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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 March 31, 2020

OR

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

For the transition period from to

Commission file number: 001-16111

globalpayments

GLOBAL PAYMENTS INC.

(Exact name of registrant as specified in charter)

Georgia	**58-2567903**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
3550 Lenox Road , Atlanta , Georgia	**30326**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (770) 829-8000

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

Title of each class	**Trading symbol**	**Name of exchange on which registered**
Common stock, no par value	**GPN**	**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, a smaller reporting company, or an emerging growth company. See the definitions 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 ☑

The number of shares of the issuer's common stock, no par value, outstanding as of May 1, 2020 was 299,105,721.

GLOBAL PAYMENTS INC.
FORM 10-Q
For the quarterly period ended March 31, 2020

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PART 1 - FINANCIAL INFORMATION

ITEM 1—FINANCIAL STATEMENTS

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Three Months Ended	
	March 31, 2020	March 31, 2019
Revenues	$ 1,903,598	$ 883,039
Operating expenses:		
Cost of service	933,871	305,230
Selling, general and administrative	725,748	378,317
	1,659,619	683,547
Operating income	243,979	199,492
Interest and other income	2,506	2,934
Interest and other expense	(92,644)	(59,081)
	(90,138)	(56,147)
Income before income taxes and equity in income of equity method investments	153,841	143,345
Income tax expense	(15,502)	(24,140)
Income before equity in income of equity method investments	138,339	119,205
Equity in income of equity method investments, net of tax	12,269	—
Net income	150,608	119,205
Net income attributable to noncontrolling interests, net of tax	(7,033)	(6,864)
Net income attributable to Global Payments	$ 143,575	$ 112,341
Earnings per share attributable to Global Payments:		
Basic earnings per share	$ 0.48	$ 0.71
Diluted earnings per share	$ 0.48	$ 0.71

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Three Months Ended	
	March 31, 2020	March 31, 2019
Net income	$ 150,608	$ 119,205
Other comprehensive income (loss):		
Foreign currency translation adjustments	(204,111)	5,196
Income tax benefit related to foreign currency translation adjustments	1,007	34
Net unrealized losses on hedging activities	(47,896)	(14,509)
Reclassification of net unrealized losses (gains) on hedging activities to interest expense	4,671	(1,830)
Income tax benefit related to hedging activities	10,346	3,985
Other, net of tax	121	111
Other comprehensive loss	(235,862)	(7,013)
Comprehensive (loss) income	(85,254)	112,192
Comprehensive income attributable to noncontrolling interests	(380)	(2,284)
Comprehensive (loss) income attributable to Global Payments	$ (85,634)	$ 109,908

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	March 31, 2020 (Unaudited)	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,800,061	$ 1,678,273
Accounts receivable, net	799,798	895,232
Settlement processing assets	1,046,288	1,353,778
Prepaid expenses and other current assets	423,523	439,165
Total current assets	4,069,670	4,366,448
Goodwill	23,662,373	23,759,740
Other intangible assets, net	12,814,791	13,154,655
Property and equipment, net	1,441,910	1,382,802
Deferred income taxes	6,778	6,292
Other noncurrent assets	1,854,076	1,810,225
Total assets	$ 43,849,598	$ 44,480,162
LIABILITIES AND EQUITY		
Current liabilities:		
Settlement lines of credit	$ 375,182	$ 463,237
Current portion of long-term debt	70,551	35,137
Accounts payable and accrued liabilities	1,636,823	1,822,166
Settlement processing obligations	953,723	1,258,806
Total current liabilities	3,036,279	3,579,346
Long-term debt	9,636,076	9,090,364
Deferred income taxes	3,024,409	3,145,641
Other noncurrent liabilities	632,401	609,822
Total liabilities	16,329,165	16,425,173
Commitments and contingencies		
Equity:		
Preferred stock, no par value; 5,000,000 shares authorized and none issued	—	—
Common stock, no par value; 400,000,000 shares authorized at March 31, 2020 and December 31, 2019; 299,010,257 issued and outstanding at March 31, 2020 and 300,225,590 issued and outstanding at December 31, 2019	—	—
Paid-in capital	25,525,184	25,833,307
Retained earnings	2,335,407	2,333,011
Accumulated other comprehensive loss	(539,780)	(310,571)
Total Global Payments shareholders’ equity	27,320,811	27,855,747
Noncontrolling interests	199,622	199,242
Total equity	27,520,433	28,054,989
Total liabilities and equity	$ 43,849,598	$ 44,480,162

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended	
	March 31, 2020	March 31, 2019
Cash flows from operating activities:		
Net income	$ 150,608	$ 119,205
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	83,573	41,155
Amortization of acquired intangibles	314,245	107,475
Amortization of capitalized contract costs	18,738	15,847
Share-based compensation expense	27,822	11,418
Provision for operating losses and bad debts	37,629	12,709
Noncash lease expense	25,924	8,976
Deferred income taxes	(47,957)	(5,774)
Other, net	(11,757)	67
Changes in operating assets and liabilities, net of the effects of business combinations:		
Accounts receivable	47,624	(36,493)
Settlement processing assets and obligations, net	12,966	118,347
Prepaid expenses and other assets	(53,540)	(76,740)
Accounts payable and other liabilities	(169,301)	(86,463)
Net cash provided by operating activities	436,574	229,729
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(67,196)	(74,830)
Capital expenditures	(104,802)	(55,123)
Other, net	2,348	13,672
Net cash used in investing activities	(169,650)	(116,281)
Cash flows from financing activities:		
Net repayments of settlement lines of credit	(78,092)	(55,350)
Proceeds from long-term debt	607,000	344,000
Repayments of long-term debt	(110,978)	(173,060)
Repurchases of common stock	(421,162)	(155,997)
Proceeds from stock issued under share-based compensation plans	28,283	7,848
Common stock repurchased - share-based compensation plans	(44,253)	(9,507)
Distributions to noncontrolling interests	—	(5,572)
Dividends paid	(58,279)	(1,571)
Net cash used in financing activities	(77,481)	(49,209)
Effect of exchange rate changes on cash	(67,655)	2,516
Increase in cash and cash equivalents	121,788	66,755
Cash and cash equivalents, beginning of the period	1,678,273	1,210,878
Cash and cash equivalents, end of the period	$ 1,800,061	$ 1,277,633

See Notes to Unaudited Consolidated Financial Statements.

GLOBAL PAYMENTS INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands)

	Number of Shares	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Global Payments Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2019	300,226	$ 25,833,307	$ 2,333,011	$ (310,571)	$ 27,855,747	$ 199,242	$ 28,054,989
Cumulative effect of adoption of new accounting standard			(5,379)		(5,379)		(5,379)
Net income			143,575		143,575	7,033	150,608
Other comprehensive loss				(229,209)	(229,209)	(6,653)	(235,862)
Stock issued under share-based compensation plans	1,082	28,283			28,283		28,283
Common stock repurchased - share-based compensation plans	(203)	(37,787)			(37,787)		(37,787)
Share-based compensation expense		27,822			27,822		27,822
Repurchases of common stock	(2,095)	(326,441)	(77,521)		(403,962)		(403,962)
Cash dividends declared ($0.195 per share)			(58,279)		(58,279)		(58,279)
Balance at March 31, 2020	299,010	$ 25,525,184	$ 2,335,407	$ (539,780)	$ 27,320,811	$ 199,622	$ 27,520,433

	Number of Shares	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Global Payments Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2018	157,962	$ 2,235,167	$ 2,066,415	$ (310,175)	$ 3,991,407	$ 194,936	$ 4,186,343
Net income			112,341		112,341	6,864	119,205
Other comprehensive loss				(2,433)	(2,433)	(4,580)	(7,013)
Stock issued under share-based compensation plans	542	7,848			7,848		7,848
Common stock repurchased - share-based compensation plans	(79)	(10,200)			(10,200)		(10,200)
Share-based compensation expense		11,418			11,418		11,418
Distributions to noncontrolling interest					—	(5,572)	(5,572)
Repurchases of common stock	(1,295)	(92,610)	(65,387)		(157,997)		(157,997)
Cash dividends declared ($0.01 per share)			(1,571)		(1,571)		(1,571)
Balance at March 31, 2019	157,130	$ 2,151,623	$ 2,111,798	$ (312,608)	$ 3,950,813	$ 191,648	$ 4,142,461

See Notes to Unaudited Consolidated Financial Statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business, consolidation and presentation

We are a leading pure play payments technology company delivering innovative software and services to our customers globally. Our technologies, services and employee expertise enable us to provide a broad range of solutions that allow our customers to operate their businesses more efficiently across a variety of channels around the world. We operate in three reportable segments: Merchant Solutions, Issuer Solutions and Business and Consumer Solutions, which are described in "Note 11—Segment Information." Global Payments Inc. and its consolidated subsidiaries are referred to herein collectively as "Global Payments," the "Company," "we," "our" or "us," unless the context requires otherwise.

These unaudited consolidated financial statements include our accounts and those of our majority-owned subsidiaries, and all intercompany balances and transactions have been eliminated in consolidation. These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The consolidated balance sheet as of December 31, 2019 was derived from the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2019 but does not include all disclosures required by GAAP for annual financial statements.

In the opinion of our management, all known adjustments necessary for a fair presentation of the results of the interim periods have been made. These adjustments consist of normal recurring accruals and estimates that affect the carrying amount of assets and liabilities. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2019.

Recent developments relating to the outbreak of the coronavirus pandemic ("COVID-19")

In March 2020, the World Health Organization declared the outbreak of the COVID-19 virus a global pandemic. The pandemic is causing major disruptions to businesses and markets worldwide as the virus continues to spread. A number of countries as well as many states and cities within the United States have enacted temporary closures of businesses, issued quarantine or shelter-in-place orders and taken other restrictive measures in response to COVID-19.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ materially from those estimates. In particular, the magnitude, duration and effects of the COVID-19 pandemic are difficult to predict at this time, and the ultimate effect could result in additional charges related to the recoverability of assets, including financial assets, long-lived assets and goodwill and other losses. These unaudited consolidated financial statements reflect the financial statement effects of COVID-19 based upon management's estimates and assumptions utilizing the most currently available information.

Recently adopted accounting pronouncements

Accounting Standards Update ("ASU") 2018-15— In August 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract* (A Consensus of the FASB Emerging Issues Task Force)." ASU 2018-15 provides additional guidance on the accounting for costs of implementation activities performed in a cloud computing arrangement (i.e., hosting arrangement) that is a service contract. The new guidance amends the definition of a hosting arrangement and requires a customer in a hosting arrangement that is a service contract to capitalize certain implementation costs as if the arrangement was an internal-use software project.

We adopted ASU 2018-15 on January 1, 2020, applying the guidance prospectively to all implementation costs incurred after the date of adoption. The adoption of this standard did not have a material effect on our consolidated financial statements. We have historically capitalized implementation costs associated with cloud computing arrangements that are service contracts following the guidance in Subtopic 350-40 and will continue to do so pursuant to the clarifications provided in the new guidance. We amortize deferred implementation costs to expense on a straight-line basis over the term of the applicable hosting arrangement.

ASU 2016-13— We adopted ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*" on January 1, 2020 using the modified retrospective transition method. The adoption of this standard resulted in a cumulative-effect adjustment to decrease retained earnings by $5.4 million, net of tax. The amendments in this update changed how we measure and recognize credit impairment for certain financial instruments measured at amortized cost. Under the current expected credit losses ("CECL") model, we recognize an estimate of credit losses expected to occur over the remaining life of each pool of financial assets with similar risk characteristics.

We have exposure to credit losses for financial assets such as accounts receivable, certain settlement processing assets, check guarantee claims receivable assets and advances to sales representatives. We utilize a combination of aging or loss-rate methods to develop an estimate of current expected credit losses, depending on the nature and risk profile of the underlying asset pool. A broad range of information is considered in the estimation process, including historical loss information adjusted for current conditions and expectations of future trends. The estimation process also includes consideration of qualitative and quantitative risk factors associated with the age of asset balances, expected timing of payment, contract terms and conditions, changes in specific customer risk profiles or mix of customers, geographic risk, industry or economic trends and relevant environmental factors.

As of March 31, 2020, the total allowance for credit losses was approximately $29.3 million. Financial assets are presented net of the allowance for credit losses in the consolidated balance sheets. The measurement of the allowance for credit losses is recognized through credit loss expense. Depending on the nature of the underlying asset, credit loss expense is included as a component of cost of service or selling, general and administrative expense in the consolidated statements of income. Write-offs are recorded in the period in which the asset is deemed uncollectible. Recoveries are recorded when received as a direct credit to the credit loss expense in the consolidated statements of income. Prior to the adoption of ASU 2016-13, credit losses on these financial instruments were recognized when an occurrence was deemed to be probable.

Recently issued pronouncements not yet adopted

ASU 2019-12—In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes," which is intended to enhance and simplify various aspects of the accounting for income taxes. The amendments in this update remove certain exceptions to the general principles in Topic 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. ASU 2019-12 also clarifies and amends existing guidance to improve consistent application of the accounting for franchise taxes, enacted changes in tax laws or rates and transactions that result in a step-up in the tax basis of goodwill. ASU 2019-12 is effective for annual and interim periods beginning after December 15, 2020, with early adoption permitted in any interim period. We are evaluating the effect of ASU 2019-12 on our consolidated financial statements.

ASU 2020-04—In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848)," which provides optional expedients and exceptions to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this update apply only to contracts, hedging relationships, and other transactions that reference London Inter-bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022 for which an entity has elected certain optional expedients and are retained through the end of the hedging relationship. The amendments in this update also include a general principle that permits an entity to consider contract modifications due to reference rate reform to be an event that does not require contract remeasurement at the modification date or reassessment of a previous accounting determination. If elected, the optional expedients for contract modifications must be applied consistently for all eligible contracts or eligible transactions within the relevant Topic or Industry Subtopic within the Codification that contains the guidance that otherwise would be required to be applied. The amendments in this update can be adopted anytime beginning March 12, 2020 through December 31, 2022. We are evaluating the effect of ASU 2020-04 on our consolidated financial statements.

NOTE 2—ACQUISITIONS

Total System Services, Inc.

On September 18, 2019, we merged with Total System Services, Inc. ("TSYS") (the "Merger"). We accounted for this transaction as a business combination, which generally requires that we record the assets acquired and liabilities assumed at fair value as of the acquisition date. The provisional estimated acquisition-date fair values of major classes of assets acquired and liabilities assumed as of December 31, 2019 and March 31, 2020, including a reconciliation to the total purchase consideration, were as follows:

	Provisional Amounts at December 31, 2019	Measurement-Period Adjustments	Provisional Amounts at March 31, 2020
		(in thousands)	
Cash and cash equivalents	$ 446,009	$ —	$ 446,009
Accounts receivable	442,848	(2,910)	439,938
Identified intangible assets	10,980,000	—	10,980,000
Property and equipment	644,084	—	644,084
Other assets	1,474,825	(4,940)	1,469,885
Accounts payable and accrued liabilities	(614,060)	236	(613,824)
Debt	(3,295,342)	4,787	(3,290,555)
Deferred income tax liabilities	(2,687,849)	57,569	(2,630,280)
Other liabilities	(314,415)	—	(314,415)
Total identifiable net assets	7,076,100	54,742	7,130,842
Goodwill	17,398,853	(54,742)	17,344,111
Total purchase consideration	$ 24,474,953	$ —	$ 24,474,953

As of March 31, 2020, we considered these amounts to be provisional because we were still in the process of reviewing information to support the valuations of the assets acquired and liabilities assumed. We made measurement-period adjustments, as shown in the table above, that decreased the amount of provisional goodwill by $54.7 million. The decrease in deferred income tax liabilities for the three months ended March 31, 2020 primarily relates to a refined analysis of the outside bases of partnerships. The effects of the measurement-period adjustments on our consolidated statement of income for the three months ended March 31, 2020 were not material.

As of March 31, 2020, provisional goodwill arising from the acquisition of $17.3 billion was included in our reportable segments as follows: $7.1 billion in the Merchant Solutions segment, $7.9 billion in the Issuer Solutions segment and $2.3 billion in the Business and Consumer Solutions segment. Goodwill was attributable to expected growth opportunities, an assembled workforce and potential synergies from combining the acquired business into our existing business. We expect that substantially all of the goodwill from this acquisition will not be deductible for income tax purposes.

The following unaudited pro forma information shows the results of our operations for the three months ended March 31, 2019 as if the Merger had occurred on January 1, 2018. The unaudited pro forma information is presented for informational purposes only and is not necessarily indicative of what would have occurred if the Merger had occurred as of that date. The unaudited pro forma information is also not intended to be a projection of future results due to the integration of TSYS. The unaudited pro forma information reflects the effects of applying our accounting policies and certain pro forma adjustments to the combined historical financial information of Global Payments and TSYS.

	Actual	Pro Forma
	(in thousands)	
Total revenues	$ 883,039	$ 1,909,770
Net income attributable to Global Payments	$ 112,341	$ 187,865

For the three months ended March 31, 2020, the acquired operations of TSYS contributed $1,055.0 million to our consolidated revenues and $115.5 million to our consolidated operating income.

At March 31, 2020, accounts payable and accrued liabilities in the consolidated balance sheet included obligations totaling $48.3 million for employee termination benefits resulting from Merger-related integration activities. During the three months ended March 31, 2020, we recognized charges for employee termination benefits of $17.6 million, which included $2.6 million of share-based compensation expense. As of March 31, 2020, the cumulative amount of recognized charges for employee termination benefits resulting from Merger-related integration activities was $74.7 million, which included $19.9 million of share-based compensation expense. These charges are recorded within selling, general and administrative expenses in our consolidated statements of income and included within Corporate expenses for segment reporting purposes. New obligations may arise as Merger-related integration activities continue in 2020.

NOTE 3—REVENUES

The following tables present a disaggregation of our revenue from contracts with customers by geography for each of our reportable segments for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31, 2020				
	Merchant Solutions	Issuer Solutions	Business and Consumer Solutions	Intersegment Revenue	Total
	(in thousands)				
Americas	$ 1,024,504	$ 393,754	$ 203,946	$ (17,733)	$ 1,604,471
Europe	135,999	108,362	—	—	244,361
Asia Pacific	54,766	1,646	—	(1,646)	54,766
	$ 1,215,269	$ 503,762	$ 203,946	$ (19,379)	$ 1,903,598

	Three Months Ended March 31, 2019				
	Merchant Solutions	Issuer Solutions	Business and Consumer Solutions	Intersegment Revenue	Total
	(in thousands)				
Americas	$ 678,423	$ —	$ —	$ —	$ 678,423
Europe	137,613	5,256	—	—	142,869
Asia Pacific	61,747	—	—	—	61,747
	$ 877,783	$ 5,256	$ —	$ —	$ 883,039

The following table presents a disaggregation of our Merchant Solutions segment revenues by distribution channel for the three months ended March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
	(in thousands)	
Relationship-led	$ 676,522	$ 462,387
Technology-enabled	538,747	415,396
	$ 1,215,269	$ 877,783

Accounting Standards Codification Topic 606, *Revenues from Contracts with Customers* ("ASC 606") requires that we determine for each customer arrangement whether revenue should be recognized at a point in time or over time. For the three months ended March 31, 2020 and 2019, substantially all of our revenues were recognized over time.

Supplemental balance sheet information related to contracts from customers as of March 31, 2020 and December 31, 2019 was as follows:

	Balance Sheet Location	March 31, 2020	December 31, 2019
		(in thousands)	
Assets:			
Capitalized costs to obtain customer contracts, net	Other noncurrent assets	$ 232,030	$ 226,945
Capitalized costs to fulfill customer contracts, net	Other noncurrent assets	$ 52,573	$ 38,150
Liabilities:			
Contract liabilities, net (current)	Accounts payable and accrued liabilities	$ 187,084	$ 193,405
Contract liabilities, net (noncurrent)	Other noncurrent liabilities	$ 42,556	$ 35,272

Net contract assets were not material at March 31, 2020 or at December 31, 2019. Revenue recognized for the three months ended March 31, 2020 and 2019 from contract liability balances at the beginning of each period was $90.8 million and $58.5 million, respectively.

ASC 606 requires disclosure of the aggregate amount of the transaction price allocated to unsatisfied performance obligations. The purpose of this disclosure is to provide additional information about the amounts and expected timing of revenue to be recognized from the remaining performance obligations in our existing contracts. The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at March 31, 2020. However, as permitted, we have elected to exclude from this disclosure any contracts with an original duration of one year or less and any variable consideration that meets specified criteria. Accordingly, the total unsatisfied or partially unsatisfied performance obligations related to processing services is significantly higher than the amounts disclosed in the table below (in thousands):

Year ending December 31,	
Remainder of 2020	$ 687,211
2021	795,626
2022	603,497
2023	396,016
2024	245,923
2025-2029	564,501
Total	$ 3,292,774

NOTE 4—GOODWILL AND OTHER INTANGIBLE ASSETS

As of March 31, 2020 and December 31, 2019, goodwill and other intangible assets consisted of the following:

	March 31, 2020	December 31, 2019
	(in thousands)	
Goodwill	$ 23,662,373	$ 23,759,740
Other intangible assets:		
Customer-related intangible assets	$ 9,176,861	$ 9,238,728
Acquired technologies	2,745,024	2,732,218
Contract-based intangible assets	1,970,443	1,974,429
Trademarks and trade names	1,237,020	1,239,471
	15,129,348	15,184,846
Less accumulated amortization:		
Customer-related intangible assets	1,376,969	1,225,785
Acquired technologies	670,304	576,928
Contract-based intangible assets	88,788	82,225
Trademarks and trade names	178,496	145,253
	2,314,557	2,030,191
	$ 12,814,791	$ 13,154,655

The following table sets forth the changes by reportable segment in the carrying amount of goodwill for the three months ended March 31, 2020:

	Merchant Solutions	Issuer Solutions	Business and Consumer Solutions	Total
	(in thousands)			
Balance at December 31, 2019	$ 13,415,352	$ 7,985,731	$ 2,358,657	$ 23,759,740
Goodwill acquired	34,911	—	—	34,911
Effect of foreign currency translation	(64,218)	(13,318)	—	(77,536)
Measurement-period adjustments	3,514	(60,984)	2,728	(54,742)
Balance at March 31, 2020	$ 13,389,559	$ 7,911,429	$ 2,361,385	$ 23,662,373

There were no accumulated impairment losses for goodwill as of March 31, 2020 or December 31, 2019.

NOTE 5—LONG-TERM DEBT AND LINES OF CREDIT

As of March 31, 2020 and December 31, 2019, long-term debt consisted of the following:

	March 31, 2020	December 31, 2019
	(in thousands)	
3.800% senior notes due April 1, 2021	$ 758,797	$ 760,996
3.750% senior notes due June 1, 2023	566,062	567,330
4.000% senior notes due June 1, 2023	570,874	572,522
2.650% senior notes due February 15, 2025	991,844	991,423
4.800% senior notes due April 1, 2026	817,799	820,623
4.450% senior notes due June 1, 2028	485,883	486,982
3.200% senior notes due August 15, 2029	1,235,238	1,234,843
4.150% senior notes due August 15, 2049	739,521	739,431
Unsecured term loan facility	1,982,763	1,981,758
Unsecured revolving credit facility	1,416,000	903,000
Finance lease liabilities	30,798	32,996
Other borrowings	111,048	33,597
Total long-term debt	9,706,627	9,125,501
Less current portion	70,551	35,137
Long-term debt, excluding current portion	$ 9,636,076	$ 9,090,364

The carrying amounts of our senior notes and term loans are presented net of unamortized discount and unamortized debt issuance costs, as applicable. At March 31, 2020, unamortized discount on senior notes was $5.8 million, and unamortized debt issuance costs on senior notes and the unsecured term loan facility were $44.9 million. Unamortized debt issuance costs on our senior notes and unsecured term loans at December 31, 2019 were $46.6 million. The portion of unamortized debt issuance costs related to revolving credit facilities is included in other noncurrent assets. At March 31, 2020, unamortized debt issuance costs on the unsecured revolving credit facility were $16.7 million, and, at December 31, 2019, unamortized debt issuance costs on the unsecured revolving credit facility were $17.6 million. The amortization of debt discounts and debt issuance costs is recognized as an increase to interest expense over the terms of the respective debt instruments. Amortization of discounts and debt issuance costs for the three months ended March 31, 2020 and 2019 was $2.8 million and $3.1 million, respectively.

At March 31, 2020, maturities of long-term debt (excluding finance lease liabilities) were as follows by year (in thousands):

Year ending December 31,	
Remainder of 2020	$ 50,726
2021	801,771
2022	58,403
2023	1,300,000
2024	3,166,000
2025	1,000,000
2026 and thereafter	3,200,000
Total	$ 9,576,900

Senior Unsecured Credit Facilities

We have a term loan credit agreement ("Term Loan Credit Agreement") and a revolving credit agreement ("Unsecured Revolving Credit Agreement") in each case with Bank of America, N.A., as administrative agent, and a syndicate of financial institutions, as lenders and other agents. The Term Loan Credit Agreement provides for a senior unsecured $2.0 billion term loan facility, and the Unsecured Revolving Credit Agreement provides for a senior unsecured $3.0 billion revolving credit facility.

Borrowings under the term loan facility were made in U.S. dollars and borrowings under the revolving credit facility are available to be made in U.S. dollars, euros, sterling, Canadian dollars and, subject to certain conditions, certain other currencies at our option. Borrowings in U.S. dollars and certain other LIBOR quoted currencies will bear interest, at our option, at a rate equal to either (1) the rate (adjusted for any statutory reserve requirements for eurocurrency liabilities) for eurodollar deposits in the London interbank market, (2) a floating rate of interest set forth on the applicable LIBOR screen page designated by Bank of America or (3) the highest of (a) the federal funds effective rate plus 0.5%, (b) the rate of interest as publicly announced by Bank of America as its "prime rate" or (c) LIBOR plus 1.0%, in each case, plus an applicable margin.

As of March 31, 2020, the interest rates on the term loan facility and the revolving credit facility were 2.36% and 2.02%, respectively. In addition, we are required to pay a quarterly commitment fee with respect to the unused portion of the revolving credit facility at an applicable rate per annum ranging from 0.125% to 0.300% depending on our credit rating. Beginning on December 31, 2022, and at the end of each quarter thereafter, the term loan facility must be repaid in quarterly installments in the amount of 2.50% of original principal through the maturity date with the remaining principal balance due upon maturity in September 2024. The revolving credit facility also matures in September 2024.

We may issue standby letters of credit of up to $250 million in the aggregate under the revolving credit facility. Outstanding letters of credit under the revolving credit facility reduce the amount of borrowings available to us. The total available commitments under the revolving credit facility at March 31, 2020 were $1.6 billion.

Senior Unsecured Notes

We have $3.0 billion in aggregate principal amount of senior unsecured notes, consisting of the following: (i) $1.0 billion aggregate principal amount of 2.650% senior notes due 2025; (ii) $1.25 billion aggregate principal amount of 3.200% senior notes due 2029; and (iii) $750 million aggregate principal amount of 4.150% senior notes due 2049. Interest on the senior notes is payable semi-annually in arrears on each February 15 and August 15. Each series of the senior notes is redeemable, at our option, in whole or in part, at any time and from time-to-time at the redemption prices set forth in the related indenture. We have an additional $3.0 billion in aggregate principal amount of senior unsecured notes consisting of the following: (i) $750 million aggregate principal amount of 3.800% senior notes due 2021; (ii) $550 million aggregate principal amount of 3.750% senior notes due 2023; (iii) $550 million aggregate principal amount of 4.000% senior notes due 2023; (iv) $750 million aggregate principal amount of 4.800% senior notes due 2026; and (v) $450 million aggregate principal amount of 4.450% senior notes due 2028. For the 3.800% senior notes due 2021 and the 4.800% senior notes due 2026, interest is payable semi-annually each April 1 and October 1. For the 3.750% senior notes due 2023, the 4.000% senior notes due 2023 and the 4.450% senior notes due 2028, interest is payable semi-annually each June 1 and December 1. The difference between the fair value and face value of these senior notes at the date the Merger was consummated is recognized over the terms of the respective notes as a reduction of interest expense. The amortization of this fair value adjustment was $9.0 million for the three months ended March 31, 2020.

As of March 31, 2020, our senior notes had a total carrying amount of $6.2 billion and an estimated fair value of $6.2 billion. The estimated fair value of our senior notes was based on quoted market prices in an active market and is considered to be a Level 1 measurement of the valuation hierarchy. The fair value of other long-term debt approximated its carrying amount at March 31, 2020.

Compliance with Covenants

The senior unsecured term loan and revolving credit facility contain customary conditions to funding, affirmative covenants, negative covenants, financial covenants and events of default. As of March 31, 2020, financial covenants under the term loan facility required a leverage ratio of 3.50 to 1.00 and an interest coverage ratio of 3.00 to 1.00. We were in compliance with all applicable covenants as of March 31, 2020.

Settlement Lines of Credit

In various markets where we do business, we have specialized lines of credit, which are restricted for use in funding settlement. The settlement lines of credit generally have variable interest rates, are subject to annual review and are denominated in local currency but may, in some cases, facilitate borrowings in multiple currencies. For certain of our lines of credit, the available credit is increased by the amount of cash we have on deposit in specific accounts with the lender. Accordingly, the amount of the outstanding lines of credit may exceed the stated credit limit. As of March 31, 2020 and December 31, 2019, a total of $58.0 million and $74.5 million, respectively, of cash on deposit was used to determine the available credit.

As of March 31, 2020 and December 31, 2019 we had $375.2 million and $463.2 million, respectively, outstanding under these lines of credit with additional capacity to fund settlement of $1,092.1 million as of March 31, 2020. During the three months ended March 31, 2020, the maximum and average outstanding balances under these lines of credit were $679.0 million and $376.4 million, respectively. The weighted-average interest rate on these borrowings was 1.99% and 3.16% at March 31, 2020 and December 31, 2019, respectively.

Derivative Agreements

We have interest rate swap agreements with financial institutions to hedge changes in cash flows attributable to interest rate risk on a portion of our variable-rate debt instruments. Net amounts to be received or paid under the swap agreements are reflected as adjustments to interest expense. Since we have designated the interest rate swap agreements as portfolio cash flow hedges, unrealized gains or losses resulting from adjusting the swaps to fair value are recorded as components of other comprehensive income (loss). The fair values of our interest rate swaps were determined based on the present value of the estimated future net cash flows using implied rates in the applicable yield curve as of the valuation date. These derivative instruments were classified within Level 2 of the valuation hierarchy.

The table below presents information about our derivative financial instruments, designated as cash flow hedges, included in the consolidated balance sheets:

Derivative Financial Instruments	Balance Sheet Location	Weighted-Average Fixed Rate of Interest at March 31, 2020	Range of Maturity Dates at March 31, 2020	Fair Values March 31, 2020	Fair Values December 31, 2019
				(in thousands)	
Interest rate swaps (Notional of $250 million at December 31, 2019)	Prepaid expenses and other current assets	NA	NA	$ —	$ 472
Interest rate swaps (Notional of $550 million at March 31, 2020)	Accounts payable and accrued liabilities	1.65%	July 31, 2020 - March 31, 2021	$ 5,365	$ —
Interest rate swaps (Notional of $1.25 billion at March 31, 2020 and $1.55 billion at December 31, 2019)	Other noncurrent liabilities	2.73%	December 31, 2022	$ 84,361	$ 45,604

NA = not applicable.

The table below presents the effects of our interest rate swaps on the consolidated statements of income and comprehensive income (loss) for the three months ended March 31, 2020 and 2019:

	Three Months Ended	
	March 31, 2020	March 31, 2019
	(in thousands)	
Net unrealized losses recognized in other comprehensive loss	$ 47,896	$ 14,509
Net unrealized losses (gains) reclassified out of other comprehensive loss to interest expense	$ 4,671	$ (1,830)

As of March 31, 2020, the amount of net unrealized losses in accumulated other comprehensive loss related to our interest rate swaps that is expected to be reclassified into interest expense during the next 12 months was $41.4 million.

Interest Expense

Interest expense was $81.1 million and $55.4 million for the three months ended March 31, 2020 and 2019, respectively.

NOTE 6—INCOME TAX

Our effective income tax rates for the three months ended March 31, 2020 and 2019 were 10.1% and 16.8%, respectively. Our effective income tax rate for the three months ended March 31, 2020 differed from the U.S. statutory rate primarily as a result of tax credits, excess tax benefits of share-based awards that are recognized upon vesting or settlement and the foreign-derived intangible income deduction. For the three months ended March 31, 2019, our effective income tax rate differed from the U.S. statutory rate primarily due to the excess tax benefits of share-based awards that are recognized upon vesting or settlement.

We conduct business globally and file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities around the world, including, without limitation, the United States and the United Kingdom. We are no longer subject to state income tax examinations for years ended on or before May 31, 2010, U.S. federal income tax examinations for years ended on or before December 31, 2016 and U.K. federal income tax examinations for years ended on or before May 31, 2016.

NOTE 7—SHAREHOLDERS' EQUITY

We repurchase our common stock mainly through open market repurchase plans and, at times, through accelerated share repurchase programs. During the three months ended March 31, 2020, we repurchased and retired 2,094,731 shares of our common stock at a cost, including commissions, of $404.0 million, or $192.85 per share. During the three months ended March 31, 2019, we repurchased and retired 1,295,282 shares of our common stock at a cost, including commissions, of $158.0 million, or $121.98 per share.

On February 26, 2020, our board of directors approved an increase to our existing share repurchase program authorization, which raised the total available authorization to $1.0 billion. As of March 31, 2020, the amount that may yet be purchased under our share repurchase program was $880.0 million.

On April 29, 2020, our board of directors declared a dividend of $0.195 per share payable on June 26, 2020 to common shareholders of record as of June 12, 2020.

NOTE 8—SHARE-BASED AWARDS AND STOCK OPTIONS

The following table summarizes share-based compensation expense and the related income tax benefit recognized for our share-based awards and stock options:

	Three Months Ended	
	March 31, 2020	March 31, 2019
	(in thousands)	
Share-based compensation expense	$ 27,822	$ 11,418
Income tax benefit	$ 6,473	$ 2,509

Share-Based Awards

The following table summarizes the changes in unvested restricted stock and performance awards for the three months ended March 31, 2020:

	Shares	Weighted-Average Grant-Date Fair Value
	(in thousands)	
Unvested at December 31, 2019	1,844	$149.96
Granted	546	193.36
Vested	(553)	116.66
Forfeited	(18)	152.88
Unvested at March 31, 2020	1,819	$173.12

The total fair value of restricted stock and performance awards vested during the three months ended March 31, 2020 and March 31, 2019 was $64.6 million and $20.8 million, respectively.

For restricted stock and performance awards, we recognized compensation expense of $25.2 million and $10.1 million during the three months ended March 31, 2020 and March 31, 2019, respectively. As of March 31, 2020, there was $216.8 million of unrecognized compensation expense related to unvested restricted stock and performance awards that we expect to recognize over a weighted-average period of 2.4 years.

Stock Options

The following table summarizes stock option activity for the three months ended March 31, 2020:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	(in thousands)		(years)	(in millions)
Outstanding at December 31, 2019	1,755	$74.06	6.5	$190.3
Granted	125	200.42		
Forfeited	(2)	113.48		
Exercised	(383)	64.38		
Outstanding at March 31, 2020	1,495	$87.05	6.8	$85.5
Options vested and exercisable at March 31, 2020	1,097	$66.97	5.9	$84.8

We recognized compensation expense for stock options of $1.9 million and $0.7 million during the three months ended March 31, 2020 and 2019, respectively. The aggregate intrinsic value of stock options exercised during the three months ended March 31, 2020 and 2019 was $53.6 million and $15.9 million, respectively. As of March 31, 2020, we had $14.7 million of unrecognized compensation expense related to unvested stock options that we expect to recognize over a weighted-average period of 2.2 years.

The weighted-average grant-date fair value of stock options granted, including Replacement Awards, during the three months ended March 31, 2020 and 2019 was $54.85 and $39.60, respectively. Fair value was estimated on the date of grant using the Black-Scholes valuation model with the following weighted-average assumptions:

	Three Months Ended	
	March 31, 2020	March 31, 2019
Risk-free interest rate	1.24%	2.49%
Expected volatility	30%	30%
Dividend yield	0.39%	0.04%
Expected term (years)	5	5

The risk-free interest rate was based on the yield of a zero coupon U.S. Treasury security with a maturity equal to the expected life of the option from the date of the grant. Our assumption on expected volatility was based on our historical volatility. The dividend yield assumption was determined using our average stock price over the preceding year and the annualized amount of our most current quarterly dividend per share. We based our assumptions on the expected term of the options on our analysis of the historical exercise patterns of the options and our assumption on the future exercise pattern of options.

NOTE 9—EARNINGS PER SHARE

Basic earnings per share ("EPS") was computed by dividing net income attributable to Global Payments by the weighted-average number of shares outstanding during the period. Earnings available to common shareholders was the same as reported net income attributable to Global Payments for all periods presented.

Diluted EPS is computed by dividing net income attributable to Global Payments by the weighted-average number of shares outstanding during the period, including the effect of share-based awards that would have a dilutive effect on EPS. All stock options with an exercise price lower than the average market share price of our common stock for the period are assumed to have a dilutive effect on EPS. The dilutive share base for the three months ended March 31, 2020 excludes approximately

124,888 shares, related to stock options that would have an antidilutive effect on the computation of diluted earnings per share. There were no such shares for the three months ended March 31, 2019.

The following table sets forth the computation of diluted weighted-average number of shares outstanding for the three months ended March 31, 2020 and 2019:

	Three Months Ended	
	March 31, 2020	March 31, 2019
	(in thousands)	
Basic weighted-average number of shares outstanding	299,388	157,519
Plus: Dilutive effect of stock options and other share-based awards	1,450	499
Diluted weighted-average number of shares outstanding	300,838	158,018

NOTE 10—ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in the accumulated balances for each component of other comprehensive income (loss) were as follows for the three months ended March 31, 2020 and 2019:

	Foreign Currency Translation Gains (Losses)	Unrealized Gains (Losses) on Hedging Activities	Other	Accumulated Other Comprehensive Loss
	(in thousands)			
Balance at December 31, 2019	$ (241,899)	$ (69,319)	$ 647	$ (310,571)
Other comprehensive income (loss)	(196,451)	(32,879)	121	(229,209)
Balance at March 31, 2020	$ (438,350)	$ (102,198)	$ 768	$ (539,780)
Balance at December 31, 2018	$ (304,274)	$ (2,374)	$ (3,527)	$ (310,175)
Other comprehensive income (loss)	9,807	(12,351)	111	(2,433)
Balance at March 31, 2019	$ (294,467)	$ (14,725)	$ (3,416)	$ (312,608)

Other comprehensive loss attributable to noncontrolling interests, which relates only to foreign currency translation, was $6.7 million and $4.6 million for the three months ended March 31, 2020 and 2019, respectively.

NOTE 11—SEGMENT INFORMATION

We operate in three reportable segments: Merchant Solutions, Issuer Solutions and Business and Consumer Solutions. We evaluate performance and allocate resources based on the operating income of each operating segment. The operating income of each operating segment includes the revenues of the segment less expenses that are directly related to those revenues. Operating overhead, shared costs and share-based compensation costs are included in Corporate. Interest and other income, interest and other expense, income tax expense and equity in income of equity method investments, net of tax, are not allocated to the individual segments. We do not evaluate the performance of or allocate resources to our operating segments using asset data. The accounting policies of the reportable operating segments are the same as those described in our Annual Report on Form 10-K for the year ended December 31, 2019 and our summary of significant accounting policies in "Note 1 - Basis of Presentation and Summary of Significant Accounting Policies."

In connection with an organizational realignment implemented during the fourth quarter of 2019, the presentation of segment information for the three months ended March 31, 2019 has been recast to align with the segment presentation for the three months ended March 31, 2020. Information on segments and reconciliations to consolidated revenues, consolidated operating income and consolidated depreciation and amortization was as follows for the three months ended March 31, 2020 and 2019:

	Three Months Ended	
	March 31, 2020	March 31, 2019
Revenues[1]:		
Merchant Solutions	$ 1,215,269	$ 877,783
Issuer Solutions	503,762	5,256
Business and Consumer Solutions	203,946	—
Segment revenues	1,922,977	883,039
Less: Intersegment Eliminations	(19,379)	—
Consolidated revenues	$ 1,903,598	$ 883,039
Operating income (loss)[1][2]:		
Merchant Solutions	$ 304,153	$ 238,129
Issuer Solutions	59,304	3,439
Business and Consumer Solutions	31,112	—
Corporate	(150,590)	(42,076)
Consolidated operating income	$ 243,979	$ 199,492
Depreciation and amortization[1]:		
Merchant Solutions	$ 233,021	$ 147,385
Issuer Solutions	136,737	182
Business and Consumer Solutions	23,641	—
Corporate	4,419	1,063
Consolidated depreciation and amortization	$ 397,818	$ 148,630

(1) Revenues, operating income and depreciation and amortization reflect the effects of acquired businesses from the respective acquisition dates. For further discussion of our acquisitions, see "Note 2—Acquisitions."

(2) During the three months ended March 31, 2020, operating income for our Merchant Solutions segment reflected the effect of acquisition and integration expenses of $2.2 million. Operating loss for Corporate included acquisition and integration expenses of $69.7 million and $5.3 million, during the three months ended March 31, 2020 and 2019, respectively.

NOTE 12—COMMITMENTS AND CONTINGENCIES

Purchase Obligations

During the three months ended March 31, 2020, our purchase obligations increased as a result of our entry into an arrangement to acquire software and related services for $293.8 million. We financed $97.6 million of this amount utilizing a two-year vendor financing arrangement. As of March 31, 2020, the estimated remaining purchase commitments that are due for this acquisition are $47.6 million during the remainder of 2020, $64.9 million during 2021, $66.9 million during 2022 and $16.8 million during 2023.

Legal Matters

On September 23, 2019, a jury in the Superior Court of Dekalb County, Georgia, awarded Frontline Processing Corp. ("Frontline") $135.2 million in damages, costs and attorney's fees (plus interest) following a trial of a breach of contract dispute between Frontline and Global Payments, wherein Frontline alleged that Global Payments violated provisions of the parties' Referral Agreement and Master Services Agreement. The Superior Court entered a final judgment on the verdict in favor of Frontline on September 30, 2019. We believe the jury verdict is in error and Frontline’s case is completely without merit, and we are appealing the decision to the Georgia Court of Appeals. While it is reasonably possible that we will incur some loss between zero and the judgment amount plus interest, we have determined that it is not probable that Global Payments has incurred a loss under the applicable accounting standard (Accounting Standards Codification Topic 450, *Contingencies*) as of March 31, 2020. As a result, we have not recorded a liability on the consolidated balance sheet with respect to this litigation.

ITEM 2—MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes included in Item 1 of Part I of this Quarterly Report and the Management’s Discussion and Analysis of Financial Condition and Results of Operations and consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2019. This discussion and analysis contains forward-looking statements about our plans and expectations of what may happen in the future. Forward-looking statements are based on a number of assumptions and estimates that are inherently subject to significant risks and uncertainties, and our actual results could differ materially from the results anticipated by our forward-looking statements.

Executive Overview

We are a leading pure play payments technology company delivering innovative software and services to our customers globally. Our technologies, services and employee expertise enable us to provide a broad range of solutions that allow our customers to operate their businesses more efficiently across a variety of channels around the world. On September 18, 2019, we merged with Total System Services, Inc. ("TSYS") (the "Merger").

Recent developments relating to the outbreak of the coronavirus pandemic ("COVID-19")

In March 2020, the World Health Organization declared the outbreak of the COVID-19 virus a global pandemic. This outbreak is causing major disruptions to businesses and markets worldwide as the virus continues to spread. A number of countries as well as certain states and cities within the United States have enacted temporary closures of businesses, issued quarantine or shelter-in-place orders and taken other restrictive measures in response to COVID-19. We are closely monitoring the effects of the COVID-19 pandemic. We are currently operating normally, and, at this time, we do not anticipate any significant operational effects as a result of the pandemic.

Our first quarter performance in January, February and through the first two weeks of March exceeded our internal expectations, excluding an immaterial revenue effect from COVID-19 in our Asia Pacific region. However, starting in mid-March, the COVID-19 pandemic began to affect our results significantly in North America and Europe as governments took actions to encourage social distancing and implement shelter-in-place directives. The deterioration in our financial results accelerated toward the end of March as the pandemic spread further and the number of countries and localities adopting restrictive measures meaningfully increased. We expect that the COVID-19 pandemic will have an adverse effect on our revenues and financial results for the remainder of 2020, although the magnitude and duration of the ultimate effects as a result of the COVID-19 pandemic are not possible to predict at this time. We have taken and will continue to implement cost-saving actions, such as reductions in employee compensation costs, business travel and marketing initiatives, to help mitigate the financial effects of the COVID-19 pandemic.

For a further discussion of trends, uncertainties and other factors that could affect our continuing operating results related to the effects of the COVID-19 pandemic, see the section entitled "Risk Factors" in Item 1A in this Quarterly Report on Form 10-Q.

Consolidated Results

Highlights related to our financial condition at March 31, 2020 and results of operations for the three months then ended include the following:

- Consolidated revenue increased to $1,903.6 million, compared to $883.0 million for the prior-year period, primarily due to additional revenues from the acquired operations of TSYS.

- Consolidated operating income increased to $244.0 million, compared to $199.5 million for the prior-year period. Operating margin decreased to 12.8%, compared to 22.6% for the prior-year period, primarily due to an increase in acquisition and integration expenses associated with the Merger.

- Net income attributable to Global Payments increased to $143.6 million, compared to $112.3 million for the prior-year period, primarily due to additional income from the acquired operations of TSYS, partially offset by increases in acquisition and integration expenses and interest expense.

- Diluted earnings per share decreased to $0.48, compared to $0.71 for the prior-year period, reflecting the additional earnings from the acquired operations of TSYS, as well as an increase in the number of weighted-average number of shares outstanding as a result of issuing common shares as purchase consideration in the Merger.

Results of Operations

We operate in three reportable segments: Merchant Solutions, Issuer Solutions and Business and Consumer Solutions. We evaluate performance and allocate resources based on the operating income of each operating segment. In connection with an organizational realignment implemented after the Merger in the fourth quarter of 2019, the presentation of segment information for the three months ended March 31, 2019 has been recast to align with the segment presentation for the three months ended March 31, 2020. For further information about our reportable segments, see "Item 1. Business—Business Segments" within our Annual Report on Form 10-K for the year ended December 31, 2019, incorporated herein by reference, and "Note 11—Segment Information" in the notes to the accompanying unaudited consolidated financial statements.

The following table sets forth key selected financial data for the three months ended March 31, 2020 and 2019, this data as a percentage of total revenues and the changes between the periods in dollars and as a percentage of the prior-year amount. The income statement data for the three months ended March 31, 2020 and 2019 are derived from the accompanying unaudited consolidated financial statements included in Part I, Item 1 - Financial Statements.

	Three Months Ended March 31, 2020	% of Revenues[(1)]	Three Months Ended March 31, 2019	% of Revenues[(1)]	Change	% Change
	(dollar amounts in thousands)					
Revenues[(2)]:						
Merchant Solutions	$ 1,215,269	63.8 %	$ 877,783	99.4 %	$ 337,486	38.4%
Issuer Solutions	503,762	26.5 %	5,256	0.6 %	498,506	NM
Business and Consumer Solutions	203,946	10.7 %	—	— %	203,946	NM
Segment revenues	1,922,977	101.0 %	883,039	100.0 %	1,039,938	117.8%
Less: intersegment revenues	(19,379)	(1.0)%	—	— %	(19,379)	NM
Consolidated revenues	$ 1,903,598	100.0 %	$ 883,039	100.0 %	$ 1,020,559	115.6%
Consolidated operating expenses[(2)]:						
Cost of service	$ 933,871	49.1 %	$ 305,230	34.6 %	$ 628,641	206.0%
Selling, general and administrative	725,748	38.1 %	378,317	42.8 %	347,431	91.8%
Operating expenses	$ 1,659,619	87.2 %	$ 683,547	77.4 %	$ 976,072	142.8%
Operating income (loss)[(2)]:						
Merchant Solutions	$ 304,153	16.0 %	$ 238,129	27.0 %	$ 66,024	27.7%
Issuer Solutions	59,304	3.1 %	3,439	0.4 %	55,865	NM
Business and Consumer Solutions	31,112	1.6 %	—	— %	31,112	NM
Corporate[(3)]	(150,590)	(7.9)%	(42,076)	(4.8)%	(108,514)	257.9%
Operating income	$ 243,979	12.8 %	$ 199,492	22.6 %	$ 44,487	22.3%
Operating margin[(2)]:						
Merchant Solutions	25.0%		27.1%		(2.1)%	
Issuer Solutions	11.8%		NM		NM	
Business and Consumer Solutions	15.3%		NM		NM	

NM = not meaningful.

[(1)] Percentage amounts may not sum to the total due to rounding.

(2) Revenues, consolidated operating expenses, operating income (loss) and operating margin reflect the effects of acquired businesses from the respective acquisition dates. For further discussion of our acquisitions, see "Note 2—Acquisitions" in the notes to the accompanying unaudited consolidated financial statements.

(3) During the three months ended March 31, 2020, operating income for our Merchant Solutions segment reflected the effect of acquisition and integration expenses of $2.2 million. Operating loss for Corporate included acquisition and integration expenses of $69.7 million and $5.3 million, during the three months ended March 31, 2020 and 2019, respectively.

Revenues

Consolidated revenues for the three months ended March 31, 2020 increased by 115.6% to $1,903.6 million, compared to $883.0 million in the prior-year period, primarily due to additional revenues of $1,055.0 million from the acquired operations of TSYS, partially offset by the adverse effect on our revenues resulting from the COVID-19 pandemic.

*Merchant Solutions Segmen*t. Revenues from our Merchant Solutions segment for the three months ended March 31, 2020 increased by 38.4% to $1,215.3 million, compared to $877.8 million in the prior-year period, primarily due to additional revenues from the acquired operations of TSYS. As revenue from the Merchant Solutions segment is predominantly generated from core merchant acquiring, we experienced significant revenue declines starting in mid-March due to a reduction in consumer spending and closures of certain of our merchant customer businesses, including those who operate restaurants, retail locations, schools and universities and casinos, as well as the cancellation of events involving large groups of people throughout North America and Europe.

Issuer Solutions Segment. Revenues from our Issuer Solutions segment for the three months ended March 31, 2020 was $503.8 million, primarily reflecting revenues from the acquired operations of TSYS. Starting in mid-March, we experienced revenue declines as a result of lower transaction volumes, particularly in our commercial cards due to reduced travel and entertainment spending.

Business and Consumer Solutions Segment. Revenues from our Business and Consumer segment for the three months ended March 31, 2020 was $203.9 million, reflecting revenues from the acquired operations of TSYS. Our Business and Consumer Solutions segment experienced revenue declines starting in mid-March due to decreased consumer spending, lower load activity and fewer new funded accounts. These revenue declines were partially mitigated by positive trends in consumer adoption of our demand deposit account product.

Operating Expenses

Cost of Service. Cost of service for the three months ended March 31, 2020 increased by 206.0% to $933.9 million, compared to $305.2 million for the prior-year period, primarily due to additional costs associated with the acquired operations of TSYS. Cost of service for the three months ended March 31, 2020 reflects amortization of acquired intangibles of $314.2 million, compared to $107.5 million for the prior-year period. Cost of service as a percentage of revenues increased to 49.1% for the three months ended March 31, 2020, compared to 34.6% for the prior-year period, primarily due to the increase in amortization of acquired intangibles.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the three months ended March 31, 2020 increased by 91.8% to $725.7 million, compared to $378.3 million for the prior-year period. The increase in selling, general and administrative expenses was primarily due to additional costs associated with the acquired operations of TSYS, and included acquisition and integration expenses of $71.6 million, primarily related to the Merger, compared to $5.3 million for the prior-year period. Selling, general and administrative expenses as a percentage of revenues was 38.1% for the three months ended March 31, 2020, compared to 42.8% for the prior-year period.

Corporate. Corporate expenses increased by $108.5 million to $150.6 million for the three months ended March 31, 2020, compared to $42.1 million for the prior-year period, primarily due to additional expenses associated with the acquired operations of TSYS and an increase in acquisition and integration expenses primarily due to the Merger. During the three months ended March 31, 2020, Corporate expenses included acquisition and integration expenses of $69.7 million, compared to $5.3 million for the prior-year period. Certain of these Merger-related integration activities resulted in the recognition of employee termination benefits. During the three months ended March 31, 2020, we recognized charges of $17.6 million for actions taken, which included $2.6 million of share-based compensation expense. We expect to incur additional charges as Merger-related integration activities continue in 2020.

Operating Income and Operating Margin

Consolidated operating income for the three months ended March 31, 2020 increased to $244.0 million, compared to $199.5 million for the prior year due to additional income from the acquired operations of TSYS of $115.5 million, partially offset by the increase in acquisition and integration expenses. Operating margin for the three months ended March 31, 2020 decreased to 12.8%, compared to 22.6% for the prior-year period. Consolidated operating income for the three months ended March 31, 2020 reflects an increase in amortization of acquired intangibles of $206.7 million and an increase in acquisition and integration expenses of $66.6 million, primarily due to the Merger, compared to the prior-year period.

Other Income/Expense, Net

Interest and other expense for the three months ended March 31, 2020 increased by $33.6 million to $92.6 million, compared to the prior-year period, as a result of the increase in our outstanding borrowings.

Income Tax Expense

Our effective income tax rates for the three months ended March 31, 2020 and 2019 were 10.1% and 16.8%, respectively. The change in our effective tax rate for the three months ended March 31, 2020 from the prior-year period reflects the effect of tax credits and benefits associated with share-based awards.

Liquidity and Capital Resources

In the ordinary course of our business, a significant portion of our liquidity comes from operating cash flows and borrowings, including the capacity under our credit facilities. Cash flow from operating activities is used to make planned capital investments in our business, to pursue acquisitions that meet our corporate objectives, to pay dividends, to pay principal and interest on our outstanding debt and to repurchase shares of our common stock. Accumulated cash balances are invested in high-quality, marketable short-term instruments.

Our capital plan objectives are to support our operational needs and strategic plan for long-term growth while maintaining a low cost of capital. We use a combination of bank financing, such as borrowings under our credit facilities and senior note issuances, for general corporate purposes and to fund acquisitions. In addition, specialized lines of credit are also used in certain of our markets to fund merchant settlement prior to receipt of funds from the card network.

We believe that our current level of cash and borrowing capacity under our senior unsecured revolving credit facility, together with expected future cash flows from operations, will be sufficient to meet the needs of our existing operations and planned requirements for the foreseeable future. We have implemented measures to manage liquidity in future periods, including the reductions of planned capital expenditures and repurchases of our common stock. We regularly evaluate our liquidity and capital position relative to cash requirements, and we may elect to raise additional funds in the future through the issuance of debt or equity or by other means.

At March 31, 2020, we had cash and cash equivalents totaling $1,800.1 million. Of this amount, we considered $1,297.8 million to be available for general purposes, of which $29.0 million was undistributed foreign earnings considered to be indefinitely reinvested outside the United States. The available cash of $1,297.8 million did not include the following: (i) settlement-related cash balances, (ii) funds held as collateral for merchant losses ("Merchant Reserves") and (iii) funds held for customers. Settlement-related cash balances represent funds that we hold when the incoming amount from the card networks precedes the funding obligation to the merchant. Settlement-related cash balances are not restricted; however, these funds are generally paid out in satisfaction of settlement processing obligations the following day. Merchant Reserves serve as collateral to minimize contingent liabilities associated with any losses that may occur under the merchant's agreement. While this cash is not restricted in its use, we believe that designating this cash to collateralize Merchant Reserves strengthens our fiduciary standing with our member sponsors and is in accordance with the guidelines set by the card networks. Funds held for customers and the corresponding liability that we record in customer deposits include amounts collected prior to remittance on our customers' behalf.

Operating activities provided net cash of $436.6 million and $229.7 million for the three months ended March 31, 2020 and 2019, respectively, which reflect net income adjusted for noncash items, including depreciation and amortization and changes in operating assets and liabilities. Fluctuations in operating assets and liabilities are affected primarily by timing of month-end and transaction volume, especially changes in settlement processing assets and obligations. Changes in settlement processing assets and obligations increased operating cash flows by $13.0 million and $118.3 million during the three months ended March 31, 2020 and 2019, respectively. The increase in cash flows from operating activities from the prior-year period was primarily due to the increase in earnings before certain noncash items, including amortization of acquired intangibles and depreciation and amortization of property and equipment.

We used net cash in investing activities of $169.7 million and $116.3 million during the three months ended March 31, 2020 and 2019, respectively. Cash used for investing activities primarily represents cash used to fund acquisitions, net of cash acquired, and capital expenditures. During the three months ended March 31, 2020 and 2019, we used cash of $68.2 million and $74.8 million, respectively, for acquisitions.

We made capital expenditures of $104.8 million and $55.1 million to purchase property and equipment during the three months ended March 31, 2020 and 2019, respectively. These investments include software and hardware to support the development of new technologies, continued consolidation and enhancement of our operating platforms and infrastructure to support our growing business. Consistent with our first quarter, we will continue to make significant capital investments in the business but in light of COVID-19, will do so at a reduced rate from our initial expectations.

Financing activities include borrowings and repayments made under our various debt arrangements, as well as borrowings and repayments made under specialized lines of credit to fund daily settlement activities. Our borrowing arrangements are further described in "Note 5—Long-Term Debt and Lines of Credit" in the notes to the accompanying unaudited consolidated financial statements and below under "Long-Term Debt and Lines of Credit." Financing activities also include cash flows associated with common stock repurchase programs and share-based compensation programs, as well as cash distributions made to noncontrolling interests and our shareholders. We used net cash in financing activities of $77.5 million and $49.2 million during the three months ended March 31, 2020 and 2019, respectively.

Proceeds from long-term debt were $607.0 million and $344.0 million for the three months ended March 31, 2020 and 2019, respectively. Repayments of long-term debt were $111.0 million and $173.1 million for the three months ended March 31, 2020 and 2019, respectively. Proceeds from and repayments of long-term debt consist of borrowings and repayments that we make with available cash, from time-to-time, under our Revolving Credit Facility, as well as scheduled principal repayments we make on our term loans. Activity under our settlement lines of credit is affected primarily by timing of month-end and transaction volume. During the three months ended March 31, 2020 and 2019, we had net repayments of settlement lines of credit of $78.1 million and $55.4 million, respectively.

We repurchase our common stock mainly through open market repurchase plans. During the three months ended March 31, 2020 and 2019, we used $421.2 million and $156.0 million, respectively, to repurchase shares of our common stock. As of March 31, 2020, we had $880.0 million of share repurchase authority remaining under a share repurchase program authorized by the board of directors.

We paid dividends to our common shareholders in the amounts of $58.3 million and $1.6 million during the three months ended March 31, 2020 and 2019, respectively.

Long-Term Debt and Lines of Credit

Senior Unsecured Credit Facilities

We have a term loan credit agreement ("Term Loan Credit Agreement") and a revolving credit agreement ("Unsecured Revolving Credit Agreement") in each case with Bank of America, N.A., as administrative agent, and a syndicate of financial institutions, as lenders and other agents. The Term Loan Credit Agreement provides for a senior unsecured $2.0 billion term loan facility. The Unsecured Revolving Credit Agreement provides for a senior unsecured $3.0 billion revolving credit facility. Borrowings under the term loan facility were made in U.S. dollars and borrowings under the revolving credit facility are available to be made in U.S. dollars, euros, sterling, Canadian dollars and, subject to certain conditions, certain other currencies at our option. Borrowings in U.S. dollars and certain other London Interbank Offered Rate ("LIBOR")-quoted currencies will bear interest, at our option, at a rate equal to either (1) the rate (adjusted for any statutory reserve requirements for eurocurrency liabilities) for eurodollar deposits in the London interbank market, (2) a floating rate of interest set forth on the applicable LIBOR screen page designated by Bank of America or (3) the highest of (a) the federal funds effective rate plus 0.5%, (b) the rate of interest as publicly announced by Bank of America as its "prime rate" or (c) LIBOR plus 1.0%, in each case, plus an applicable margin. As of March 31, 2020, borrowings outstanding under the term loan facility and the revolving credit facility were $2.0 billion and $1.4 billion, respectively.

We continue to monitor developments related to the anticipated transition from LIBOR to an alternative benchmark reference rate, such as the Secured Overnight Financing Rate ("SOFR"), beginning January 1, 2022. Additionally, we maintain contact with our lenders and other stakeholders to evaluate the potential effects of these changes on our future financing activities.

As of March 31, 2020, the interest rates on the term loan facility and the revolving credit facility were 2.36% and 2.02%, respectively. In addition, we are required to pay a quarterly commitment fee with respect to the unused portion of the revolving credit facility at an applicable rate per annum ranging from 0.125% to 0.300% depending on our credit rating. Beginning on December 31, 2022, and at the end of each quarter thereafter, the Term Loan Facility must be repaid in quarterly installments in the amount of 2.50% of original principal through the maturity date with the remaining principal balance due upon maturity in September 2024. The revolving credit facility also matures in September 2024.

We may issue standby letters of credit of up to $250 million in the aggregate under the revolving credit facility. Outstanding letters of credit under the revolving credit facility reduce the amount of borrowings available to us. The total available commitments under the revolving credit facility at March 31, 2020 were $1,576.5 million.

Senior Unsecured Notes

We have $3.0 billion in aggregate principal amount of senior unsecured notes, consisting of the following: (i) $1.0 billion aggregate principal amount of 2.650% senior notes due 2025; (ii) $1.25 billion aggregate principal amount of 3.200% senior notes due 2029; and (iii) $750.0 million aggregate principal amount of 4.150% senior notes due 2049. Interest on the senior notes is payable semi-annually in arrears on each February 15 and August 15. Each series of the senior notes is redeemable, at our option, in whole or in part, at any time and from time-to-time at the redemption prices set forth in the related indenture. We have an additional $3.0 billion in aggregate principal amount of senior unsecured notes consisting of the following: (i) $750 million aggregate principal amount of 3.800% senior notes due 2021; (ii) $550 million aggregate principal amount of 3.750% senior notes due 2023; (iii) $550 million aggregate principal amount of 4.000% senior notes due 2023; (iv) $750 million aggregate principal amount of 4.800% senior notes due 2026; and (v) $450 million aggregate principal amount of 4.450% senior notes due 2028. For the 3.800% senior notes due 2021 and the 4.800% senior notes due 2026, interest is payable semi-annually each April 1 and October 1. For the 3.750% senior notes due 2023, the 4.000% senior notes due 2023 and the 4.450% senior notes due 2028, interest is payable semi-annually each June 1 and December 1.

Compliance with Covenants

The senior unsecured term loan and revolving credit facility contain customary conditions to funding, affirmative covenants, negative covenants, financial covenants and events of default. As of March 31, 2020, financial covenants under the term loan facility required a leverage ratio of 3.50 to 1.00 and an interest coverage ratio of 3.00 to 1.00. We were in compliance with all applicable covenants as of March 31, 2020.

Settlement Lines of Credit

In various markets where we do business, we have specialized lines of credit, which are restricted for use in funding settlement. The settlement lines of credit generally have variable interest rates, are subject to annual review and are denominated in local currency but may, in some cases, facilitate borrowings in multiple currencies. For certain of our lines of credit, the available credit is increased by the amount of cash we have on deposit in specific accounts with the lender. Accordingly, the amount of the outstanding lines of credit may exceed the stated credit limit. As of March 31, 2020 and December 31, 2019, a total of $58.0 million and $74.5 million, respectively, of cash on deposit was used to determine the available credit.

As of March 31, 2020 and December 31, 2019, respectively, we had $375.2 million and $463.2 million outstanding under these lines of credit with additional capacity to fund settlement of $1,092.1 million as of March 31, 2020. During the three months ended March 31, 2020, the maximum and average outstanding balances under these lines of credit were $679.0 million and $376.4 million, respectively. The weighted-average interest rate on these borrowings was 1.99% and 3.16% at March 31, 2020 and December 31, 2019, respectively.

See "Note 5—Long-Term Debt and Lines of Credit" in the notes to the accompanying unaudited consolidated financial statements for further information about our borrowing agreements and our lease liabilities.

Commitments and Contractual Obligations

During the three months ended March 31, 2020, our commitments and contractual obligations increased from the amounts disclosed in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations-Commitments and Contractual Obligations" in our Annual Report on Form 10-K for the year ended December 31, 2019. The increase primarily relates to the acquisition of software and related services for $293.8 million. We financed $97.6 million of this amount utilizing a two-year vendor financing arrangement. As of March 31, 2020, the estimated remaining purchase commitments for this acquisition are $47.6 million during the remainder of 2020, $64.9 million during 2021, $66.9 million during 2022 and $16.8 million during 2023.

Effects of the COVID-19 Pandemic on our Critical Accounting Policies

Because of the effects of the COVID-19 pandemic on our business beginning in mid-March, we evaluated the potential effects on our financial statements as of and for the three months ended March 31, 2020. However, the magnitude and duration of the ultimate effect of the COVID-19 pandemic are not possible to predict at this time, and our assessments are therefore subject to material revision.

Goodwill - We considered a variety of factors that might indicate that it is more likely than not that the fair value of any reporting unit is below its carrying amount at March 31, 2020, including general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of our reporting units, events or changes affecting the composition or carrying amount of the net assets of our reporting units, our share price and other relevant events. For certain of our reporting units that were recently acquired in the Merger, we also considered the expected near term impact of the COVID-19 pandemic on revenues and our cost mitigation efforts as well as longer term performance expectations. Based on the analyses completed, we believe it is not more likely than not that the carrying amount of any our reporting units exceeded the fair value as of March 31, 2020.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on our financial condition, revenues, results of operations, liquidity, capital expenditures or capital resources.

Effect of New Accounting Pronouncements and Recently Issued Accounting Pronouncements Not Yet Adopted

From time-to-time, new accounting pronouncements are issued by the Financial Accounting Standards Board or other standards setting bodies that may affect our current and/or future financial statements. See "Note 1—Basis of Presentation and Summary of Significant Accounting Policies" in the notes to the accompanying unaudited consolidated financial statements for a discussion of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

Forward-Looking Statements

Investors are cautioned that some of the statements we use in this report contain forward-looking statements and are made pursuant to the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which we operate, and beliefs of and assumptions made by our management, involve risks, uncertainties and assumptions that could significantly affect the financial condition, results of operations, business plans and the future performance of Global Payments. Actual events or results might differ materially from those expressed or forecasted in these forward-looking statements. Accordingly, we cannot guarantee that our plans and expectations will be achieved. Such statements may include, but are not limited to, statements about the effects of the COVID-19 pandemic on our business, including estimates of the effects of the pandemic on our revenues and financial operating results, the effects of actions taken by us in response to the pandemic, statements about the anticipated benefits of the Merger, including our future financial and operating results, the combined company’s plans, objectives, expectations and intentions, statements about our expected financial and operating results, projected future growth of business, and other statements that are not historical facts. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and therefore actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

In addition to factors previously disclosed in Global Payments’ reports filed with the SEC and those identified elsewhere in this communication, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: the effects and duration of global economic, political, market, health and social events or other conditions, including the effects and duration of the COVID-19 pandemic; regulatory measures or voluntary actions, including social distancing, shelter-in-place orders, shutdowns of nonessential businesses and similar measures imposed or undertaken in an effort to combat the spread of the COVID-19 pandemic; management’s assumptions and projections used in their estimates of the timing and severity of the effects of the COVID-19 pandemic on our future revenues and results of operations; our ability to meet our liquidity needs in light of the effects of the COVID-19 pandemic; the outcome of any legal proceedings that may be instituted against Global Payments or its or TSYS’ current or former directors; difficulties, delays and higher than anticipated costs related to integrating the businesses of Global Payments and TSYS, including with respect to implementing systems to prevent a material security breach of any internal systems or to successfully manage credit and fraud risks in business units; failing to fully realize anticipated cost savings and other anticipated benefits of the Merger when expected or at all; business disruptions from the Merger or integration that will harm our business, including current plans and operations; potential adverse reactions or changes to business relationships resulting from the Merger, including as it relates to the businesses’ ability to successfully renew existing client contracts on favorable terms or at all and obtain new clients; failing to comply with the applicable requirements of Visa, Mastercard or other payment networks or card schemes or changes in those requirements; the ability to maintain Visa and Mastercard registration and financial institution sponsorship; the ability to retain and hire key personnel; the diversion of management’s attention from ongoing business operations; the continued availability of capital and financing following the Merger; the business, economic and political conditions in the markets in which we operate; increased competition in the markets in which we operate and our ability to increase our market share in existing markets and expand into new markets; our ability to safeguard our data; risks associated with our indebtedness, foreign currency exchange and interest rate risks; the effects of new or changes in current laws, regulations, credit card association rules or other industry standards, including privacy and cybersecurity laws and regulations; and events beyond our control, such as acts of terrorism, and other factors included in the “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2019, and in other documents that we file with the SEC, which are available at http://www.sec.gov. Any forward-looking statements speak only as of the date of this communication or as of the date they were made, and we undertake no obligation to update forward-looking statements, except as required by law.

ITEM 3—QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of our exposure to market risk, refer to Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," contained in our Annual Report on Form 10-K for the year ended December 31, 2019.

ITEM 4—CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of March 31, 2020, management carried out, under the supervision and with the participation of our principal executive officer and principal financial officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2020, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and are designed to ensure that information required to be disclosed in those reports is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2020, as part of our ongoing integration activities following the Merger, we continued to apply our controls and procedures to the acquired operations of TSYS and to augment our company-wide controls to address the risks inherent in an acquisition of this magnitude. In response to the COVID-19 pandemic, our teams worldwide have been working remotely since the middle of March. We took precautionary measures to ensure our internal control over financial reporting addressed risks working in a remote environment. We are continually monitoring and assessing the COVID-19 potential effects on the design and operating effectiveness of our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1—LEGAL PROCEEDINGS

We are party to a number of claims and lawsuits incidental to our business. In our opinion, the liabilities, if any, which may ultimately result from the outcome of such matters, individually or in the aggregate, are not expected to have a material adverse effect on our financial position, liquidity, results of operations or cash flows. See "Note 12—Commitments and Contingencies" in the notes to the accompanying unaudited consolidated financial statements for information about certain legal matters.

ITEM 1A—RISK FACTORS

The following represent material changes to the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2019.

Our business has been and is likely to continue to be negatively affected by the recent COVID-19 outbreak.

The recent outbreak of COVID-19 in many countries and regions, including the United States, Europe and Asia-Pacific, which was declared a pandemic by the World Health Organization on March 11, 2020, continues to adversely affect global commercial activity and has contributed to significant volatility in the financial markets. Starting in mid-March 2020, COVID-19 began to affect our results significantly. The deterioration accelerated toward the end of March and has adversely affected and is likely to have a further negative effect on our near-term financial results due to reduced consumer, business and government spending upon which our revenues depend.

In particular, we may experience financial losses due to a number of operational factors, including:

- Merchant temporary closures and failures;
- Continued unemployment which may negatively influence consumer spending;
- Third-party disruptions, including potential outages at network providers, call centers and other suppliers;
- Increased cyber and payment fraud risk related to COVID-19, as cybercriminals attempt to profit from the disruption, given increased online banking, e-commence and other online activity; and
- Challenges to the availability and reliability of our solutions and services due to changes to operations, including the possibility of one or more clusters of COVID-19 cases occurring at our data centers, contact centers or operations centers, affecting our employees or affecting the systems or employees of our clients or other third parties on which we depend.

These factors may remain prevalent for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID-19 pandemic has subsided. The full effects of the COVID-19 pandemic on our business, results of operations, financial condition and cash flows will depend on future developments, which are highly uncertain and are difficult to predict at this time, including, but not limited to, the duration and spread of the pandemic, its severity, the restrictive actions taken to contain the virus or treat its effects, its effects on our customers and how quickly and to what extent normal economic and operating conditions, operations and demand for our services can resume. It is also likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown, and it is possible that it could cause a global recession. Accordingly, the ultimate effects on our operations, financial condition and cash flows cannot be determined at this time. Nevertheless, despite the uncertainty of the COVID-19 situation, we expect that the COVID-19 pandemic will have an adverse effect on our revenues and financial results for the remainder of 2020.

Furthermore, the COVID-19 pandemic and the resulting adverse and unpredictable economic conditions are likely to implicate or exacerbate other risks identified in our Annual Report on Form 10-K for the year ended December 31, 2019, which in turn could materially adversely affect our business, financial condition, results of operations and liquidity.

ITEM 2—UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Information about the shares of our common stock that we repurchased during the quarter ended March 31, 2020 is set forth below:

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs [2]
				(in millions)
January 1-31, 2020	934,051	$ 194.08	930,401	$ 473.4
February 1-29, 2020	924,996	194.57	839,676	292.8
March 1-31, 2020	439,042	183.37	324,654	940.0
Total	2,298,089	$ 192.23	2,094,731	$ 880.0

(1) Our board of directors has authorized us to repurchase shares of our common stock through any combination of Rule 10b5-1 open-market repurchase plans, accelerated share repurchase plans, discretionary open-market purchases or privately negotiated transactions. During the quarter ended March 31, 2020, pursuant to our employee incentive plans, we withheld 203,358 shares, at an average price per share of $185.81 in order to satisfy employees' tax withholding and payment obligations in connection with the vesting of awards of restricted stock.

(2) On February 26, 2020, our board of directors approved an increase to our existing share repurchase program authorization, which raised the total available authorization to $1.0 billion. As of March 31, 2020, the amount that may yet be purchased under our share repurchase program was $880.0 million. The board authorization does not expire, but could be revoked at any time. In addition, we are not required by the board’s authorization or otherwise to complete any repurchases by any specific time or at all.

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ITEM 6—EXHIBITS

List of Exhibits

3.1	Third Amended and Restated Articles of Incorporation of Global Payments Inc., incorporated by reference to Exhibit 4.1 to Global Payment Inc.'s Post-Effective Amendment No. 1 on Form S-8 to the Registration Statement on Form S-4 filed on September 18, 2019.
3.2	Articles of Amendment to the Third Amended and Restated Articles of Incorporation of Global Payments Inc., incorporated by reference to Exhibit 3.1 to Global Payments Inc.'s Current Report on Form 8-K filed on May 1, 2020.
3.3	Tenth Amended and Restated Bylaws of Global Payments Inc., incorporated by reference to Exhibit 3.2 to Global Payment Inc.'s Current Report on Form 8-K filed on May 1, 2020.
10.1*	Form of Restricted Stock Award pursuant to the 2011 Amended and Restated Incentive Plan for Executive Officers (calendar 2020).
10.2*	Form of Performance Unit Award Agreement pursuant to the 2011 Amended and Restated Incentive Plan for Executive Officers (calendar 2020).
10.3*	Form of Stock Option Award pursuant to the 2011 Amended and Restated Incentive Plan for Executive Officers (calendar 2020).
31.1*	Certification of the Principal Executive Officer pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Principal Executive Officer and the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following financial information from the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in Inline XBRL (eXtensible Business Reporting Language) and filed electronically herewith: (i) the Unaudited Consolidated Statements of Income; (ii) the Unaudited Consolidated Statements of Comprehensive Income (Loss); (iii) the Consolidated Balance Sheets; (iv) the Unaudited Consolidated Statements of Cash Flows; (v) the Unaudited Consolidated Statements of Changes in Equity; and (vi) the Notes to Unaudited Consolidated Financial Statements. The instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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* Filed herewith.

++ Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K and Global Payments Inc. agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule and/or exhibit upon request.

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.

Global Payments Inc.
(Registrant)

Date: May 6, 2020

/s/ Paul M. Todd

Paul M. Todd
Senior Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

GLOBAL PAYMENTS INC.

RESTRICTED STOCK AWARD CERTIFICATE

Non-transferable

G R A N T T O

Participant Name

(“Grantee”)

by Global Payments Inc. (the “Company”) of

Number of Awards Granted

shares of its common stock, no par value (the “Shares”) pursuant to and subject to the provisions of the Global Payments Inc. Amended and Restated 2011 Incentive Plan (the “Plan”) and to the terms and conditions set forth on the following pages of this award certificate (the “Terms and Conditions”). By accepting this Award, Grantee shall be deemed to have agreed to the terms and conditions set forth in this Restricted Stock Award Certificate (the “Certificate”) and the Plan.

Unless sooner vested in accordance with Section 3 of the Terms and Conditions or otherwise in the discretion of the Committee, the restrictions imposed under Section 2 of the Terms and Conditions will expire as to the following percentage of the Shares awarded hereunder, on the following respective dates; provided that Grantee is then still employed by the Company or any of its Affiliates:

Distribution Schedule

IN WITNESS WHEREOF, Global Payments Inc., acting by and through its duly authorized officers, has caused this Certificate to be executed.

GLOBAL PAYMENTS INC.	Grant Date: Grant Date
	Grant Number: Client Grant ID
	Accepted by Grantee: Electronic Signature
By:	Date: Acceptance Date
Its: Authorized Officer	

TERMS AND CONDITIONS

1. Grant of Shares. The Company hereby grants to the Grantee named on the cover page hereof, subject to the restrictions and the other terms and conditions set forth in the Plan and in this Certificate, the number of Shares indicated on the cover page hereof of the Company's no par value common stock (the "Shares"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

2. Restrictions. The Shares are subject to each of the following restrictions. "Restricted Shares" mean those Shares that are subject to the restrictions imposed hereunder which restrictions have not then expired or terminated. Restricted Shares may not be sold, transferred, exchanged, assigned, pledged, hypothecated or otherwise encumbered. If Grantee's employment with the Company or any Affiliate terminates for any reason other than as set forth in paragraph (b) of Section 3 hereof, then Grantee shall forfeit all of Grantee's right, title and interest in and to the Restricted Shares as of the date of employment termination, and such Restricted Shares shall revert to the Company. The restrictions imposed under this Section shall apply to all shares of the Company's Stock or other securities issued with respect to Restricted Shares hereunder in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the Stock.

3. Expiration and Termination of Restrictions. The restrictions imposed under Section 2 will expire on the earliest to occur of the following (the period prior to such expiration being referred to herein as the "Restricted Period"):

(a) As to the percentages of the Shares specified on the cover page hereof, on the respective dates specified on the cover page hereof; provided Grantee is then still employed by the Company or an Affiliate; or

(b) Termination of Grantee's employment by reason of death or Disability.

4. Delivery of Shares. The Shares will be registered on the books of the Company in Grantee's name as of the Grant Date and will be held by the Company during the Restricted Period in certificated or uncertificated form.

If a certificate for Restricted Shares is issued during the Restricted Period with respect to such Shares, such certificate shall be registered in the name of Grantee and shall bear a legend in substantially the following form:

"This certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in a Restricted Stock Award Certificate between the registered owner of the shares represented hereby and Global Payments Inc. Release from such terms and conditions shall be made only in accordance with the provisions of such Certificate, copies of which are on file in the offices of Global Payments Inc."

Stock certificates for the Shares, without the above legend, shall be delivered to Grantee or Grantee's designee upon request of Grantee after the expiration of the Restricted Period, but delivery may be postponed for such period as may be required for the Company with reasonable diligence to comply if deemed advisable by the Company, with registration requirements under the Securities Act of 1933, listing requirements under the rules of any stock exchange, and requirements under any other law or regulation applicable to the issuance or transfer of the Shares.

5. Voting and Dividend Rights. Grantee, as beneficial owner of the Shares, shall have full voting and dividend rights with respect to the Shares during and after the Restricted Period. If Grantee forfeits any rights he or she may have under this Certificate in accordance with Section 2, Grantee shall no longer have any rights as a shareholder with respect to the Restricted Shares or any interest therein and Grantee shall no longer be entitled to receive dividends on such stock.

6. No Right of Continued Employment. Nothing in the Plan or this Certificate or any document executed under either of them shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee's employment without liability at any time, nor confer upon Grantee any right to continue in the employ of the Company or any Affiliate.

7. No Entitlement to Future Awards. The grant of this Award does not entitle Grantee to the grant of any additional awards under the Plan in the future. Future grants, if any, will be at the sole discretion of the Company.

8. Payment of Taxes. Upon issuance of the Shares hereunder, Grantee may make an election to be taxed upon such award under Section 83(b) of the Code. The Company or any Affiliate employing Grantee has the authority and the

right to deduct or withhold, or require Grantee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the vesting of the Shares. The withholding requirement may be satisfied, in whole or in part, at the election of the Company's general counsel, principal financial officer or chief accounting officer, by withholding from the settlement Shares having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as such officer establishes. The obligations of the Company under this Certificate will be conditional on such payment or arrangements, and the Company and, where applicable, its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Grantee.

9. Amendment. The Committee may amend, modify or terminate this Certificate without approval of Grantee; provided, however, that such amendment, modification or termination shall not, without Grantee's consent, reduce or diminish the value of this award determined as if it had been fully vested (i.e., as if all restrictions on the Restricted Shares hereunder had expired) on the date of such amendment or termination.

10. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plan. Without limiting the foregoing, the Restricted Shares are subject to adjustment as provided in Article 15 of the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Certificate, the provisions of the Plan shall be controlling and determinative. Any conflict between this Certificate and the terms of a written employment, key position, or change-in-control agreement between the Company and Grantee shall be decided in favor of the provisions of such employment, key position, or change-in-control agreement.

11. Governing Law. This Certificate shall be construed in accordance with and governed by the laws of the State of Georgia, United States of America, regardless of the law that might be applied under principles of conflict of laws. Grantee hereby agrees and submits to jurisdiction in the state or federal courts located in Muscogee County in the State of Georgia and waives objection to such jurisdiction.

12. Severability. If any one or more of the provisions contained in this Certificate is deemed to be invalid, illegal or unenforceable, the other provisions of this Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

13. Relationship to Other Benefits. The Shares shall not affect the calculation of benefits under any other compensation plan or program of the Company, except to the extent specially provided in such other plan or program.

14. Notice. Notices and communications hereunder must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Global Payments Inc., 3550 Lenox Road, Suite 3000, Atlanta, Georgia 30326, Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

15. Clawback. Notwithstanding anything to the contrary in this Certificate, the Plan, or any employment, key position, or change-in-control agreement with Grantee, the award granted hereunder is subject to the provisions of the following clawback policy established by the Committee prior to the grant of the Restricted Shares hereunder. The Committee may seek to recoup all or any portion of the value of any annual or long-term incentive awards provided to any current or former executive officers in the event that the Company's financial statements are restated due to the Company's material noncompliance with any financial reporting requirement under the securities laws (the "Restatement"). The Committee may seek recoupment from any current or former executive officer who received incentive-based compensation, granted after the date hereof, during the three (3) year period preceding the date that the Company was required to prepare the Restatement. The Committee may seek to recover the amount by which the individual executive's incentive payments exceeded the lower payment that would have been made based on the restated financial results and the Committee may determine whether the Company shall effect such recovery: (i) by seeking repayment from the executive; (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the executive under any compensatory plan, program or arrangement maintained by the Company; or (iii) a combination of foregoing. The Grantee hereby acknowledges that this award is subject to the foregoing policy and agrees to make any repayment required in connection therewith.

GLOBAL PAYMENTS INC.

PERFORMANCE UNIT AWARD CERTIFICATE

Non-transferable

G R A N T T O

Participant Name

("Grantee")

by Global Payments Inc. (the "Company") of Performance Units (the "Performance Units") representing the right to earn, on a one-for-one basis, shares of the Company's no par value common stock ("Shares"), pursuant to and subject to the provisions of the Global Payments Inc. Amended and Restated 2011 Incentive Plan (the "Plan") and to the terms and conditions set forth on the following pages of this award certificate (the "Certificate").

The target number of Shares subject to this award is **Number of Awards Granted** (the "Target Award"). Depending on the Company's year over year Annual Adjusted EPS Growth and relative Total Shareholder Return over the Performance Period (each as defined herein), Grantee may earn from 0% to 400% of the Target Award (subject to the Award Maximum (as defined herein)) in accordance with the performance metrics described in Exhibit A attached hereto and the terms and conditions of this Certificate.

By accepting this Award, Grantee shall be deemed to have agreed to the terms and conditions of this Certificate and the Plan.

IN WITNESS WHEREOF, Global Payments Inc., acting by and through its duly authorized officers, has caused this Certificate to be executed.

GLOBAL PAYMENTS INC.

By:

Its: Authorized Officer

Grant Date: Grant Date

Grant Number: Client Grant ID

Accepted by Grantee: Electronic Signature

Date: Acceptance Date

TERMS AND CONDITIONS

1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan. In addition, for purposes of this Certificate:

(i) "Conversion Date" means February 24, 2023, provided that the Committee has previously certified the Company's year over year Annual Adjusted EPS Growth and relative Total Shareholder Return, as more fully described in Exhibit A hereto.

(ii) "Performance Period" means the three year period beginning on January 1, 2020 and ending on December 31, 2022.

(iii) "Final Performance Multiplier" means the percentage, from 0% to 400%, that will be applied to the Target Award to determine the number of Performance Awards that will convert to Shares on the Conversion Date, as more fully described in Exhibit A hereto.

2. Performance Units. The Performance Units have been credited to a bookkeeping account on behalf of Grantee. The Performance Units will be earned in whole, in part, or not at all, as provided on Exhibit A attached hereto. Any Performance Units that fail to vest in accordance with the terms of this Certificate will be forfeited and reconveyed to the Company without further consideration or any act or action by Grantee.

1. Conversion to Shares. Except as otherwise provided in Section 4 below, 100% of the Performance Units that are earned based on performance will be converted to actual unrestricted Shares (one Share per vested Performance Unit) on the Conversion Date. These shares will be registered on the books of the Company in Grantee's name as of the Conversion Date and stock certificates for the Shares shall be delivered to Grantee or Grantee's designee upon request of the Grantee.

4. Termination of Employment. If Grantee's employment is terminated during the Performance Period, the number of Performance Units earned shall be determined based upon the terms of the written employment agreement between the Company and Grantee.

5. Restrictions on Transfer and Pledge. No right or interest of Grantee in the Performance Units may be pledged, encumbered, or hypothecated or be made subject to any lien, obligation, or liability of Grantee to any other party other than the Company or an Affiliate. The Performance Units may not be sold, assigned, transferred or otherwise disposed of by Grantee other than by will or the laws of descent and distribution.

6. Restrictions on Issuance of Shares. If at any time the Committee shall determine, in its discretion, that registration, listing or qualification of the Shares underlying the Performance Units upon any securities exchange or similar self-regulatory organization or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the Performance Units, stock units will not be converted to Shares in whole or in part unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

7. Limitation of Rights. The Performance Units do not confer to Grantee or Grantee's beneficiary, executors or administrators any rights of a shareholder of the Company unless and until Shares are in fact issued to such person in connection with the units. Nothing in this Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee's employment at any time, nor confer upon Grantee any right to continue in employment of the Company or any Affiliate.

8. No Entitlement to Future Awards. The grant of the Performance Units does not entitle Grantee to the grant of any additional units or other awards under the Plan in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any grant, the number of units, and vesting provisions.

9. Payment of Taxes. The Company or any Affiliate employing Grantee has the authority and the right to deduct or withhold, or require Grantee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Grantee's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the vesting or settlement of the Performance Units. The withholding requirement may be satisfied, in whole or in part, by withholding from the settlement of the stock units Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld in accordance with applicable tax requirements, all in accordance with such procedures as the Committee establishes. The obligations of the Company under this Certificate will be conditional on such payment or arrangements, and the Company and, where applicable, its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Grantee.

10. Amendment. The Committee may amend, modify or terminate this Certificate without approval of Grantee; provided, however, that such amendment, modification or termination shall not, without Grantee's consent, reduce or diminish the value of this award determined as if it had been fully vested (i.e., as if all restrictions on the Performance Units hereunder had expired) on the date of such amendment or termination.

11. Plan Controls. The terms contained in the Plan shall be and are hereby incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plan. Without limiting the foregoing, the terms and conditions of the Performance Units, including the number of shares and the class or series of capital stock which may be delivered upon settlement of the Performance Units, are subject to adjustment as provided in Article 15 of the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Certificate, the provisions of the Plan shall be controlling and determinative. Any conflict between this Certificate and the terms of a written employment, key position, or change-in-control agreement between the Company and Grantee shall be decided in favor of the provisions of such employment, key position, or change-in-control agreement.

12. Governing Law. This Certificate shall be construed in accordance with and governed by the laws of the State of Georgia, United States of America, regardless of the law that might be applied under principles of conflict of laws. Grantee hereby agrees and submits to jurisdiction in the state or federal courts located in Muscogee County in the State of Georgia and waives objection to such jurisdiction.

13. Severability. If any one or more of the provisions contained in this Certificate is deemed to be invalid, illegal or unenforceable, the other provisions of this Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

14. Relationship to Other Benefits. The Performance Units shall not affect the calculation of benefits under any other compensation plan or program of the Company, except to the extent specially provided in such other plan or program.

15. Clawback. Notwithstanding anything to the contrary in this Certificate, the Plan, or any employment, key position, or change-in-control agreement with Grantee, the award granted hereunder is subject to the provisions of the following clawback policy established by the Committee prior to the grant of the Performance Units hereunder. The Committee may seek to recoup all or any portion of the value of any annual or long-term incentive awards provided to any current or former executive officers in the event that the Company's financial statements are restated due to the Company's material noncompliance with any financial reporting requirement under the securities laws (the "Restatement"). The Committee may seek recoupment from any current or former executive officer who received incentive-based compensation, granted after the date hereof, during the three (3) year period preceding the date that the Company was required to prepare the Restatement. The Committee may seek to recover the amount by which the individual executive's incentive payments exceeded the lower payment that would have been made based on the restated financial results and the Committee may determine whether the Company shall effect such recovery: (i) by seeking repayment from the executive; (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the executive under any compensatory plan, program

or arrangement maintained by the Company; or (iii) a combination of foregoing. The Grantee hereby acknowledges that this award is subject to the foregoing policy and agrees to make any repayment required in connection therewith.

16. Notice. Notices and communications hereunder must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Global Payments Inc., 3550 Lenox Road, Suite 3000, Atlanta, Georgia 30326, Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.

EXHIBIT A

Grantee may earn a percentage of the Target Award (subject to the Award Maximum) based on the Company's year over year Annual Adjusted EPS Growth and Total Shareholder Return relative to the Comparator Group for the Performance Period, as follows:

Performance Matrix for CY 2020 Annual Adjusted EPS Growth

Degree of Performance Attainment	Annual Adjusted EPS Growth	Annual Multiple(1)
Maximum or Above	__%	__%
Stretch	__%	__%
Target	__%	__%
Threshold	__%	__%
Less than Threshold	Below __%	__%

(1) Payouts between performance levels will be determined based on straight line interpolation.

Performance Matrix for CY 2021 Annual Adjusted EPS Growth

Degree of Performance Attainment	Annual Adjusted EPS Growth	Annual Multiple(1)
Maximum or Above	__%	__%
Stretch	__%	__%
Target	__%	__%
Threshold	__%	__%
Less than Threshold	Below __%	__%

(1) Payouts between performance levels will be determined based on straight line interpolation.

Performance Matrix for CY 2022 Annual Adjusted EPS Growth

Degree of Performance Attainment	Annual Adjusted EPS Growth	Annual Multiple(1)
Maximum or Above	__%	__%
Stretch	__%	__%
Target	__%	__%
Threshold	__%	__%
Less than Threshold	Below __%	__%

(1) Payouts between performance levels will be determined based on straight line interpolation.

A. The resulting Annual Multiples for each of CY 2020, CY 2021 and CY 2022 are averaged together to determine the EPS Performance Multiplier. For example:

- If actual CY 2020 Annual Adjusted EPS Growth results in an Annual Multiple of __%, actual CY 2021 Annual Adjusted EPS Growth results in an Annual Multiple of __%, and actual CY 2021 Annual Adjusted EPS Growth results in an Annual Multiple of 100%, then the EPS Performance Multiplier shall be __%.

B. The EPS Performance Multiplier is then multiplied by a modifier (the "Relative TSR Modifier") based on the Company's TSR Percentile Rank over the Performance Period to determine the Final Performance Multiplier, as follows:

Global Payments Inc.'s TSR Percentile Rank vs. Comparator Group	**Relative TSR Modifier**
Below 30th percentile	__%
30th to 70th percentile	__%
Above 70th percentile	__% (subject to the Award Maximum)

- For example, if the EPS Performance Multiplier is __% and the Company's TSR Percentile Rank is above the 70th percentile, which results in a TSR Modifier of __%, then the Final Performance Multiplier shall be __%.

- For the avoidance of doubt, no Performance Units shall be earned prior to the Conversion Date

C. For purposes of this Certificate, the following terms shall have the following meanings:

(1) "CY 2020" or "2020 calendar year" means the twelve month period commencing on January 1, 2020 and ending December 31, 2020.

(2) "CY 2021" or "2021 calendar year" means the twelve month period commencing on January 1, 2021 and ending December 31, 2021.

(3) "CY 2022" or "2022 calendar year" means the twelve month period commencing on January 1, 2022 and ending December 31, 2022.

(4) "Annual Adjusted EPS" means "diluted earnings per share" as described and quantified in the Company's calendar 2020, 2021, and 2022 year-end earnings press releases, respectively, except that for purposes of this Certificate, Annual Adjusted EPS shall exclude the after-tax impact of expenses associated with share-based compensation and foreign currency exchange as calculated based on foreign currency exchange rates set forth in the Company's approved budget for each calendar year.

(5) "Annual Adjusted EPS Growth" means the percentage increase in Annual Adjusted EPS for each calendar year in the Performance Period. For purposes of the 2020 calendar year, the beginning point for measurement of Annual Adjusted EPS growth shall be actual Annual Adjusted EPS for the twelve month period commencing on January 1, 2019 and ending December 31, 2019. For purposes of the 2021 and 2022 calendar years, the beginning point for measurement of Annual Adjusted EPS growth shall be actual Annual Adjusted EPS for the 2020 and 2021 calendar years, respectively, as measured in accordance with this Certificate.

(6) "Award Maximum" means 4.00x the Target Award.

(7) "Beginning Price" means, with respect to the Company and any other Comparator Group member, the average of the closing market prices of such company's common stock on the principal exchange on which such stock is traded for the twenty (20) consecutive trading days ending with the last trading day before the beginning of the Performance Period. For the purpose of determining the Beginning Price, the value of

dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the ex-dividend date.

(8) "Comparator Group" means the companies comprising the S&P 500 as of the first day of the Performance Period and, except as provided below, the common stock of which is continually listed or traded on a national securities exchange from the first day of the Performance Period through the last trading day of the Performance Period. In the event a member of the Comparator Group files for bankruptcy or liquidates due to an insolvency, such company shall continue to be treated as a Comparator Group member, and such company's Ending Price will be treated as $0 if the common stock (or similar equity security) of such company is no longer listed or traded on a national securities exchange on the last trading day of the Performance Period (and if multiple members of the Comparator Group file for bankruptcy or liquidate due to an insolvency, such members shall be ranked in order of when such bankruptcy or liquidation occurs, with earlier bankruptcies/liquidations ranking lower than later bankruptcies/liquidations). In the event of a formation of a new parent company by a Comparator Group member, substantially all of the assets and liabilities of which consist immediately after the transaction of the equity interests in the original Comparator Group member or the assets and liabilities of such Comparator Group member immediately prior to the transaction, such new parent company shall be substituted for the Comparator Group member to the extent (and for such period of time) as its common stock (or similar equity securities) are listed or traded on a national securities exchange but the common stock (or similar equity securities) of the original Comparator Group member are not. In the event of a merger or other business combination of two Comparator Group members (including, without limitation, the acquisition of one Comparator Group member, or all or substantially all of its assets, by another Comparator Group member), the surviving, resulting or successor entity, as the case may be, shall continue to be treated as a member of the Comparator Group, provided that the common stock (or similar equity security) of such entity is listed or traded on a national securities exchange through the last trading day of the Performance Period.

(9) "Ending Price" means, with respect to the Company and any other Comparator Group member, the average of the closing market prices of such company's common stock on the principal exchange on which such stock is traded for the twenty (20) consecutive trading days ending on the last trading day of the Performance Period. For the purpose of determining the Ending Price, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the ex-dividend date.

(10) "EPS Performance Multiplier" means the average of the Annual Multiples for each of CY 2020, CY 2021, and CY 2022.

(1) "S&P 500" means the Standard & Poor 500 Total Return Index.

(2) "Total Shareholder Return" or "TSR" shall be determined with respect to the Company and any other Comparator Group member by dividing: (a) the sum of (i) the difference obtained by subtracting the applicable Beginning Price from the applicable Ending Price plus (ii) all dividends and other distributions on the respective shares with an ex-dividend date that falls during the Performance Period by (b) the applicable Beginning Price. Any non-cash distributions on the respective shares shall be valued at fair market value. For the purpose of determining TSR, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the date of distribution.

(3) "TSR Percentile Rank" means the percentile ranking of the Company's TSR among the TSRs for the Comparator Group members for the Performance Period. TSR Percentile Rank is determined by ordering the Comparator Group members plus the Company from highest to lowest based on TSR for the relevant Performance Period and counting down from the company with the highest TSR (ranked first) to the Company's position on the list. If two companies are ranked equally, the ranking of the next company shall account for the tie, so that if one company is ranked first, and two companies are tied for second, the next company is ranked fourth. In determining the Company's TSR Percentile Rank for the Performance Period, in the event that the Company's TSR for the Performance Period is equal to the TSR(s) of one or more other Comparator Group members for that same period, the Company's TSR Percentile Rank ranking will be determined by ranking the Company's TSR for that period as being greater than such other Comparator Group members. After this ranking, the TSR Percentile Rank will be calculated using the following formula, rounded to the nearest whole
percentile by application of regular rounding:

$$\text{TSR Percentile Rank} = \frac{(N - R) * 100}{N}$$

"N" represents the number of Comparator Group members for the relevant Performance Period plus the Company.
"R" represents the Company's ranking among the Comparator Group members plus the Company.

D. General. With respect to the computation of TSR, Beginning Price, and Ending Price, the Committee shall be entitled to make an equitable and proportionate adjustment to the extent (if any) necessary to preserve the intended incentives of the awards and mitigate the impact of any change in corporate capitalization, such as a stock split, stock dividend or reverse stock split, occurring during the Performance Period (or during the applicable 20-day period in determining Beginning Price or Ending Price, as the case may be), and the determination of the Committee shall be final and binding.

GLOBAL PAYMENTS INC.
NON-STATUTORY STOCK OPTION

Non-transferable
GRANT TO

Participant Name
(the "Optionee")

the right to purchase from Global Payments Inc. (the "Company")

Number of Awards Granted shares of its common stock, no par value, at the price of **$200.42** per share

pursuant to and subject to the provisions of the Global Payments Inc. Amended and Restated 2011 Incentive Plan (the "Plan") and to the terms and conditions set forth on the following page (the "Terms and Conditions").

Unless sooner vested in accordance with Section 2 of the Terms and Conditions or otherwise in the discretion of the Committee, the Options shall vest (become exercisable) in accordance with the following schedule:

Continuous Service after Grant Date	Percent of Option Shares Vested
Less than 1 Year	0%
1 Year	33.33%
2 Years	66.66%
3 Years	100%

IN WITNESS WHEREOF, Global Payments Inc., acting by and through its duly authorized officers, has caused this Certificate to be executed as of the Grant Date.

GLOBAL PAYMENTS INC.

By:
Its: Authorized Officer

Grant Date: Grant Date
Grant Number: Client Grant ID
Accepted by Grantee: Electronic Signature
Date: Acceptance Date

TERMS AND CONDITIONS

1. Grant of Option. Global Payments Inc. (the “Company”) hereby grants to the Optionee named on Page 1 hereof (“Optionee”), under the Global Payments Inc. Amended and Restated 2011 Incentive Plan (the “Plan”), stock options to purchase from the Company (the “Options”), on the terms and on conditions set forth in this certificate (this “Certificate”), the number of shares indicated on Page 1 of the Company’s no par value common stock, at the exercise price per share set forth on Page 1. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan.

2. Vesting of Options. The Option shall vest (become exercisable) in accordance with the schedule shown on Page 1 of this Certificate. Notwithstanding the foregoing vesting schedule, upon Optionee’s death or Disability during his or her Continuous Service, or subject to the consent of the Committee, upon Optionee’s Retirement, all Options shall become fully vested and exercisable.

3. Term of Options and Limitations on Right to Exercise. The term of the Options will be for a period of ten years, expiring at 5:00 p.m., Eastern Time, on the tenth anniversary of the Grant Date (the “Expiration Date”). To the extent not previously exercised, the Options will lapse prior to the Expiration Date upon the earliest to occur of the following circumstances:

(a) Three months after the termination of Optionee’s Continuous Service for any reason other than by reason of Optionee’s death, Disability or Retirement.

(b) Twelve months after termination of Optionee’s Continuous Service by reason of Disability.

(c) Five years after termination of Optionee’s Continuous Service by reason of Retirement.

(d) Twelve months after the date of Optionee’s death, if Optionee dies while employed, or during the three-month period described in subsection (a) above or during the twelve-month period described in subsection (b) above and before the Options otherwise lapse. If the Optionee dies during the five-year period described in subsection (c) above, the Option shall lapse as provided in subsection (c). Upon Optionee’s death, the Options may be exercised by Optionee’s beneficiary designated pursuant to the Plan.

The Committee may, prior to the lapse of the Options under the circumstances described in paragraphs (a), (b), (c) or (d) above, extend the time to exercise the Options as determined by the Committee in writing. If Optionee returns to employment with the Company during the designated post-termination exercise period, then Optionee shall be restored to the status Optionee held prior to such termination but no vesting credit will be earned for any period Optionee was not in Continuous Service. If Optionee or his or her beneficiary exercises an Option after termination of service, the Options may be exercised only with respect to the Shares that were otherwise vested on Optionee’s termination of service.

4. Exercise of Option. The Options shall be exercised by (a) written notice directed to the Secretary of the Company or his or her designee at
the address and in the form specified by the Secretary from time to time and (b) payment to the Company in full for the Shares subject to such exercise (unless the exercise is a broker-assisted cashless exercise, as described below). If the person exercising an Option is not Optionee, such person shall also deliver with the notice of exercise appropriate proof of his or her right to exercise the Option. Payment for such Shares shall be in (a) cash, (b) Shares previously acquired by the purchaser, which have been held by the purchaser for such period of time, if any, as necessary to avoid variable accounting for the Option, or (c) any combination thereof, for the number of Shares specified in such written notice. The value of surrendered Shares for this purpose shall be the Fair Market Value as of the last trading day immediately prior to the exercise date. To the extent permitted under Regulation T of the Federal Reserve Board, and subject to applicable securities laws and any limitations as may be applied from time to time by the Committee (which need not be uniform), the Options may be exercised through a broker in a so-called “cashless exercise” whereby the broker sells the Option Shares on behalf of Optionee and delivers cash sales proceeds to the Company in payment of

the exercise price. In such case, the date of exercise shall be deemed to be the date on which notice of exercise is received by the Company and the exercise price shall be delivered to the Company by the settlement date.

5. Beneficiary Designation. Optionee may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of Optionee hereunder and to receive any distribution with respect to the Options upon Optionee's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights hereunder is subject to all terms and conditions of this Certificate and the Plan, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives Optionee, the Options may be exercised by the legal representative of Optionee's estate, and payment shall be made to Optionee's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by Optionee at any time provided the change or revocation is filed with the Company.

6. Withholding. The Company or any employer Affiliate has the authority and the right to deduct or withhold, or require Optionee to remit to the employer, an amount sufficient to satisfy federal, state, and local taxes (including Optionee's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the exercise of the Options. The withholding requirement may be satisfied, in whole or in part, at the election of the Secretary, by withholding from the Options Shares having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes, all in accordance with such procedures as the Secretary establishes. If Shares are surrendered to satisfy withholding obligations in excess of the minimum withholding obligation, such Shares must have been held by the purchaser as fully vested shares for such period of time, if any, as necessary to avoid variable accounting for the Options. The obligations of the Company under this Certificate will be conditional on such payment or arrangements, and the Company and, where applicable, its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to Optionee.

7. Limitation of Rights. The Options do not confer to Optionee or Optionee's beneficiary designated pursuant to Paragraph 5 any rights of a shareholder of the Company unless and until Shares are in fact issued to such person in connection with the exercise of the Options.

8. No Right of Continued Employment; No Rights to Compensation or Damages. Nothing in the Plan or this Certificate or any document executed under either of them shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Optionee's employment without liability at any time, nor confer upon Optionee any right to continue in the employ of the Company or any Affiliate. By executing this Certificate, Optionee waives any and all rights to compensation or damages for the termination of his office or employment, or failure to provide sufficient notice of termination of his office or employment, with the Company or any Affiliate for any reason whatsoever insofar as those rights arise or may arise from the loss of Optionee's benefits or rights upon conversion of the Options in connection with such termination.

9. Stock Reserve. The Company shall at all times during the term of this Certificate reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Certificate.

10. Restrictions on Transfer and Pledge. No right or interest of Optionee in the Options may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or an Affiliate, or shall be subject to any lien, obligation, or liability of Optionee to any other party other than the Company or an Affiliate. The Options are not assignable or transferable by Optionee other than by will or the laws of descent and distribution or pursuant to a domestic relations order that would satisfy Section 414(p)(1)(A) of the Code if such Section applied to an Option under the Plan; provided, however, that the Committee may (but need not) permit other transfers. The Options may be exercised during the lifetime of Optionee only by Optionee or any permitted transferee.

11. Restrictions on Issuance of Shares. If at any time the Committee shall determine in its discretion, that registration, listing or qualification of the Shares covered by the Options upon any Exchange or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the exercise of the Options, the Options may not be exercised in whole or in part unless and

until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

12. No Entitlement to Future Awards. The grant of the Options does not entitle Optionee to the grant of any additional options or other awards under the Plan in the future. Future grants, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any grant, the number of options, and vesting provisions. The grant of the options is an extraordinary item of compensation outside the scope of any employment contract. As such, the Options are not part of normal or expected compensation for purposes of calculating severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

13. Transfer of Data. By executing this certificate, Optionee voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this paragraph. Optionee is not obliged to consent to such collection, use, processing and transfer of personal data, but failure to provide the consent may affect Optionee's eligibility to receive awards under the Plan. The Company and its Affiliates hold certain personal information about Optionee, including name, home address and telephone number, date of birth, employee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, and details of any rights or entitlements to shares of stock, for the purpose of managing and administering the Plan ("Data"). The Company and its Affiliates will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of Optionee's participation in the Plan, and the Company and any of its Affiliates may each further transfer Data to any third parties assisting in the implementation, administration and management of the Plan. These recipients may be located in the United States or elsewhere throughout the world. Optionee authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Optionee's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of stock on Optionee's behalf to a broker or other third party with whom Optionee may elect to deposit any shares of stock acquired pursuant to the Plan. Optionee may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, by withdrawing his or her consent, Optionee will affect his or her ability to participate in the Plan.

14. Amendment. The Committee may amend, modify or terminate this Certificate without approval of Optionee; provided, however, that such amendment, modification or termination shall not, without Optionee's consent, reduce or diminish the value of this award determined as if it had been fully vested on the date of such amendment or termination.

15. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Certificate, the provisions of the Plan shall be controlling and determinative. Any conflict between this Certificate and the terms of a written employment, key position, or change-in-control agreement between the Company and Optionee shall be decided in favor of the provisions of such employment, key position, or change-in-control agreement.

16. Successors. This Certificate shall be binding upon any successor of the Company, in accordance with the terms of this Certificate and the Plan.

17. Governing Law. This Certificate shall be construed in accordance with and governed by the laws of the State of Georgia, United States of America, regardless of the law that might be applied under principles of conflict of laws. Optionee hereby agrees and submits to jurisdiction in the state or federal courts located in Muscogee County in the State of Georgia and waives objection to such jurisdiction.

18. Severability. If any one or more of the provisions contained in this Certificate is deemed to be invalid, illegal or unenforceable, the other provisions of this Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

19. Relationship to Other Benefits. The Shares shall not affect the calculation of benefits under any other compensation plan or program of the Company, except to the extent specially provided in such other plan or program.

20. Notice. Notices and communications under this Certificate must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Global Payments Inc., 3550 Lenox Road, Suite 3000, Atlanta, Georgia 30326, Attn: Corporate Secretary, or any other address designated by the Company in a written notice to Optionee. Notices to Optionee will be directed to the address of Optionee then currently on file with the Company, or at any other address given by Optionee in a written notice to the Company.

21. Clawback. Notwithstanding anything to the contrary in this Certificate, the Plan, or any employment, key position, or change-in-control agreement with Optionee, the options granted hereunder are subject to the provisions of the following clawback policy established by the Committee prior to the grant of the Options hereunder. The Committee may seek to recoup all or any portion of the value of any annual or long-term incentive awards provided to any current or former executive officers in the event that the Company's financial statements are restated due to the Company's material noncompliance with any financial reporting requirement under the securities laws (the "Restatement"). The Committee may seek recoupment from any current or former executive officer who received incentive-based compensation, granted after the date hereof, during the three (3) year period preceding the date that the Company was required to prepare the Restatement. The Committee may seek to recover the amount by which the individual executive's incentive payments exceeded the lower payment that would have been made based on the restated financial results and the Committee may determine whether the Company shall effect such recovery: (i) by seeking repayment from the executive; (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the executive under any compensatory plan, program or arrangement maintained by the Company; or (iii) a combination of foregoing. The Optionee hereby acknowledges that this award is subject to the foregoing policy and agrees to make any repayment required in connection therewith.

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey S. Sloan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Payments Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

By: /s/ Jeffrey S. Sloan

Date: May 6, 2020

Jeffrey S. Sloan
Chief Executive Officer

Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Paul M. Todd, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Payments Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Paul M. Todd

Date: May 6, 2020

Paul M. Todd
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Global Payments Inc. on Form 10-Q for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jeffrey S. Sloan, Chief Executive Officer of Global Payments Inc. (the "Company"), and Paul M. Todd, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey S. Sloan	/s/ Paul M. Todd
Jeffrey S. Sloan **Chief Executive Officer** **Global Payments Inc.**	**Paul M. Todd** **Chief Financial Officer** **Global Payments Inc.**
May 6, 2020	**May 6, 2020**

A signed original of this written statement required by Section 906 has been provided to Global Payments Inc. and will be retained by Global Payments Inc. and furnished to the Securities and Exchange Commission upon request.