such other duties as may be specified in these Bylaws or as may be assigned to him or her from time to time by the Board or the Chief Executive Officer.

Section 5.11 Assistant Secretary. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board (or if there be no such determination, then in the order of their election) shall, in the absence of the Secretary or in the event of his/her inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board or these Bylaws may from time to time prescribe.

Section 5.12 Chief Financial Officer. The Chief Financial Officer shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board, the Chief Executive Officer or the President. In addition, subject to the powers and authority of the Board or any duly authorized committee thereof, the Chief Financial Officer shall perform such duties and have such powers as are incident to the office of chief financial officer, including without limitation, the duty and power to keep and be responsible for all funds and securities of the Corporation, to maintain the financial and accounting records of the Corporation, to deposit funds of the Corporation in depositories as authorized, to disburse such funds as authorized, to make proper accounts of such funds, and to render as required by the Board accounts of all such transactions and of the financial condition of the Corporation.

Section 5.13 Treasurer. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board, the Chief Executive Officer or the President. In addition, subject to the powers and authority of the Board or any duly authorized committee thereof, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation, the duty and power to keep and be responsible for all funds and securities of the Corporation, to maintain the financial records of the Corporation, to deposit funds of the Corporation in depositories as authorized, to disburse such funds as authorized, to make proper accounts of such funds, and to render as required by the Board accounts of all such transactions and of the financial condition of the Corporation.

Section 5.14 Execution of Bonds, Mortgages and other Contracts. The Chief Executive Officer, the Chief Financial Officer, the President, the Chief Operating Officer, the Secretary or any other officer so authorized by the Board, the Chief Executive Officer or the President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.

Article VI

Certificates of Stock

Section 6.1 Certificates of Stock.

(a) The shares of capital stock of the Corporation shall be represented by certificates; provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of record of stock in the Corporation that is represented by certificates shall be entitled to have a certificate, signed by, or in the name of the Corporation by, any two authorized officers of the Corporation, including, without limitation, the Chief Executive Officer, President, Chief Operating Officer or Chief Financial Officer, the Treasurer or an Assistant Treasurer, and the Secretary or an Assistant Secretary, certifying the number of shares owned by him or her in the Corporation.

(b) Any of or all the signatures on the certificate may be by facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 6.2 Lost Certificates. The Board may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon delivery to the Board of an affidavit of owner or owners of such certificate, setting forth such allegation. When authorizing such issue of a new certificate or certificates, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 6.3 Transfer of Stock. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate representing shares of stock duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Within a reasonable time after the transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on the certificate pursuant to Sections 151, 156, 202(a) or 218(a) of the DGCL. Subject to provisions of the Certificate of Incorporation and these Bylaws, the Board may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, transfer and registration of shares of the Corporation. For so long as required by the rules of any exchange upon which the securities of the Corporation may be listed or traded, the Corporation shall not close, and shall not permit to be closed, the transfer books on which transfers of such securities are recorded.

Section 6.4 Registered Stockholders. To the fullest extent permitted by law, prior to due surrender of a certificate for registration of transfer, the Corporation may treat the registered owner as the person exclusively entitled to receive dividends and other distributions, to vote, to receive notice and otherwise to exercise all the rights and powers of the owners of the shares represented by such certificate, and the Corporation shall not be bound to recognize any

equitable or legal claim to or interest in such shares on the part of any other person, whether or not the Corporation shall have notice of such claim or interests, except as expressly provided by applicable law. Whenever any transfer of shares of capital stock shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertified shares are requested to be transferred, both the transferor and transferee request the Corporation do so.

Article VII

General Provisions

Section 7.1 Dividends.

(a) Subject to any applicable provisions of law and the Certificate of Incorporation or any resolution or resolutions adopted by the Board pursuant to authority expressly vested in it by the Certificate of Incorporation and Section 151 of the DGCL, the Board may, out of funds legally available therefor, declare dividends upon the capital stock of the Corporation, and any such dividend may be paid in cash, property or shares of the Corporation's stock.

(b) Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purposes as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 7.2 Corporate Books. The books of the Corporation may be kept inside or outside of the State of Delaware at such place or places as the Board may from time to time determine.

Section 7.3 Checks. Except as otherwise provided herein, the Board shall by resolution determine (or authorize officers of the Corporation to determine) which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the Corporation, and only the persons so authorized shall sign or endorse those instruments.

Section 7.4 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board.

Section 7.5 Corporate Seal. The Board may adopt a corporate seal having inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7.6 Section Headings. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or construing any provision herein.

Section 7.7 Inconsistent Provisions. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the DGCL or any other applicable law, the provisions of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

Section 7.8 Defined Terms. Capitalized terms used and not otherwise defined in these Bylaws shall have their respective meanings as defined in the Certificate of Incorporation.

Article VIII

Amendments

Section 8.1 Amendment of Bylaws. In furtherance and not in limitation of the powers conferred by the DGCL and subject to the provisions of the Certificate of Incorporation and Section 2.5(d), the Board is expressly authorized to make, adopt, amend, supplement and repeal these Bylaws, without the assent or vote of the stockholders, in any manner not inconsistent with the DGCL or the Certificate of Incorporation. The stockholders shall also have the power to adopt, amend, supplement or repeal these Bylaws.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
EXCHANGE ACT RULES 13A-14(A)/15D-14(A),
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Alfred F. Kelly, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Visa 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;
 - (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.

Date: July 30, 2020

/s/ Alfred F. Kelly, Jr.

Alfred F. Kelly, Jr.
Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
EXCHANGE ACT RULES 13A-14(A)/15D-14(A),
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Vasant M. Prabhu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Visa 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;
 - (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.

Date: July 30, 2020

/s/ Vasant M. Prabhu

Vasant M. Prabhu
Vice Chairman and Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER 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 Visa Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alfred F. Kelly, Jr., do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 30, 2020

/s/ Alfred F. Kelly, Jr.

Alfred F. Kelly, Jr.
Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER 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 Visa Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vasant M. Prabhu, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 30, 2020

/s/ Vasant M. Prabhu

Vasant M. Prabhu
Vice Chairman and Chief Financial Officer
(Principal Financial Officer)